return to Israel. My communication supplements letters which you have received from Mr. James A. Cardiello, who is representing Mr. Schieber as his attorney in New York.

I am informed by responsible persons that, if Mr. Schieber is deported to Israel, his life will be in serious danger because of his political views and the activities which he carried out in connection with the Yom Kippur war. It appears that, no matter how much forbearance or police protection he might be afforded by the government of Israel, he will still be in danger of being murdered such as happened to Rudolph Kastner. Although found innocent of charges linking him in improper dealings with Adolph Eichman, Kastner nevertheless was shot to death on the streets of Tel Aviv by inflamed Jewish groups who felt he deserved to die.

Inasmuch as your office has access, either directly or through the Department of Justice, to many of the facts in Mr. Schieber's case, I shall not repeat them here. Instead, I shall limit this letter to an urgent request that, prior to taking a final decision regarding his petition for political asylum, you consult with Acting Assistant Secretary of State for Near Eastern Affairs, Alfred L. Atherton, and with Assistant Secretary of State for Education and Cultural Affairs, John Richardson, Jr., regarding the new evidence which I will summarize in this letter. I further request that the Department of State obtain the views of the American Embassy in Tel Aviv, Israel, the American Embassy in Cairo, Egypt, and the United States Delegation to the United Nations as to the impact on American-Arab and Arab-Israeli relations if Mr. Schieber were deported and later arrested or physically harmed in Israel. I am told that there is considerable interest in the Arab world in Mr. Schieber's case as reflected in stories being published in Arab newspapers.

I am told that, during the Yom Kippur war, Mr. Schieber permitted the Egyptian authorities to record several messages by him to Israeli troops urging them not to rely on military might in defense of the present State of Israel but to pursue their goals through the establishment of a Holy Land State whose creation Mr. Schieber has been advocating for years. I am also informed that the broadcasts which Mr. Schieber made over Radio Cairo are considered by Israelis as tantamount not only to treason but also to a call for revolution in Israel. The Holy Land State which Mr. Schieber is proposing would transform Israel from a unitary Jewish state into a pluralistic Jewish-Christian-Moslem state modeled on Lebanon or on the cantonal system of Switzerland.

The Department of State may already be in receipt of an announcement by Palestinian guerrilla leader, Yasif Arafat, calling for a Jewish-Christian-Moslem state apparently identical to the one proposed by Mr. Schieber. The Reuters news service carried such a report which appeared in the Baltimore Sun on January 5, 1974.

I am informed that persons who heard Mr. Schieber's broadcasts over Radio Cairo are ready to testify that his messages so inflamed Israelis that they would insist on his being tried as a traitor. Even if that did not occur, his life would be in serious danger from action taken by individual Israelis.

Under these circumstances, it would appear to be incumbent on the Department of State not to permit Mr. Schieber's deportation to Israel until American authorities are in possession of the full texts of his broadcasts over Radio Cairo, and the comments of the American Embassies in Tel Aviv, Israel and Cairo, Egypt, as to the consequences of his deportation on American-Arab and Arab-Israeli relations.

It is not my purpose, of course, to justify Mr. Schieber's actions in permitting the Egyptian authorities to record and broadcast his messages to the Israeli army and people. However, as his attorney, I felt obligated to point out that he considers these broadcasts to be consistent with his past political activities both in Israel and in the United States.

As his position is presented to me, Mr. Schieber considers himself to be a loyal patriotic anti-Communist Jew who has always regarded the "true Zionist" movement as composed of three interrelated essential elements—Judaism-Christianity-Islam. His rationale is that the common ancestor of these religious is Abraham. For this reason, he maintains that "true Zionism" must give equal weight to Judaism, the Mosaic tradition developed by the descendants of Isaac; to Islam, developed by the descendants of Ismael; and to Christianity, which he regards as a religion dedicated to reconciling Isaac and Ismael, the sons of Abraham, through the sacrifice of Jesus.

It should be obvious that the fervent proclamation of such beliefs by Mr. Schieber while in Israel confronted by a hostile Arab world was not conducive to popularity. Further complicating Mr. Schieber's life in Israel was an equally fervent belief that Marxism, in any form, had to be repudiated because of its atheistic rejection of the God of Abraham.

These two tenets "Abrahamic Zionism" and "anti-Marxism" accounted, I am told, for the great bulk of Mr. Schieber's problems while he was in Israel, resulting in his being arrested 18 times while there. Notably, Mr. Schieber has never been arrested in the 14 years he has been in the United States, excepting his current detention pending deportation proceedings. Consequently, I believe it is not altogether implausible to infer that his conflicts with the legal authorities in Israel arose basically from his political and ideological beliefs.

As to his anti-Marxist and anti-Communist beliefs, I request that you consult Mr. John Richardson, Jr., who is currently the Assistant Secretary of State for Education and Cultural Affairs. Mr. Richardson is personally acquainted with Mr. Schieber's activities in publicizing the evils of the Soviet labor concentration camps. In this regard I understand that Mr. Richardson provided Mr. Schieber with an affidavit as far back as April 29, 1961 attesting to Mr. Schieber's anti-Communist and pro-American attitudes.

Apart from the personal fate of Mr. Schieber, it appears that his case has elicited the interest of a large number of persons. Among them are such Congressional figures as Senator James Buckley, of New York, Senator Strom Thurmond, of South Carolina, and Congressman John Ashbrook of Ohio. I believe that all of them would wish to be assured that the Department of State undertook a full inquiry into the facts involved before acquiescing in the deportation of Mr. Schieber.

In addition to these members of Congress, other prominent American citizens are deeply interested in the disposition of Mr. Schieber's case. I enclose a copy of a joint letter sent to President Nixon by Willard Edwards, Edward Hunter and Charles Lucom.

If the Department of State would wish to have particulars about Mr. Schieber's relations with the American Embassy in Tel Aviv, Israel, I suggest that it may wish to communicate with Mr. Stephen A. Koczak, a former Foreign Service Officer stationed in Israel in the years 1954–1956, and with Mr. Harold Williams, who was the CIA chief of station in the Embassy in Israel from 1956 to 1958. Mr. Koczak is currently the Director of Research of the American Federation of Government Employees, AFL–CIO, located at 1325 Massachusetts Avenue, N.W., Washington, D.C. 20005. I understand that Mr. Williams is now retired from the CIA and resides in Seattle, Washington. Both Mr. Koczak and Mr. Williams knew Mr. Schieber in Israel and are familiar with the serious danger which deportation will bring to Mr. Schieber's life.

Sincerely,

BRUCE J. TERRIS.

SENATE—*Thursday, February 21, 1974*

(Legislative day of Tuesday, February 19, 1974)

The Senate met at 12 o'clock noon, on the expiration of the recess, and was called to order by Hon. WALTER D. HUDDLESTON, a Senator from the State of Kentucky.

PRAYER

Rabbi Joseph P. Weinberg of the Washington Hebrew Congregation, Washington, D.C., offered the following prayer:

We cannot merely pray to You, O God,
To abolish war and starvation;
To root out prejudice;
To end despair and disease.

For we know that You have made the world in such a way
That man can find his own path to peace,
That man can develop the resources
With which to feed the entire world.
That we can see the good in all men
And use our minds to bring dignity and healing to our brothers.

Therefore we pray to You instead, O God,
For strength, determination, and willpower,
To do instead of just to pray,
To become instead of merely to wish.

For Your sake and for ours,
Speedily and soon,
That our land may be safe,
And that our lives may be blessed.

May the words that we pray,
And the deeds that we do
Both be acceptable before You, O Lord,
Our Rock and our Redeemer.

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, D.C., February 21, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WALTER D. HUDDLESTON, a Senator from the State of Kentucky, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

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

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Tuesday, February 19, 1974, be approved.

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

REFERRAL OF S. 2974 TO COMMITTEE ON FINANCE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that if and when the Committee on Commerce reports S. 2974, the Cargo Security Act of 1974, it be referred to the Committee on Finance for its consideration of title 2 of the bill relative to the Customs Port Security Act.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, informed the Senate that the Honorable THOMAS P. O'NEILL, JR., of the Commonwealth of Massachusetts, had been elected Speaker pro tempore during the absence of the Speaker.

The message announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 10834. An act to amend the act of October 27, 1972, establishing the Golden Gate National Recreation Area in San Francisco and Marin Counties, Calif., and for other purposes; and

H.R. 12628. An act to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and other persons; to make improvements in the educational assistance programs; and for other purposes.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred, as indicated:

H.R. 10834. An act to amend the act of October 27, 1972, establishing the Golden Gate National Recreation Area in San Francisco and Marin Counties, Calif., and for other purposes. Referred to the Committee on Interior and Insular Affairs.

H.R. 12628. An act to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and other persons; to make improvements in the educational assistance programs; and for other purposes. Referred to the Committee on Veterans' Affairs.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the acting minority leader desire to be heard at this time?

Mr. GRIFFIN. Mr. President, is there a special order reserved for me later?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. GRIFFIN. Then I shall not speak at this time.

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

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be charged against the time allotted to Senator CHILES.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CHILES. 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. The Senator from Florida is recognized for his remaining 10 minutes.

THE FUEL SHORTAGE IN FLORIDA

Mr. CHILES. Mr. President, I received a telegram yesterday from the mayor of Venice, Fla., Mr. William McCracken, and I think it explains quite well the seriousness of the problems in Florida due to the gas shortage. I ask unanimous consent to have the telegram printed in the RECORD.

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

VENICE, FLA., *February 19, 1974.*

Senator LAWTON CHILES,
Capitol Hill, D.C.:

At 9:20 P.M. Tuesday, February 19 I have declared Venice, Florida, a disaster area because of lack of gasoline fuel. This was motivated because employees of the hospital medical facilities, school teachers and most basic service people are unable to get to work. Within 36 hours ambulances will not have gasoline to operate. Fire and police services are already severely curtailed, no gasoline purveyors are operating in this area the local bus services are stopped. There is a very real hazard to life, safety, health and welfare of our citizens. In case of storm or natural disaster we are defenseless all services are coming to a standstill. The economy is paralyzed. A local funeral home is unable to bury its cadavers.

WILLIAM L. MCCRACKEN,
Mayor.

Mr. CHILES. The mayor tells me in this telegram that he has declared his city a disaster area. It has reached the point that schools are closing or will have to close. Nurses, doctors, and help cannot get to the hospitals. The bus service has been terminated. The local mortuary cannot bury the dead because it does not have gas; so the cadavers have to stay there. This is the kind of situation we find in Florida today.

I have been devoting my time solely to the terrible impact of the gas shortage in my State of Florida. I believe that the lower southwest portion of my State can justifiably be termed a disaster area. I have received countless telegrams and calls and have had personal contacts of every kind, convincing me beyond a doubt that unless something is done quickly, Florida will soon be paralyzed because of the extreme gas shortage we are experiencing in certain parts of the State.

I have been in constant contact with the regional office in Atlanta, as well as Mr. Simon's office in Washington, and have also contacted every major oil distributor in Florida. Local gasoline stations are closed. Dealers are on strike, saying that they will stay closed indefinitely until Government "gets its hands out of their businesses." Schools will be forced to close in some counties unless changes are made quickly.

I have been getting calls from businesses which are planning to lay off employees because of their inability to operate without fuel. In fact, a number of those businesses have already been laying off. I have been getting calls from people who are losing their jobs because they cannot get to work. Ambulances cannot operate because they have no gas. And as I said before, cadavers cannot be buried because the funeral homes are out of fuel.

I have listened to everyone in Government during the past weeks saying that "everything is going to improve," "wait until next week," and "things will start to straighten out." They have not straightened out. Things have become worse.

The statement yesterday that Florida was being allocated an additional 2 percent of fuel flies in the face of the tremendous disaster in my State. Governor Carter of Georgia spoke out yesterday about his State obtaining an additional 5-percent allocation of gas. He admitted that while Georgia needs what it got, other States might need it more. Florida is one of those States.

This is only one example of the complete shambles of this allocation system. It has broken down, and Florida is paying for it dearly.

Today I am sending a communication to Mr. Simon by messenger, pointing out the inequities in the present allocation system with regard to Florida and demanding: First, that he place Florida in the 5-percent category, in order to make some attempt to alleviate the dire situation we are experiencing; second, that he order the fuel companies to file class applications in behalf of their service stations in growth areas that require additional fuel to meet the needs of those areas; third, that he realize that when the FEO made their determinations of percentages, they were looking at history, rather than basing their figures on the situation today and the effect growth has had on our State; and fourth, that there be established a Federal set-aside of at least 1 percent, so that the FEO could move in an emergency situation, in any area of the country, to prevent panic buying.

I am convinced that this is the only way to bring quick relief to Floridians—that is, by placing Florida in the 5-percent category.

It is obvious to me that both the Fed-

eral Energy Office and the oil companies are completely bogged down in their own bureaucracy. I read in yesterday's Washington Post that, under questioning by the Joint Economic Committee, Mr. Sawhill told Senator PROXMIRE that his office will work more closely with State officials in the future before deciding how much gasoline to transfer from States with relatively more gasoline to States with relatively less. I maintain that this cooperation is sorely needed at this time in Florida.

Mr. President, when I read about the Vice President and the President making remarks that the whole Nation is almost over the hump on fuel and that by March 15 everything is going to be leveled out; that it does not look as though rationing is going to be necessary; that everything is going along smoothly, I wish some of these distinguished gentlemen would be able to see the situation going on in my State. I wish they would be able to take some of the phone calls I am taking and that my office in Florida is taking from people who have lost their jobs or who cannot get to a hospital, or schoolteachers who cannot get to school because they stay in line from 3 o'clock in the morning until school opens, and then the filling station closes because it has run out of its allocation of fuel. I wish they could listen to some of these cases and then say that the process is working smoothly and that it looks as though it is going to level out.

We have a situation that borders on disaster all over the southern part of my State. We hear some of these remarks, and then we see some States where there have been no lines and no serious problem getting 5 percent additional gasoline. Someone sitting at a desk in Washington, using his slide-rule and figures based on 1972, determines that certain States are going to need more fuel; and no one is listening to a Governor in a State or to the regional man who is telling them a crisis is going on in another State. It makes me realize that this allocation program of the Government is not working. Unless we do something quickly to overhaul it, we are going to have utter chaos, as we have in my State, going on in many other parts of the Nation.

Mr. President, I ask unanimous consent to have printed in the RECORD telegrams I have received in connection with this matter.

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

[Telegrams]

BRADENTON, FLA.,
February 19, 1974.

Senator LAWTON M. CHILES, Jr.,
Capitol Hill, D.C.:

Gasoline shortage in our community has now reached emergency proportions. Our businesses are suffering, we may soon have to close for lack of fuel. Please help us before it is too late.

Firkins American Motors, Sands Lincoln Mercury, Bill Graham Ford, Cox Chevrolet, Hilliard Pontiac Cadillac, Daniel Chrysler Plymouth, Boast Dodge, Cortez Toyota, Cortez Volkswagen, Conley Buick, Balsinger Datsun.

TAMPA, FLA.,
February 19, 1974.

Hon. LAWTON M. CHILES, Jr.,
Senate Office Building,
Capitol Hill, D.C.:

We know you are aware of the steadily shrinking gasoline supplies in all of Southern Florida. Unless action is taken immediately, serious and long lasting damage will be done to the economy of our state. The welfare and safety of our citizens will be jeopardized. This condition is intolerable and demands strong and prompt action on your part.

The problems of service station operators are real and must be carefully considered. We cannot expect the operators to absorb higher costs of operations while they suffer from sharply reduced incomes resulting from allocations which do not include Florida's phenomenal population increases. Steps should be taken at once to increase fuel allocations and deliveries to this area. Additionally, we recommend the following steps:

(1) Keep unrelenting pressure on Federal officials to increase the fuel allocation to Florida based on this state's singular growth factor.

(2) Allocate fuel in Florida to establish equity in distribution throughout the state.

The citizens of Florida are depending on you as their elected representatives to take action on their behalf and to take action now. Time and patience are running out. The AAA Clubs of Florida, representing 700,000 members, urge you to attack this problem today.

The AAA Clubs of Florida; Marvin Holloway Peninsula Motor Club; James Hendry, St. Petersburg Motor Club; Ellwood Smith, East Volusia Division, AAA.

SARASOTA, FLA.,
February 20, 1974.

Senator LAWTON CHILES,
New Senate Office Building,
Washington, D.C.:

Gasoline situation in Sarasota County now worse than critical. Stations closed, dealers striking, violence threatened. State allocations must be adjusted and the real problem faced without further delay.

Lido Beach Innkeepers and Condominium Owners Association, Harry Galloway, President; Around the World Motel, Azure Tides Hotel, Beach and Sun Hotel, Frontenac Hotel, Gulf Beach Hotel, Holiday Inn, Lido Beach Inn, Lido Biltmore, Suntide Motel, Surfview Motel, Three Crowns Hotel, Triton Inn, Saint Armands Apartments, Lido Harbor Towers, Presidential and Woodburn, Mark Twain, First Lido Condominium, Chateau Village, Pelican Lodge, Sheraton Sandcastle, Gulf Side Motel, Second Lido Condominium, Coquina on the Beach.

LAKE HAMILTON, FLA.,
February 20, 1974.

Senator LAWTON CHILES,
Capitol Hill, D.C.:

Gasoline situation critical in Polk County. Many of our employees unable to get enough gas to come to work. We are agricultural and we need help at once.

ED SHORES,
Vice President, Orange Co. of Florida,
(Formally Lake Hamilton Citrus, Inc.)

SARASOTA, FLA.,
February 20, 1974.

Senator LAWTON CHILES,
Capitol Hill, D.C.:

Subject: gasoline.

Teachers, nurses, workers stranded. Gasoline lines miles long. Energy Czar forbids normal customer preference. What have you done?

EDWIN A. ZUNDEL.

DELAND, FLA.,
February 20, 1974.

Senator LAWTON CHILES,
Dirksen Senate Office Building,
Washington, D.C.:

We are appealing to you on behalf of our entire work force of approximately 700 employes to please lend your assistance in obtaining additional allocations of gasoline to the DeLand area. The vast majority of the filling stations in the DeLand area are closed due to being out of fuel. By far the majority of the remaining stations are closed due to a strike. Without this additional fuel we face the very undesirable possibility of closing.

Respectfully,

BRUNSWICK CORP.

OCALA, FLA.,
February 19, 1974.

Subject: Energy.

GOOD DAY, SIR: Fuel for industry and gasoline for agriculture and the business community is essential if we hope to remain viable as a nation. I, for one, do not mind restricting my non-business driving to a bare minimum, but I resent and protest, finding it impossible to obtain gasoline to conduct my business.

If it takes rationing to provide reasonable assurance to business such as mine (engaged in the agricultural interests of Florida and the nation) then please explore this possibility, along with others as a means of clearing up this dreadful mess.

However: I'm basically against further government involvement. (See Editorial of Wall Street Journal of February 13, 1974, "Gulf Challenge" and editorial of Barrons of February 18, 1974, "It's simple, Simon.")

But since government has become a part of the management team try to make the system work or get government out of it. I'm sure you, as well as the harassed and bewildered taxpayer realize the seriousness of this problem.

Please do your utmost to project reasonable solutions to it.

Regards,

HOWARD W. TRUMM,
Food Technologist.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

REPORT OF UPLAND COTTON PROGRAM—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. HUDDLESTON) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry. The message is as follows:

To the Congress of the United States:

In accordance with the provisions of section 609 of the Agricultural Act of 1970, I transmit herewith the report of the 1972 upland cotton program.

RICHARD NIXON.

THE WHITE HOUSE, *February 20, 1974.*

REPORTS OF SECRETARY OF DEFENSE AND SECRETARY OF TRANSPORTATION — MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. HUDDLESTON) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Armed Services. The message is as follows:

To the Congress of the United States:

In 1965, the Congress authorized participation by military personnel in a program of cash awards for suggestions, inventions and scientific achievements. Nearly 1.5 million suggestions have been submitted since that time, and the program has successfully motivated military personnel to seek ways of reducing costs and improving efficiency. Of those suggestions submitted, 235,378 have been adopted, resulting in tangible first-year benefits in excess of $728 million.

During fiscal year 1973, 131,944 suggestions were submitted and 20,854 were adopted. The adopted suggestions represent tangible first-year benefits of $66,525,250.87, as well as many additional benefits and improvements of an intangible nature. Cash awards in fiscal year 1973 totalled $1,467,531.98, of which 82 percent went to enlisted men.

In accordance with the provisions of 10 U.S.C. 1124, I am forwarding reports of the Secretary of Defense and the Secretary of Transportation containing statistical information on this program and brief descriptions of some of the more noteworthy contributions made by military personnel during fiscal year 1973.

RICHARD NIXON.

THE WHITE HOUSE, *February 20, 1974.*

REPORT ON PROGRESS MADE UNDER SECTION 812 OF THE DEFENSE APPROPRIATION AUTHORIZATION ACT, 1974—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. HUDDLESTON) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Armed Services. The message is as follows:

To the Congress of the United States:

In accordance with Section 812(d) of the Department of Defense Appropriation Authorization Act, 1974 (Public Law 93–155), I am pleased to submit the following report to the Congress on the progress made in implementing the provisions of Section 812 of the Act cited above.

Several months prior to the enactment of Section 812, this Administration took the initiative to seek Allied cooperation in developing a solution to the financial problems arising from the stationing of U.S. forces in NATO Europe. We initiated discussions with the Federal Republic of Germany in May 1973 with a view toward negotiating another bilateral offset agreement covering fiscal years 1974 and 1975. Then at the June 1973 meeting of NATO Defense Ministers, Defense Secretary Schlesinger proposed to the Allies that they develop a program to relieve the U.S. of balance of payments burden we bear as a result of stationing forces in NATO Europe. He also asked that the U.S. be relieved of the additional budgetary costs involved in stationing forces in NATO Europe rather than in the U.S. A NATO study group was established to examine the problem. This group submitted a report on October 20 to the North Atlantic Council, giving an analysis of the financial problems arising from the stationing of U.S. forces in the territory of other NATO countries and developed options for Allied action to deal with these problems.

On November 29, 1973, following the enactment of the Department of Defense Appropriation Authorization Act, 1974, Ambassador Rumsfeld, the U.S. Permanent Representative to the North Atlantic Council, tabled an illustrative program of military procurement and budgetary support which would satisfy the requirements of Section 812 of the Act and thereby avoid unilateral U.S. force reductions in NATO Europe. Subsequently, during the December 1973 meeting of NATO defense ministers, our Allies declared their intention "to participate in multilateral or bilateral arrangement towards providing a common solution to the United States problem", agreed "to examine how the share of the United States in the civil and military budgets of NATO and in the infrastructure program might be substantially reduced", and noted that "consideration was being given to widening the eligibility of projects for funding under the common infrastructure program." We are continuing to point out in the North Atlantic Council and elsewhere the importance we attach to meeting the requirements of Section 812 if we are to avoid unilateral U.S. force reductions. We continue to stress, therefore, the urgent need for Allied action to fulfill the intentions declared at the December 1973 meeting of NATO Defense Ministers, regardless of the evolving balance of payments position of the U.S. and its Allies.

Pursuant to Section 812(a) of the Act cited above, a working group composed of representatives of the Secretary of Commerce, the Comptroller General of the United States, and the Secretary of Defense, has developed concepts for use in calculating the pertinent deficit once the receipt and expenditure information becomes available for all of fiscal year 1974. An inter-agency committee within the Executive Branch has prepared recommendations concerning what acceptable actions our Allies could take to offset the expected deficit. Applying the concepts developed by the working group chaired by the Department of Commerce, the Department of Defense estimates that U.S. expenditures entering the balance of payments as a result of the deployment of forces in NATO Europe in fulfillment of treaty commitments and obligations of the United States in fiscal year 1974 will be approximately $2.1 billion. In response to a U.S. request, a study is now underway in NATO to collect more complete data than in the past on Allied military procurement from the U.S. in fiscal year 1974. A high level of military procurement will be essential if the requirements of Section 812 are to be met.

Bilateral offset negotiations with the FRG constitute the major element in our effort to obtain Allied payments to offset these expenditures. The current discussions are based on a German offer which represents an increase over the amount of military procurement and budgetary support included in the FY 1972–73 agreement. However, major cost increases of deploying our forces in Germany, international economic and financial developments, and the multilateral burdensharing discussions have combined to make the negotiations unusually complex and time consuming. Once a satisfactory bilateral offset agreement has been concluded, we will look to our other Allies for the remaining amount needed to offset our estimated expenditures of approximately $2.1 billion. Although the energy crisis and the changing overall balance of payments positions of the U.S. and the European NATO countries have made it more difficult for the other Allies to respond promptly to our request for burden-sharing assistance, we are continuing to stress to them the urgent need to develop a specific program to insure that our military expenditures are fully offset.

Action to reduce the U.S. balance of payments costs and budgetary burdens associated with the stationing of U.S. forces in NATO Europe, while important, are not the only measure of equity in sharing the common defense burden. Our European Allies are continuing to improve their forces for NATO. These improvements, reflected in increasing European defense budgets, are an important aspect in sharing the defense burden. We are encouraging our Allies to continue these improvements and, when possible, to direct their increased spending into areas which serve also to reduce the U.S. share of the common burden.

RICHARD NIXON.

THE WHITE HOUSE, *February 20, 1974.*

DRUG ABUSE IN AMERICA—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. HUDDLESTON) laid before the Senate a message from the President of the United States, which was referred to the Committee on Labor and Public Welfare. The message is as follows:

To the Congress of the United States:

One of the leading concerns of this Administration over the past 5 years has been the problem of drug abuse in America. In the 1960's, the number of heroin users increased substantially, reaching more than a half-million by 1971, and we saw an increase in the abuse of other narcotic and non-narcotic drugs.

With the cooperation of the Congress, and with the assistance of many foreign nations that were involved, we have undertaken a massive response to a problem which was assuming massive proportions. Our response has been balanced between rehabilitation for drug users, and strong enforcement against drug traffickers. It is compassionate, thorough

and tough—and it has been highly effective.

REHABILITATION

In 1971, Federally-financed treatment programs for drug abuse were assisting 20,000 people. Today, these programs, linked with State and local drug abuse treatment programs have a capacity for helping more than 160,000 people.

In 1972, we had some 30,000 people on waiting lists for treatment of heroin addiction. Today, these waiting lists have been virtually eliminated. Those who formerly resorted to crime to support a drug habit because treatment was unavailable no longer have that excuse for their criminal activities. Those who want help can get that help.

There are those who need help but are unwilling to seek it. We are doing everything possible to encourage them to come in out of the cold. As an incentive to those who are not motivated to seek help on their own, Federal agencies are increasing their support of local programs to provide treatment for addicts and abusers who become involved in the criminal justice system.

ENFORCEMENT

Federal drug investigation and intelligence responsibilities have been consolidated in the new Drug Enforcement Administration of the Justice Department to provide the strongest possible spearhead in the attack on America's number one public enemy.

International seizures of opiates have increased sharply in the last year. The number of Federal drug-related arrests has jumped from over 15,000 in fiscal year 1972 to almost 25,000 in fiscal year 1973.

The continuing heroin shortage in the East Coast is an encouraging sign of success in the effort to stem the flow of this dangerous drug into our country. I am informed that the price of a milligram of heroin in New York City has tripled in the past 24 months. The purity of that heroin which is available was reduced by almost half in the same period. While we cannot solve the drug problem without treating those who are addicted, the most important factor in seeking a solution will be continued reduction of illicit drug supplies. If we are to eliminate the supply of illicit drugs we must remove from our society those who deal in these drugs.

I am determined to maintain and increase the pressure on those who traffic in human misery. Despite the very positive evidence that we are on the right track in removing the menace of drug abuse from our society, more remains to be done.

In my message to the Congress of June 17, 1971, requesting legislation for the present full-scale Federal offensive against drug abuse, I made it clear that there was much we did not know about this problem. I noted in that message that "it is impossible to say that the enforcement legislation I have asked for here will be conclusive—that we will not need further legislation. We cannot fully know at this time what further steps will be necessary. As those steps define themselves, we will be prepared to seek further legislation to take any action and every action necessary to wipe out the menace of drug addiction in America."

While our enforcement efforts are proving effective in finding drug traffickers, our system of criminal justice is not as effective in dealing with them after they are arrested. Justice Department studies show that more than a quarter of those who are convicted of narcotics trafficking do not serve a single day behind bars. These studies also indicate that nearly half of those arrested for drug trafficking may be continuing their criminal activities while out on bail. Further, because of the enormous sums of money involved in trafficking, a drug law violator finds it easier to post a high bail than do persons involved in other types of crime.

We have identified these loopholes in the criminal justice system, and now we must close them. I will submit shortly to the Congress legislative proposals which would increase the penalties for those who traffic in narcotics, provide mandatory minimum sentencing of narcotics traffickers for first time offenses, and enable judges to deny bail, under certain conditions, pending trial.

NEW LEGISLATION AIMED AT DRUG TRAFFICKERS

The new penalties for narcotics trafficking would provide minimum Federal sentences of not less than three nor more than fifteen years for a first offense. It would provide not less than ten nor more than thirty years for a second offense. Additionally, the proposal would increase the maximum Federal penalty for illicit trafficking in other dangerous drugs from the present five years for a first offense to ten years; and for the second offense, the minimum penalty would be three years and the maximum penalty would be increased from ten to fifteen years.

This proposal would also enable judges to deny bail in the absence of compelling circumstances if a defendant arrested for trafficking dangerous drugs is found (1) to have previously been convicted of a drug felony, (2) to be presently free on parole, probation, or bail in connection with another felony, (3) to be a non-resident alien, (4) to have been arrested in possession of a false passport, or (5) to be a fugitive or previously convicted of having been a fugitive. The defendant must be brought to trial within 60 days or the matter of bail would be reopened, without regard to the earlier findings.

CONCLUSION

Drug abuse is a problem that we are solving in America. We have already turned the corner on heroin. But the task ahead will be long and difficult, and the closer we come to success, the more difficult the task will be. We can never afford to relax our vigilance and we must be willing to adjust our method as experience tells us they should be adjusted.

We will continue to support treatment and rehabilitation of abusers with all the generosity and compassion which victims of drug abuse require.

But there can be no compassion for those who make others victims of their own greed. Drug traffickers must be dealt with harshly, and where the law is not sufficient to the task, we must provide new laws, and we must do so rapidly.

I urge the earliest possible consideration and passage of the legislation which I am proposing to strengthen our drug enforcement efforts by closing the loopholes in our criminal justice system.

RICHARD NIXON.

THE WHITE HOUSE, *February 21, 1974.*

REPORT OF CIVIL SERVICE COMMISSION—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. HUDDLESTON) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Post Office and Civil Service. The message is as follows:

To the Congress of the United States:

I am transmitting herewith a copy of the United States Civil Service Commission's Annual Report for fiscal year 1973.

RICHARD NIXON.

THE WHITE HOUSE, *February 20, 1974.*

EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore (Mr. HUDDLESTON) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)

ORDER OF BUSINESS

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

THE ENERGY CRISES

Mr. GRIFFIN. Mr. President, recently, the Harris survey revealed that the public's opinion of Congress has declined to what, I suspect, is the lowest point in history. Only 21 percent of the American people have a favorable or positive opinion of Congress, according to the survey.

While the public's rating of President Nixon is at a low point, it should be of considerable concern, I suggest, that the public rates Congress even lower.

Mr. President, while lines at the gasoline pumps grow longer and longer in the early morning hours, I have no doubt that a major reason for public dissatisfaction is, and ought to be, the inexcusable, if not irresponsible, performance by Congress during the past several months with respect to the large, oversized package of legislative measures known collectively as the Emergency Energy Act.

The Washington Post this morning published an article which read as follows:

The House yesterday postponed consideration of emergency legislation after the Rules Committee voted to allow House Members to

object to key provisions of the bill when it came to the floor—a move backers of the controversial legislation say effectively kills it.

Of course, I cannot say with certainty what will happen on the other side of the Capitol with regard to the energy conference report which passed this body on Tuesday of this week. But it does now appear that the report may not even be taken up in the House, and if it is taken up in the House it may not be adopted. In any event, the handwriting on the wall is very clear. If the House of Representatives should approve the conference report, the President will veto it, and there is no doubt—as I see it—that his veto would be sustained.

Mr. President, the responsibility for this state of affairs, which leaves us in a legislative stalemate, must be laid where it belongs, on the shoulders of the majority party which is in control of both Houses of Congress, which is in control of each and every committee, as well as the legislative program in both Houses of Congress.

I realize that what I say appears to carry the overtones and ring of one partisan spokesman throwing darts at the other political party. But, frankly, whatever may be the partisan advantage or disadvantage in the existing situation, it is not nearly so important as the deep concern which we should all have about the institution of Congress and the ineffectiveness which has been displayed by failure to deliver energy legislation in such an hour of great national need.

I speak as one who has gone the last mile in terms of personal effort to get this oversized package of energy-related measures passed and enacted in the form in which it has been presented.

On Tuesday last, even though I recognized shortcoming in the oil price rollback provision, I swallowed hard and voted against the motion to recommit and in favor of the conference report. I did so, not because I approved of the rollback gimmick, but because I know the Nation desperately needs and must have many of the other provisions in that energy package—provisions which are being, and have been, held hostage in what has become a prolonged and rather dangerous game here in Congress.

My vote on Tuesday was the second time I have voted against a motion to recommit. Earlier, it will be recalled, we went through a similar exercise when there was insistence upon a generally unworkable provision relating to renegotiation of profits.

The time has come—indeed, it is long past—when we should call a halt to the "monkey business"—the legislative strategy—that keeps these needed energy measures from being passed. In other words, I suggest that it is long past time to put aside the strategy of trying to pass the whole package of energy measures as an all or nothing legislative package. Continuing to pursue this approach means that 90 percent of the package which is noncontroversial is held hostage by those who are determined to impose their will with respect to the other 10 percent.

What we need to do now—and this has been obvious for some time—is to consider and pass separately the various legislative measures in that emergency energy package. We should go ahead and pass each one that can be passed on its own merits and put it on the books for the benefit of the Nation as this energy shortage grows more acute.

The responsibility of Congress cannot be avoided in this situation by merely pointing a finger of blame at the White House.

Our Founding Fathers deliberately arranged the legislative process so as to require that a bill must win the approving signature of the President of the United States, who is part of the legislative process, unless his veto can be overridden by a two-thirds vote in Congress. Now, it is very clear, it seems to me, that the national interest requires that Congress get about the business of enacting separately, if necessary, those parts of the emergency energy package which can be passed and can be signed into law—measures which can help the people who feel they are struggling almost helplessly in this energy crisis.

Let me be specific about some of the legislative items in the emergency energy package—items that have been held hostage. I refer, for example, to that part of the package which would provide relief with regard to auto emissions standards. Because of action taken by Congress in years past requiring installation of various antipollution devices, automobiles today are consuming 10 to 15 percent more gasoline than would otherwise be the case. In many areas of the country, those antipollution devices now on automobiles are really not necessary from the point of view of health. But I am not arguing for elimination of existing requirements.

What is desperately needed, however, is enactment now of legislation to classify what the auto emission standards will require with respect to 1976 models. The automobile industry is already faced with a massive retooling job because of the sudden shift in demand to smaller cars. The difficulty is compounded, however, by existing uncertainty as to what will be required in the way of auto emission standards.

To some it may sound as though this is the plaintiff appeal of one Senator seeking to cope with the problems of a single State. But let me just remind my colleagues of some important facts. Of course, it is true that Michigan is particularly hard-hit as a result of automobile layoffs. But it should not be overlooked or forgotten that one out of every seven jobs in the United States is dependent directly or indirectly on the automobile industry. What happens to the automobile industry and the jobs it generates is important, not just to Michigan—but to the entire Nation.

Another very important measure in this energy package which is being held hostage because of the debate on oil price rollback is one which provides for extended unemployment benefits for the laid-off workers in areas like Michigan which are being particularly hard hit by unemployment as a result of the energy shortage.

Beyond that, another measure being held hostage is the provision to give authority to the President to impose gas rationing. As we know, a contingency plan for a standby gas rationing plan has been developed. The President has indicated that he does not want to put it into effect. But the fact is that he does not have the authority to do so if circumstances should suddenly make it necessary for him to do so. He does not have that authority because the measure to provide is being held hostage as part of the emergency package.

There are other provisions in the package which would require certain powerplants to convert back to the use of coal. Such action is needed—it is absolutely essential during this energy shortage situation.

I have referred to just a few of the most important noncontroversial items which could be passed and enacted into law, each on its own merit, if the majority party in Congress should see fit to set a new course with respect to the handling of this energy legislation. We should abandon the all-or-nothing package approach with which we have been struggling since last December. We should move instead to consider and pass those measures, item by item, which can win majority approval and be signed by the President into law.

Of course, there still would be the question—and it must be confronted: How do we deal with oil pricing and windfall profits? There should be a debate on this subject so the several approaches can be considered—so the Congress can make a decision as to which of the various alternatives would be most equitable and would do the best job in terms of attaining our ultimate national goal of energy sufficiency.

But, Mr. President, that can be and should be a separate debate about a separate piece of legislation. The need for a decision on that issue should not hold up action on all of the other legislative measures. We can no longer afford to have the others held hostage—they should be enacted and put into effect. They are needed regardless of what we do—or fail to do—with respect to oil pricing or windfall profits.

Mr. President, even if we were to pass all of the other measures in the energy emergency package which has been held hostage, we would still have a long way to go to compile a good record of performance on the energy problem. There are other measures, not included in the package, which also require attention.

I refer, for example, to the need to authorize development of deepwater ports so supertankers will be able to deliver needed oil on the eastern shore of the United States. That legislation has not seen the light of day in the Congress.

There is the matter of siting of nuclear powerplants—legislation to do something about the redtape and long delays involved in constructing nuclear powerplants—an alternative source of power which is desperately needed.

Furthermore, legislation is needed to revise the pricing policies that now apply to natural gas. Congress should come to grips with this very difficult, controversial issue.

So, all these energy-related matters

are on the agenda of Congress. I think it is my responsibility, not only as a spokesman for my party, but as an individual Senator from a State severely hit by the energy shortage, to say that Congress must get going. Action is desperately needed. And to achieve it, there should be a change in the strategy, because that all or nothing package strategy has been a failure with no prospect of it going anywhere from here.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized for 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I know that my distinguished counterpart on the other side of the aisle realizes my strong friendship for him, and it is genuine. I have a tremendous respect for Senator GRIFFIN and enjoy working with him. I think the relationship is mutual. I always feel reluctant to speak in a vein that might indicate a personal animus, but I know that the Senator understands that that is not in what I will say.

The distinguished Republican whip has made reference to "monkey business." He began his eloquent address by referring to the low rating of the Congress in the Harris poll, and, of course, we all are concerned about that low rating. I wish it were not so. But after expressing concern about the low rating of Congress, the Senator then went on to talk about Congress performance during the last several months, and he spoke about the responsibilities of the Democratic leadership in both Houses.

He placed the responsibility for the so-called poor performance of Congress during the past several months on the Democratic leadership in both Houses. He said, "It must be laid on the shoulders of the majority party." Then he went on to shed crocodile tears for his concern about Congress, our "failure to respond," and all of this was referred to as "dangerous monkey business."

Mr. President, if I have ever seen "monkey business" truly epitomized, may I say, with all due respect to my friend, that this is the kind of talk that constitutes genuine monkey business. Those of us who are so concerned about the low rating of Congress ought to quit running Congress down.

We are in a divided government, Mr. President, and I hope that I never live to see another time when there is divided government in this country. One can always except half of the Congress to be constantly running against Congress in an era of divided Government.

The President is naturally going to have the people in his own party in both Houses defending his policy. And when they defend the President's policy, they, being a minority of the Congress, are going to criticize Congress.

So here we have half of the Congress making war on the very institution of which that minority party is a part. No wonder, Congress has such a low rating when half the Members of the Congress run against Congress, when they vilify and castigate and criticize the Congress of which they are a part.

Mr. President, I know my friend understands as well as I understand that the responsibility for enacting programs in this country and in Congress is a shared responsibility. It is not 100 percent the responsibility of the Democratic leadership. It also places a heavy responsibility upon the Republican leadership in Congress and in the executive.

I have said time and time again on this floor that we are fortunate that we have the kind of leadership on the other side of the aisle that has repeatedly shown the finest kind of cooperation in enacting legislation and in developing a remarkable record on the part, certainly of the Senate, last year.

Hundreds of bills were passed. Scores of thousands of nominations were confirmed. The oversight function of the Congress under the Constitution was admirably preformed. I think that the Senate can be proud of its record, and before the end of this session I believe that this Congress will have turned in as good a performance as most Congresses and better than some.

So I think that my friend has engaged in a little bit of finger pointing this day when there is really enough blame to go around.

The truth of the matter is that there has been no leadership on the part of the executive branch. I was in the White House last April, May, or June—I cannot recall precisely the date—when the energy situation was discussed. And my friend from Michigan was there at the same time. The President referred to it as an energy problem. He said:

> This is not an energy crisis. This is an energy problem.

If there are any recordings down there at the White House, I think they will substantiate what I have said.

It was said then by the President that this "is not an energy crisis, but an energy problem." The administration has had 5 years, Mr. President, to foresee an energy crisis and to foresee an Arab embargo and to foresee a time when the administration would not be prepared to deal with a gasoline shortage. However, what has the administration done? It failed to foresee and to prepare to deal with this situation. It is not organized. It is not prepared. Even if the President wanted to institute gasoline rationing today, the administration does not, by its own admission, have the machinery to implement such a decision. Not only that, but the administration speaks out of both sides of its mouth. It says there would not be gasoline rationing, and it says there may be gasoline rationing. Meanwhile, the presses are printing gasoline rationing coupons. It speaks with many voices.

The Director of the Office of Management and Budget says one thing, and the Energy Director, Mr. Simon, says precisely the opposite thing. Both men are honorable men—men of integrity. Who knows what to believe? This lack of credibility is hurting all institutions of Government. And until there is credibility restored to all institutions of Government, the people of this country are not going to know what to believe or whom to believe, and the Government is going to lack the kind of cooperation it needs from the public to deal with an energy crisis or any other crisis.

The people do not know what to believe and do not believe what they hear, for good reason. One day we are told that there is going to be a meeting in the very near future. "I have just had some conversations," we are told, "and I want to say that there will very shortly occur a very important meeting with oil producing countries in the Middle East, and I hope that out of that meeting will come some good news with respect to the Arab embargo." It then turns out that the meeting had been planned for weeks. It was nothing new.

Everyone knew already about that meeting and when it was going to occur. We are also told that there will be no recession; yet, we are in a recession right now. We are told that we will cooperate with the Special Prosecutor and with the Justice Department and will cooperate with this and with that at the very time that cooperation is lacking.

The people hear one thing. However, they see just the opposite. I suppose that we ought to have taken at face value the maxim that was laid down several years ago in the first Nixon administration, which went something like this: "Watch what we do, not what we say."

The trouble is that what is being said is less than meaningless, and what is being done is subzero.

Mr. President, there is enough blame to go around. And I would hope that the time is here when we ought to stop trying to say the kettle is blacker than the pot and vice versa.

The distinguished assistant Republican leader says that the country needs various provisions in the bill that went to the House. Yet, he also said that the handwriting is on the wall and that the President would veto the package.

What are we to believe when Congress has shown the only leadership that has been shown in this field for years? The senior Senator from West Virginia (Mr. RANDOLPH) and the Senator from Washington (Mr. JACKSON) have shown leadership in this field. I was speaking about the possibility of a fuel shortage years ago when I was a Member of the House of Representatives. For years I have added moneys to appropriation bills for coal research.

So, there have been ample voices in the Congress for a long time that have been calling attention to the unwisdom of depending upon a vulnerable foreign source of energy supply.

Congress has shown the only leadership in the field. And not only has it not had the cooperation of the executive branch; it has often had to fight the executive branch in getting anything enacted to deal with and to prevent the energy crisis.

Mr. President, I hope that all of us on both sides of the aisle will reevaluate what we do and reanalyze what we say when we attack the institution of which we are a part. We cannot bemoan the fact that its rating is low when we, by our own words, contribute to the obloquy that daily grows.

So I hope that my friend will accept what I have said in the spirit in which I have tried to say it. I do not question his conscientious purpose. I recognize there is a little something in a partisan

way to be gained, perhaps, by running down Congress; we all have our partisan views, and we are not averse on this side of the aisle to taking advantage of situations to advance our partisan positions. But I think we do a great disservice to the Congress of the United States when we, as Members of the Senate on either side of the aisle, criticize our own institution. It is as good or as bad as we ourselves make it.

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

Mr. ROBERT C. BYRD. Yes, I yield the floor.

Mr. JACKSON. Mr. President, I shall be very brief. There is no point in going through the record of what has happened and what has not happened. I can only say, like the Senator from West Virginia, the distinguished assistant majority leader, that he, his colleague, the able chairman of the Committee on Public Works (Mr. RANDOLPH), and I have all been involved in this energy effort for some time.

I would only point out, just to mention one or two things, that when Senator RANDOLPH proposed a commission to look into the energy problem in 1970, which was a bipartisan effort, in which I joined the Senator from West Virginia, and I think over half the Senate joined, the administration opposed his proposal on grounds that there was no need for it.

Then the Senate, under the leadership of Senator RANDOLPH, adopted the resolution which will now be expanded, Senate Resolution 45. Out of that effort has come the basic legislation through which we have endeavored to do something about the energy problem, and to give the President of the United States the tools to do the job.

Over in the Interior Committee, on the Alaska pipeline—let us just take that one as an example—that would have been started a long time ago had the administration listened when my counsel made it very clear to them that they were in legal trouble because they needed authority beyond the 50-foot right-of-way requirement which was in the then existing law.

But what happened was that they would not agree. They said they were confident; the oil industry took the same position, and the court unanimously overruled them. But, let me point out, it was not on environmental grounds. So we put the trans-Alaska pipeline bill through.

We foresaw the problem of the need for alternative sources of energy with a $20 billion research and development program. The Senator from Michigan supported it, but the administration opposed it, and subsequently came out for their own program. But it passed the Senate 82 to 0.

As to the allocation of scarce fuels: I introduced that bill, and it passed the Senate over the opposition of the administration. Mr. Simon—who I think is a dedicated, competent, and loyal American, who is doing his best to do a good job—without the mandatory allocation authority could not do anything today. Yet the administration opposed it. I was at that meeting in April a year ago that the distinguished assistant majority leader has referred to, and, very candidly, the President of the United States did not know that they had opposed the $20 billion R. & D. program. That was one of those OMB decisions.

I must say that it was very difficult, on the legislative side, to deal with the administration on these problems, because no one was in charge of the store. I do not want to bring up embarrassing subjects, but Governor Love said he never had a chance to talk to the President of the United States while he was in charge of the energy program. That is not the Senator from Washington saying it; that is what he said in a news conference. And I must say the facts are that we had no one in charge until Governor Love was appointed, and then he could not meet with the President of the United States. I say it is no wonder that Governor Love quit in disgust.

Now Mr. Simon has taken over, and I have given him 100-percent cooperation; I have stated it publicly. I think he is trying to do a good job in a difficult situation. You do not make friends; it is not a good platform to be administrator of this program and expect to have people love you.

The facts are that the conference report we are talking about stemmed from legislation that we originated in the Committee on Interior and Insular Affairs. General Lincoln, over a year ago—and it came out in the investigative hearings; the distinguished Senator from Kentucky who is now occupying the chair (Mr. HUDDLESTON) was present when it came out—General Lincoln, who was then in charge of OEP, said that they had a contingency plan to deal with a cutoff. When we had them in closed session before the committee, Governor Love and others said there was no such contingency plan. And, to make a long story short, they did not have a legislative program.

We went ahead, and I cooperated with the man who was coordinating at that time, Melvin Laird. We worked together, we got a bill out, and we passed it overwhelmingly. I concede that in the House of Representatives they added a lot of amendments. I did not agree with many of the amendments, but we had two conferences and we worked it out.

The conference report is an important piece of legislation. I think it must be passed. I would hope we can get the Republicans as well as the Democrats on the Rules Committee to grant the waiver.

Look at what is in the bill. People are really hung up on three things in America. They are hung up on these astronomical price increases, shortages, and unemployment. We tried to address ourselves to all three.

We have the provision in there on the price rollback, a provision on unemployment insurance, and provisions on coal conversion, auto emission standards, and the authority, for example, to allocate critical materials so we can get on with the oil drilling that is essential.

Mr. GRIFFIN. Mr. President, will the Senator from Washington yield for an observation?

Mr. JACKSON. Yes.

Mr. GRIFFIN. I would like to say that the Senator is reciting the very same proposals as being included in that large package—of course, as he knows, there are also others—that I recited. As I indicated earlier, I voted against the motion to recommit and for the conference report precisely because I am aware that the Nation desperately needs many of the other measures included in that large legislative package.

But the thrust of my statement earlier was this: I did not take the floor to defend the administration; I did not seek to berate Congress; but I did call attention to the fact that Congress does have a low rating in the public mind—a fact we cannot wish away. One of the reasons that is so, in my opinion, is the way Congress has dilly-dallied with this emergency energy package—the way so many of the noncontroversial measures have been held hostage in that package.

The Senator from Washington may think that the House will adopt the conference report; but, I believe the handwriting is on the wall. It seems clear to me that the House probably will not adopt the conference report. And, in any event, if it does, the President will veto it.

I do not seek to justify or explain what is likely to happen. But those are the facts. I have no doubt, as one whose job is to count votes, that a Presidential veto would be sustained in this body, if not in the other body.

My suggestion—my plea—was that Congress—and those in charge of strategy on this subject—should put the matter of oil pricing and taxation to one side so we can have a separate debate on that issue. Let us go ahead now and pass the other noncontroversial measures in the energy package—those which we know can be enacted into law.

Mr. JACKSON. We voted almost two-to-one to roll back prices. I think it is one of the major issues facing the American people. It is not just what the consumer has to pay at the gas pump but what industry has to pay. There is a long list of industries which are heavy users of energy. I am concerned about the inflation that is taking place not just at the gas pump or the fuel oil trucks but I am concerned with the impact on the economy.

I would like to see—and I would join both Republican and Democratic leadership in the Senate in going over to talk to the leadership on both sides of the aisle in the House and see if we cannot let the House vote on this when a bill such as this conference report has passed the Senate by a two-to-one margin. I think it is tragic that the House cannot vote on something that deals with the burning issue throughout America today.

Mr. GRIFFIN. But is it fair to observe, then, that the Senator from Washington—as it is his privilege so to do—apparently is going to insist upon the whole package, or nothing? Unfortunately, that has been the strategy since last December, and nothing has been passed.

Mr. JACKSON. I would say to my good friend that if we want to dismember the bill, we will be here for a long time and find endless trouble. I would only observe that when the Senate had the opportunity to work its will and the mo-

tion was offered to break it up, the effort was routed 2 to 1. I predict that if the House is given a chance to vote, it will pass it overwhelmingly.

The American people are in an ugly mood right now. They want action. They want the things that are in that bill.

There is a reporting provision. The oil companies must disclose their inventories, what they have, how much they are importing, and how much they are exporting.

Mr. President, my only plea is that with the overwhelming mandate from the Senate, with the 2-to-1 vote, I do not think we should abondon the legislative approach. I do not know of anyone who claims that the House will not pass the bill as passed. I think it will pass it overwhelmingly. If the President wants to veto it, we have that threat on every bill.

Mr. President, may I point out that we were told over and over again—and I could not believe it and it did not happen—that the President was going to veto the Alaska pipeline bill. I was told that he was going to veto the mandatory allocation bill. He did not veto either one of those bills.

I have stated over and over again at every opportunity that I want to work with Mr. Simon. I think he is doing the best job he can under very difficult circumstances. I feel strongly that he needs the support of both Democrats and Republicans in Congress. I am going to give that support to him. I will continue to give it to him.

But would it not be a sensible approach to let the House vote on this and if the President then sees fit to veto it, we will have to consider that problem. But we have had the threat of a veto on every energy bill we have sent down there. Those are the facts. I would hope in the spirit of cooperation—and I want to extend the hand of cooperation—that we could work together and get this bill up for a vote up or down in the House—the conference report, that is, and get it to the President. If the President vetoes it, then we will have to meet that problem.

But I think for the good of the country, Mr. President, the things in this conference report are a minimum. Much more needs to be done. We have other bills coming out to expedite the leasing program, to move on the coal conversion program, and to build the refineries we need to build. There is a long list of such bills. I would like to see the administration take this opportunity to extend the olive branch in the midst of a serious crisis throughout America in the energy area so that we can get on with other urgent business of the U.S. Congress.

Mr. ROBERT C. BYRD. Mr. President, may I assure the Senator and my friend on the other side of the aisle that the Democratic leadership will continue to endeavor the best it can to show the same kind of cooperation—and I think it is an admirable cooperation—with the executive branch in the future, as has been shown in the past. The Democratic leadership will continue to work with the President on these problems. After all, the American people will not blame the President alone if we fail. The American people will not blame Congress alone if we fail. They will just blame "the Government" if we do not work together. When they start cleaning out, they will clean out everything and everybody, top to bottom—Republicans and Democrats—incumbents—President, Senators, and all if we do not provide the answers to the mounting problems. It is about time we stop pointing the finger at each other for partisan gain, and hold out our hands and work together in cooperation to reach a solution to the energy crisis.

That is all I have to say.

Mr. AIKEN. Mr. President, I voted to send this bill to the House to give the House the opportunity to give it a working over. I did not think it was a good bill. There were some good things in it. There were several things in it that were bad. Had the House approved it as it left the Senate and the President had vetoed it, I would certainly vote to sustain his veto, because on the whole, there were more bad things in it—too many bad things in it—that more than offset those that were desirable.

The PRESIDING OFFICER. Is there further morning business?

REMOVAL OF INJUNCTION OF SECRECY FROM THE CONSULAR CONVENTION OF THE CZECHOSLOVAK SOCIALIST REPUBLIC

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Consular Convention with the Czechoslovak Socialist Republic, signed at Prague on July 9, 1973—Executive A, 93d Congress, second session—transmitted to the Senate today by the President of the United States, and that the convention with accompanying papers be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

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

The President's message is as follows:

To the Senate of the United States:

I am transmitting for the Senate's advice and consent to ratification the Consular Convention between the United States of America and the Czechoslovak Socialist Republic, along with the Agreed Memorandum and related exchange of notes, signed at Prague on July 9, 1973. I also am transmitting, for the information of the Senate, the report of the Department of State with respect to the Convention.

The signing of this Convention is a significant step in the gradual process of improving and broadening the relationship between the United States and Czechoslovakia. Consular relations between the two countries have not previously been the subject of a formal agreement. This Convention will establish firm obligations on such important matters as free communication between a citizen and his consul, notification of consular offices of the arrest and detention of their citizens, and permission for visits by consuls to citizens who are under detention.

The people of the United States and Czechoslovakia enjoy a long tradition of friendship. I welcome the opportunity through this Consular Convention to improve the relations between our two countries. I urge the Senate to give the convention its prompt and favorable consideration.

RICHARD NIXON.

THE WHITE HOUSE, *February 21, 1974.*

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination on the Executive Calendar.

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

The PRESIDING OFFICER. The nomination on the Executive Calendar will be stated.

DEPARTMENT OF THE INTERIOR

The legislative clerk read the nomination of Thomas V. Falkie, of Pennsylvania, to be Director of the Bureau of Mines.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the President be notified of the confirmation of this nomination.

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

LEGISLATIVE SESSION

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

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

The PRESIDING OFFICER. Is there further morning business?

AUTHORIZATION FOR COMMITTEES ON RULES AND ADMINISTRATION AND LABOR AND PUBLIC WELFARE TO FILE REPORTS BY MIDNIGHT TONIGHT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committees on Rules and Administration and Labor and Public Welfare be authorized to have until midnight tonight to file reports.

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

ORDER FOR FILING REPORT ON ELECTION FINANCING BILL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Rules and Administration have until midnight tonight to file its report on the election financing bill.

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

ORDER FOR FILING REPORT ON MINIMUM WAGE BILL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Labor and Public Wel-

fare have until the hour of midnight tomorrow to file a report on the minimum wage bill.

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

NEIGHBORHOOD YOUTH CORPS, 1974

Mr. JAVITS. Mr. President, as Senators will recall, I have sought each year, through supplemental appropriation or otherwise, to insure the maintenance of an adequately funded summer youth job program for poor youth, 14 to 21 years of age, principally through the *Neighborhood* Youth Corps summer job program.

Last year, we faced a particularly long and frustrating conflict to provide that funding, arising from the fact that the administration refused initially to spend even the basic funds appropriated by the Congress for that purpose and did so at the last minute, and then only through intervention of the Federal courts.

To encourage early planning of an adequately funded program for this coming summer, we included in the Comprehensive Employment and Training Act of 1973, signed by the President on December 28, a special transition provision enabling the Secretary of Labor to provide directly for a program—essentially through the mechanism utilized last summer—at the earliest possible date and urged in the joint explanatory statement of the Committee of the Conference that the program be maintained, as a minimum at last year's levels.

I am very pleased to report to the Senate that in response to that strong expression of congressional intent, the administration has now committed itself to a summer job program at a level of $300 million for an aggregate of 740,200 jobs, the levels of last summer. Each job will consist, as it did last year, of 26 hours per week for 9 weeks at a cost of $423 per slot.

This commitment is expressed in a letter to me dated February 4, 1974, from Secretary of Labor, Peter J. Brennan.

As noted in Secretary's Brennan's letter, the $300 million will consist of $208.6 million as a revised fiscal year 1974 budget request and $91.4 million from manpower funds carried over from last year. Importantly, as noted in the letter, these funds will be in addition to the $250 million requested by the administration—also through a revised request for fiscal year 1974—for public employment programs under title II of the new act.

This is in welcome contrast to the situation last summer when the administration encouraged municipalities to divert to summer jobs, public employment funds under the Emergency Employment Act of 1971, rather than to make available the funds that had been appropriated specifically for the Neighborhood Youth Corps summer job program.

This very commendable and substantial commitment of the administration for this year should enable early planning for the summer youth job program to cut into the unemployment rate for poor youths—which generally runs as high as 30 to 40 percent and which may be further aggravated by the energy crisis and downside economic projections as the summer approaches.

Mr. President, of course, even this amount of $300 million may not be enough in light of those factors and in that matter, I shall be guided by a survey now being taken at my request by the U.S. Conference of Mayors-National League of Cities, which should be completed later this month.

But notwithstanding that fact, I wish publicly to express my appreciation to the administration for this early basic step and to pledge every effort to insure prompt congressional action on the amount requested by the President and any additional funds that may be necessary.

I ask unanimous consent that a copy of the letter from Secretary Brennan dated February 4, together with my response of February 14, and an article from the New York Times of February 10, be printed in the RECORD.

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

U.S. DEPARTMENT OF LABOR,
Washington, D.C., February 4, 1974.

Hon. JACOB K. JAVITS,
U.S. Senate, Washington, D.C.

DEAR SENATOR JAVITS: I would like to express my appreciation for your efforts on behalf of the Comprehensive Employment and Training Act. I am aware of the arduous work contributed by you during hearings and floor debate, as well as in the conference, and I am certain that the Act is a better one because of your strong personal interest.

As you pointed out during debate on the Conference Report, authorization of the Neighborhood Youth Corps is preserved in its essence in the Act. I know of your concern with continued high rates of unemployment among youth and related interest in youth programs. I am sure that others with similar concerns appreciate the emphasis on youth programs provided for in Section 304(a) of the Act.

With specific reference to the transitional provision in Section 3(c), authorizing a separate youth program this year, which you authored, it is our intention to fund these programs during the summer of 1974 at a level of $300 million. Of this amount, $208.6 million will appear as an added request in the revised FY 1974 estimate which will accompany the budget request of the President for FY 1975. The remaining $91.4 million will come from manpower funds carried over from last year. This amount will provide summer programs of the same total capacity as last year. I assure you that funds for Title II, Public Employment Programs, are not involved in these funding plans for summer youth programs in FY 1974.

Please be assured your effective interest in adequate funding of summer youth jobs is appreciated by the Department.

Sincerely,

PETER BRENNAN,
Secretary of Labor.

FEBRUARY 14, 1974.

Hon. PETER J. BRENNAN,
Secretary of Labor,
U.S. Department of Labor,
Washington, D.C.

DEAR PETE: Thank you so much for your letter of February 4 regarding the Administration's intention to provide an aggregate of $300 million for summer youth jobs for the coming summer.

It is my understanding that the amount, consisting of $208.6 million in new budget authority in fiscal year 1974 and $91.4 million in carry over funds, will provide an aggregate of 740,200 jobs, the same number provided last summer; it is my further understanding that funds for title II will not be used to make up the basic amount.

I am highly pleased with the Administration's decision in this regard, and I pledge every effort in supporting the supplemental request, as well as any other funds that may be necessary to meet the needs for this summer.

With warm personal regards,
Sincerely,

JACOB K. JAVITS.

[From the New York Times, Feb. 10, 1974]

FUNDS PROMISED FOR SUMMER JOBS—WHITE HOUSE, IN REVERSAL, TO AID 700,000 YOUTHS

(By John Herbers)

WASHINGTON, FEBRUARY 9.—This is the time of year when the Nixon White House and members of Congress ordinarily square off for their annual battle over funding summer jobs for youths, with the Administration talking of holding the line and legislators pressing for more money.

This year, however, the White House has thrown in the towel even before the match began. It has promised to spend $300 million for more than 700,000 jobs for poor teenagers during a nine-week summer period.

The move is indicative of the new conciliatory approach that the Republican White House is taking toward the Democratic Congress on a wide range of issues.

"This is fresh evidence of the Administration's desire to respond to Congressional intent," said Senator Jacob K. Javits, Republican of New York, a leader in the perennial fight for more funds. "This is in welcome contrast to the situation last summer when funds already appropriated were made available by the Administration only at the last minute, and then through intervention of the Federal courts."

COMPROMISES MADE

The Administration is making compromises with Congress on legislation that it previously refused to amend or accept; it is funding programs that it had planned to kill; it has abandoned the major portion of its effort to impound funds, and it is proposing some legislation—health and welfare reform, for example—that is much more liberal than the Nixon White House considered possible last year.

Administration sources cite changed economic conditions as the reason for the policy shift. As to the youth job program, William H. Kolberg, Assistant Labor Secretary for Manpower, said last month, "I think the Congress, speaking for the country, has said a summer job program for youth is an important thing and we're going to have one."

The general feeling in Congress, however, is that the weakened state of the Nixon Presidency is a factor in the general shift of policy. President Nixon is facing an impeachment inquiry in the House of Representatives, and readers of history there are recalling that more than 100 years ago President Andrew Johnson stopped blocking legislation passed by his opponents in Congress at the time of his impeachment trial and thus escaped expulsion from office.

REFUSED IN 1973

On the matter of youth jobs, the Administration's shift in position is quite radical. Congress appropriated money specifically to finance the jobs through the Neighborhood Youth Corps. Citing its efforts to halt inflation by controlling Federal expenditures, the White House refused to spend the money.

Last March 21, the President announced that the localities could fund summer jobs largely from money appropriated for emergency public service employment. This caused Senator Javits to retort: "This is impoundment and breach of promise. Cities are left

with the Hobson's choice of firing the father in order to hire the son."

A lawsuit was filed in the Federal courts, which ruled against the Administration in July.

On Feb. 4, shortly before the budget for the 1975 fiscal year was made public, Secretary of Labor Peter J. Brennan informed Senator Javits that the Administration would provide funds for the job program this year, even before Congress appropriates them.

"It is our intention," he wrote, "to fund these programs during the summer of 1974 at a level of $300 million."

ADDED REQUEST

He said that of that amount, $208.6 million would appear as an added Administration request for the funds it was seeking under the new comprehensive Employment and Training Act. The remainder will be $91.4 million left over from last summer because the court ruling came so late the Labor Department could not use all the money involved.

It is considered likely, Congressional sources said, that additional funds for youth jobs will be supplied from other programs, depending on the need established by surveys and economic conditions.

"This very commendable and substantial commitment of the Administration," Senator Javits said, "should enable early planning for a summer youth job program to cut into the unemployment rate for poor youths—which runs generally as high as 30 to 40 per cent and which may be further aggravated by the energy crisis and downside economic projections as the summer approaches."

For the last several years, the fight between Congress and the Administration over the funding level has not been settled until late spring or summer, preventing rational planning by the localities.

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

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

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. HUDDLESTON) laid before the Senate the following letters, which were referred as indicated:

REPORT ON EMERGENCY RAIL SERVICES

A letter from the Secretary of Transportation, transmitting, pursuant to law, a report on Emergency Rail Services, dated February 8, 1974 (with an accompanying report). Referred to the Committee on Commerce.

PROPOSED LEGISLATION OF SECRETARY OF TRANSPORTATION

A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Interstate Commerce Act, as amended, to assure that rates are compensatory, to allow more flexibility in establishing rates, to facilitate the abandonment of uneconomic rail lines, and for other purposes; to assist in the financing of rail transportation facilities and to develop a rolling stock scheduling and control system (with accompanying papers). Referred to the Committee on Commerce.

OPERATIONS UNDER AIRPORT AND AIRWAY DEVELOPMENT ACT OF 1970

A letter from the Secretary of Transportation, transmitting, pursuant to law, a report on operations under the Airport and Airway Development Act of 1970, dated 1973 (with an accompanying report). Referred to the Committees on Commerce and Finance.

PROPOSED LEGISLATION OF DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Federal Food, Drug, and Cosmetic Act and the Fair Packaging and Labeling Act to improve the protection of the public health and safety, to repeal the Filled Milk Act and the Filled Cheese Act, and for other purposes (with accompanying papers).

Mr. NUNN. Mr. President, I ask uanimous consent that a communication from the Department of Health, Education, and Welfare relative to the Federal Food, Drug, and Cosmetic Act and the Fair Packaging and Labeling Act be jointly referred to the Committees on Commerce and Labor and Public Welfare.

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

PROPOSED LEGISLATION OF DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Social Security Act to provide adequate financing of health care benefits for all Americans (with accompanying papers). Referred to the Committee on Finance.

PROPOSED LEGISLATION OF DEPARTMENT OF LABOR

A letter from the Secretary of Labor, transmitting a draft of proposed legislation to extend and improve the Nation's unemployment compensation programs, and for other purposes (with accompanying papers). Referred to the Committee on Finance.

REPORT ON OPERATION OF THE TRADE AGREEMENTS PROGRAM

A letter from the Chairman, U.S. Tariff Commission, transmitting, pursuant to law, a report on operation of the trade agreements program, dated 1971 (with an accompanying report). Referred to the Committee on Finance.

REPORT OF PEACE CORPS ANNUAL OPERATIONS

A letter from the Director of ACTION, transmitting, pursuant to law, a report on the Peace Corps, for fiscal year 1973 (with an accompanying report). Referred to the Committee on Foreign Relations.

PROPOSED LEGISLATION OF ACTION

A letter from the Director, ACTION, transmitting a draft of proposed legislation authorizing appropriations for Peace Corps (with an accompanying paper). Referred to the Committee on Foreign Relations.

REPORT ON PROGRAMS ADMINISTERED BY THE AGENCY FOR INTERNATIONAL DEVELOPMENT

A letter from the Administrator, Agency for International Development, Department of State, transmitting, pursuant to law, a report on programs administered by that Agency, fiscal year 1974 (with an accompanying report). Referred to the Committee on Foreign Relations.

REPORT ON INTERNATIONAL AGREEMENTS

A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, documents relating to international agreements entered into by the United States (with accompanying papers). Referred to the Committee on Foreign Relations.

REPORT ON CERTAIN SERVICES PROVIDED TO STATE OR LOCAL GOVERNMENTS BY THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

A letter from the Administrator, National Aeronautics and Space Administration, transcript reporting, pursuant to law, that no technical services were provided to State or local governments by that Administration, calendar year 1973. Referred to the Committee on Government Operations.

REPORTS OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Audit of Commodity Credit Corporation Fiscal Year 1973," Department of Agriculture, dated February 7, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Changes in Law Recommended to Enable GSA to be More Effective in Selling Excess Properties and in Acquiring Public Building Sites," General Services Administration, dated February 15, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "United States Programs in Ghana," dated February 12, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "More Intensive Reforestation and Timber Stand Improvement Programs Could Help Meet Timber Demand," Forest Service, Department of Agriculture, dated February 19, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

REPORTS OF U.S. WATER RESOURCES COUNCIL

A letter from the Director, U.S. Water Resources Council, transmitting, pursuant to law, a report on a plan for the Big Muddy River Basin, Ill. (with accompanying papers). Referred to the Committee on Interior and Insular Affairs.

A letter from the Director, U.S. Water Resources Council, transmitting, pursuant to law, a report on plan for the Genesee River Basin, N.Y. (with accompanying papers). Referred to the Committee on Interior and Insular Affairs.

REPORTS OF WATER RESOURCES COUNCIL AND OHIO RIVER BASIN COMMISSION

A letter from the Deputy Director, Office of Management and Budget, Executive Office of the Persident, transmitting, pursuant to law, reports of the Water Resources Council and the Ohio River Basin Commission on Comprehensive Studies of the Wabash River Basin, Ill., Indiana and Ohio and the Kanawha River Basin, North Carolina, Virginia, and West Virginia (with accompanying papers). Referred to the Committee on Interior and Insular Affairs.

PROPOSED CONTRACT WITH UNIVERSITY OF IDAHO

A letter from the Acting Assistant Secretary for Energy and Minerals, Department of the Interior, transmitting, pursuant to law, a proposed contract with the University of Idaho, Moscow, Idaho, for a research project entitled "Field Testing Tracer Gas Survey Techniques to Quantify Leakage Ventilation" (with accompanying papers). Referred to the Committee on Interior and Insular Affairs.

PROPOSED AMENDMENT TO CONCESSION CONTRACT

A letter from the Acting Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed amendment to a concession contract, at the Kalaloch Area of Olympic National Park, Wash. (with an accom-

panying paper). Referred to the Committee on Interior and Insular Affairs.

REPORT OF GOVERNMENT COMPTROLLER FOR GUAM

A letter from the Director of Territorial Affairs, Department of the Interior, transmitting, pursuant to law, a report of the Government Comptroller for Guam, for fiscal year ended June 30, 1973 (with an accompanying report). Referred to the Committee on Interior and Insular Affairs.

PROPOSED LEGISLATION OF DEPARTMENT OF STATE

A letter from the Acting Assistant Secretary for Congressional Relations, Department of State, and Under Secretary, Department of the Interior, transmitting a draft of proposed legislation to authorize the measures necessary to carry out the provisions of Minute No. 242 of the International Boundary and Water Commission, concluded pursuant to the Atomic Energy Commission in accord- (TIAS 994), entitled "Permanent and Definitive Solution to the International Problem of the Salinity of the Colorado River (with accompanying papers). Referred to the Committee on Interior and Insular Affairs.

PROPOSED LEGISLATION OF ATOMIC ENERGY COMMISSION

A letter from the Chairman, Atomic Energy Commission, transmitting a draft of proposed legislation to authorize appropriations to the Atomic Energy Commission in aacordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes (with an accompanying paper). Referred to the Joint Committee on Atomic Energy.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

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

A resolution of the Senate of the State of Washington. Referred to the Committee on Foreign Relations:

"SENATE RESOLUTION 182

"Whereas, There are 1,127 American servicemen still listed as missing in action in Indochina one year after the signing of the Vietnam peace accords; and

"Whereas, There are more than 50 families in Washington with fathers, husbands or sons still on the list of men missing in action; and

"Whereas, The January 27, 1973, peace accords did make a mutual promise of cooperation on the exchange of information about all servicemen missing in action; and

"Whereas, The North Vietnamese have not provided such information and have in fact hindered search teams looking for the missing men; and

"Whereas, President Nixon promised that a complete accounting of the men missing in action would be given the same priority as the return of the 566 American prisoners of war who returned home from North Vietnam in the spring of 1973;

"Now, therefore, be it resolved, by the Senate of the State of Washington, That Congress urge the President to demand that the North Vietnamese comply with the 1973 Vietnam peace accords, and that he obtain a full accounting of all American servicemen missing in action;

"Be it further resolved, That copies of this resolution be immediately transmitted by the Secretary of the Senate to Richard M. Nixon, President of the United States, to the President of the United States Senate, the Speaker of the House of Representatives, and to each member of the Congress from the State of Washington."

A resolution of the Senate of the State of Washington. Referred to the Committee on Public Works:

"Senate Resolution 184

"Whereas, The shortage of petroleum fuel has decreased the amount of such fuel sold in this state; and

"Whereas, In their efforts to help during the energy crisis, the citizens of this state have curtailed driving and are attempting to use less petroleum fuel; and

"Whereas, State highway fund income has been reduced in direct proportion to the lesser number of gallons of petroleum fuel sold in the state; and

"Whereas, The reduction in such revenue has made this state less able to meet the federal matching funds requirements for construction of highways by the department of highways;

"Now, therefore, be it resolved, By the Senate of the State of Washington, that Congress should consider methods of relieving the states of their responsibility to match federal funds and that Congress should consider reducing or eliminating the state matching funds requirements for highway construction; and

"Be it further resolved, That copies of this resolution be transmitted by the Secretary of the Senate to the Honorable Richard M. Nixon, President of the United States Senate, the Speaker of the House of Representatives, and to each member of Congress from the State of Washington."

A resolution adopted by the Missouri Department of Conservation praying for the enactment of legislation to implement certain recommendations of the National Water Commission. Referred to the Committee on Interior and Insular Affairs.

A resolution adopted by the Desk and Derrick Club of Houston, Tex., pledging their continued support to the Nation relating to conservation of energy. Referred to the Committee on Interior and Insular Affairs.

A letter, in the nature of a petition, praying for a redress of grievances, from Mrs. B. C. Deatherage, San Jose, Calif. Ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Rules and Administration, with additional amendments:

S. 1541. A bill to provide for the reform of congressional procedures with respect to the enactment of fiscal measures; to provide ceilings on Federal expenditures and the national debt; to create a budget committee in each House; to create a congressional office of the budget; and for other purposes (Rept. No. 93-688).

Mr. CANNON. Mr. President, on October 30, 1973, S. 1541 was referred to the Committee on Rules and Administration with instructions to report back to the Senate not later than February 25, 1974. This matter was considered and, under the chairmanship of the Committee on Rules and Administration, Senator ROBERT C. BYRD, it has performed an outstanding job in amending S. 1541 and reporting it back now to the Senate in such form that I believe it will be a monumental step forward.

It is a long overdue reform bill, and will go a long way toward improving the fiscal processes of the Congress of the United States as well as the executive branch.

Mr. President, I ask unanimous consent that the committee have 10 days to prepare and file its report that should accompany the bill.

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

Mr. CANNON. Mr. President, again I want to commend the distinguished Senator from West Virginia for his outstanding work on this bill. He worked while the Congress was not in session. He had a joint committee staff from numbers of various committees that were involved with these various questions covered in the bill and he has really performed an outstanding service to the Senate.

Mr. ROBERT C. BYRD. I thank my distinguished chairman for his overly generous comments concerning my part in this endeavor.

By Mr. CANNON, from the Committee on Rules and Administration:

S. 3044. An original bill to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns. (Rept. No. 93-689), together with additional views.

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 or placed on the calendar, as indicated:

By Mr. BELLMON:

S. 3029. A bill to amend the Consolidated Farm and Rural Development Act. Referred to the Committee on Agriculture and Forestry.

By Mr. CHILES:

S. 3030. A bill to amend and extend the Export Administration Act of 1969. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. TALMADGE (by request):

S. 3031. A bill to provide for two additional Assistant Secretaries of Agriculture; to increase the compensation of certain officials of the Department of Agriculture; to provide for an additional member of the Board of Directors, Commodity Credit Corporation; and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. SPARKMAN (for himself, Mr. TOWER, and Mr. JOHNSTON) (by request):

S. 3032. A bill to extend and amend the Economic Stabilization Act of 1970 to provide for the orderly transition from mandatory economic controls and continued monitoring of the economy, and for other purposes. Referred to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SPARKMAN (by request):

S. 3033. A bill to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations, and for other purposes. Referred to the Committee on Foreign Relations.

By Mr. ERVIN (for himself, Mr. MUSKIE, Mr. PERCY, Mr. CHILES, and Mr. JAVITS):

S. 3034. A bill to prohibit the reservation of appropriated funds except to provide for contingencies or to effect savings. Referred to the Committee on Government Operations.

By Mr. STAFFORD (for himself, Mr. BAKER, and Mr. RANDOLPH):

S. 3035. A bill to amend title 23, United States Code, the Federal-Aid Highway Act of 1973, and other related provisions of law, to establish a unified transportation assistance program, and for other purposes. Referred to the Committees on Banking, Hous-

ing and Urban Affairs, Finance, and Public Works, by unanimous consent.

By Mr. ABOUREZK (for himself, Mr. YOUNG, Mr. CURTIS, Mr. HANSEN, Mr. MCGOVERN, and Mr. PROXMIRE):

S. 3036. A bill to protect the public health and welfare by providing for the inspection of imported dairy products and by requiring that such products comply with certain minimum standards for quality and wholesomeness and that the dairy farms on which milk is produced and the plants in which such products are produced meet certain minimum standards of sanitation. Referred to the Committee on Agriculture and Forestry.

By Mr. STEVENSON (for himself, Mr. ABOUREZK, Mr. CLARK, Mr. HART, Mr. HATHAWAY, Mr. HUDDLESTON, Mr. HUGHES, Mr. METCALF, Mr. MONDALE, Mr. MOSS, Mr. NELSON, and Mr. PROXMIRE):

S. 3037. A bill to provide for full financial disclosure by Federal elective officials and candidates for Federal elective office, and for other purposes. Referred to the Committee on Rules and Administration.

By Mr. GRAVEL:

S. 3038. A bill to authorize and direct the Secretary of the Department under which the U.S. Coast Guard is operating to cause the vessel *Miss Keku*, owned by Clarence Jackson of Juneau, Alaska, to be documented as a vessel of the United States so as to be entitled to engage in the American fisheries. Referred to the Committee on Commerce.

By Mr. CURTIS (for himself and Mr. HANSEN):

S. 3039. A bill to amend the Internal Revenue Code of 1954 to provide for the valuation of a decedent's interest in a closely held business for estate tax purposes. Referred to the Committee on Finance.

By Mr. BUCKLEY:

S. 3040. A bill relating to amendments of the Natural Gas Act. Referred to the Committee on Commerce.

By Mr. MCCLURE (for himself, Mr. BAKER, Mr. RANDOLPH, Mr. MONTOYA, Mr. BENTSEN, Mr. DOMENICI, Mr. GRAVEL, and Mr. STAFFORD):

S. 3041. A bill to amend the Public Works and Economic Development Act of 1965, as amended, to extend the authorizations for a 1-year period, to establish an economic adjustment assistance program, and for other purposes. Referred to the Committee on Public Works.

By Mr. PROXMIRE:

S. 3042. A bill to require the Securities and Exchange Commission and certain independent agencies which regulate banking and thrift institutions to transmit certain reports and other information to the Congress. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. NELSON:

S. 3043. A bill to amend the statutes to create a Federal Citizens Appeal Board, to provide grants to States for the establishment of citizen appeal processes, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. CANNON, from the Committee on Rules and Administration:

S. 3044. An original bill to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns. Placed on the calendar.

By Mr. HARRY F. BYRD, JR.:

S.J. Res. 189. Joint resolution to restore posthumously full rights of citizenship to Gen. R. E. Lee. Referred to the Committee on the Judiciary.

By Mr. SPARKMAN (for himself and Mr. ALLEN):

S.J. Res. 190. Joint resolution to authorize and request the President to designate the period from May 26, 1974, through June 1, 1974, as "National Stamp Collecting Week," and for other purposes. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHILES:

S. 3030. A bill to amend and extend the Export Administration Act of 1969. Referred to the Committee on Banking, Housing, and Urban Affairs.

NEED TO REVAMP EXPORT ADMINISTRATION ACT TO MEET CHANGES IN WORLD ECONOMIC SITUATION

Mr. CHILES. Mr. President, I am introducing proposed legislation today which, if passed, would rewrite the basic authorities and policy context of the Export Administration Act to meet the new circumstances we face today in the world economy.

The energy crisis has turned the world economy upside down and inside out in the course of a few months. All of this sudden change should cause us to reexamine legislation governing our economic relations with the rest of the world, especially trade legislation.

Most trade legislation deals with imports because it is barriers to imports which in the past has constricted world trade.

But the trade policies which have had the most devastating effects on the world's economic outlook in the energy crisis are export controls on oil, export taxes on oil and changes in oil export prices. So, suddenly attention should shift to policies affecting exports in addition to policies affecting imports.

It happens that the Constitution of the United States in article I section 9 prohibits the levying of export taxes. Export controls are authorized under the Export Administration Act of 1969 which expires on June 30 of this year. This legislation is primarily concerned about the adequacy of domestic supply from sources of domestic production.

Export controls can be used to restrict the outflow to world markets of goods which may be in short supply in the United States and which may be experiencing price increases.

So the Export Administration Act as it now stands makes export controls an instrument of domestic economic policy rather than an instrument of foreign economic policy.

Last year there was very legitimate and serious concern in the Committee on Banking, Housing, and Urban Affairs with the adequacy of the authorities in the Export Administration Act to deal with shortages in soybeans, cotton seeds, and scrap.

As the law now stands, export controls can be used only if three conditions prevail. There must be: First, an "excessive drain of scarce materials," second, a "serious inflationary impact," and third, the latter must be caused by "abnormal foreign demand." This is very tightly drawn language. Whereas careful consideration should be given to the use of export controls in every instance and Congress should have a definite role to play, my strong feeling is that this authorizing language is totally inadequate to meet what can now be seen as pressing problems.

In my view the policy context defined in the "findings" sections of the act and the authorizing language should contain specific reference to the following areas of major concern:

First, the capacity of the United States to legally respond with export controls to actions taken by other governments which vitally affect the U.S. domestic economy.

Second, the need to address the problems of access to supplies as well as access to markets.

Third, the fact that export controls should now be a major item on the agenda of international trade negotiations in the GATT.

Fourth, the inadequacy of existing international rules and institutions to handle present problems arising from export policies.

RESPONSE TO OTHERS

As I have pointed out in legislation I have already introduced (S. 2947), export controls cannot now be used to respond in another product of importance to a country which uses export policies to affect the price or supply of a product of importance to us.

I feel that it is absolutely vital for the United States to have the specified legal authority to respond with export controls of our own to actions taken by others which are as damaging to our economy as the recent oil measures have been.

We must be able to use export controls to persuade other countries to adjust their policies. We do not have that authority now. The legislation I introduce today includes provision of that authority as in the bill (S. 2947) that is already introduced.

Changes in oil prices, export taxes, and the rate of oil exports by the oil producing nations have thrown the world into a tizzy. The effects on our economy have been tremendous. They have had and will have major effects on our balance of payments, unemployment, inflation, and growth prospects.

In August of 1971 the United States took severe steps to try to put its own house in order economically—to strengthen our currency, to eliminate a serious deficit in our balance of payments, and to put our economy on a more competitive footing. All of this had a dramatic effect on our balance of trade from a deficit of $917 million in the second quarter of 1971 to a surplus of $714 million in the third quarter of 1973.

Now the recent rises in oil prices have thrown predictions about our future trade balance way off. The highly respected OECD in Paris—the Organization of Economic Cooperation and Development, comprised of all industrial nations—had forecast before the December oil price increases that the United States would sell about $5 billion more worth of goods abroad than it imports in 1974, a very sizable trade surplus. Now, in light of the tremendous oil price rise, the OECD is forecasting a U.S. trade deficit of $1.5 billion. This is a total change of $6.5 billion in our trade relations which is a massive turnaround due to oil price rises.

The effects on our allies will be even worse, given their much smaller sizes. The OECD now predicts a trade deficit of $7.5 billion for Britain, $6 billion for Japan, $3.75 billion for France, $3.5 billion for Italy and $2.5 billion for West Germany.

Only Canada is foreseen as balancing its trade books, and that is because Canada has been behaving like an oil producer by raising its prices.

The OECD revised figures indicate that inflation and unemployment will increase sharply in the first 6 months of 1974, but will taper off considerably in the latter half of the year. They forecast an annual rate of unemployment of 5.5 percent up from 4.8 percent last year. Inflation last year was 8.8 percent overall with a more than 20 percent rise in food prices.

These were the highest rates of inflation in many years. Now the OECD is predicting still higher rates. Estimates of real growth in the United States predict a decline of one-half of 1 percent in the January to June period, followed by a recovery to a two-and-a-quarter-percent growth during the second half of 1974.

These effects on our economy and on world economic conditions are disastrous. And yet we have been caught in this crisis, as if there is nothing we can do to try to persuade the oil producing nations that their actions are not only extremely damaging to us but possibly damaging also to their own interests.

Hence, the findings and the policy language of the Export Administration Act needs to take account of this newly perceived need to have the capacity to respond with export controls on goods of importance to other countries when they take action on their exports which is damaging to us.

ACCESS TO SUPPLIES

Beyond this, the energy crisis has opened our eyes to the fact access to markets is not the only limitation on trade. Access to supplies, especially sources of fuel and food is now seen as the critical bottleneck.

It is as if the supply problem suddenly leapt upon us after so many years of people worrying about demand and access to markets. With inflation becoming a worldwide problem, sources of economical food have become more important.

Many studies have discussed problems which might arise from exhausting finite supplies of raw materials and natural resources. Those studies are getting a better hearing now that oil has become such a problem.

All this argues that assuring access to supplies at the very least should be included in trade legislation and trade negotiations. Clearly, in any bargaining situation, we will not be able to achieve access to supplies abroad without allowing access to our own sources of supplies.

This will require that authority to exist to shape U.S. policy on export controls on the basis of addressing the problem of access to supplies. This authority does not now exist. Given the fact that the world now is more a sellers' than a buyers' market, we should legislate this authority.

TRADE NEGOTIATIONS

The trade reform bill under consideration in the Senate Finance Committee is the legislation which will provide the United States with a mandate to participate in major trade negotiations with other nations in the GATT. There is a need to establish a conference between the trade reform bill and the Export Administration Act so that they reinforce rather than contradict each other.

The trade reform bill should be the vehicle for providing the authority to negotiate trade agreements and guidelines with other nations.

The operational authority for the use of export controls is contained and I think should remain in the Export Administration Act. It seems essential that this act be amended to take account of the fact that major international trade negotiations are in the works and that it is within the framework of these negotiations that international rules and arrangements regarding the use of export policies should be discussed.

The fact that the findings and policy authorities of the act define export controls largely as instruments of domestic economic policy, make it imperative to cast the authorizing language in the mold of foreign economic policy so that the implementing authorities in this act mesh with the negotiating authorities in the trade reform bill.

The legislation I am introducing provides explicit language for the Export Administration Act which would link it to the trade reform bill and would assure that export controls become a major topic for discussion and negotiation in the trade talks within the GATT.

There are some legislative proposals before the Congress which would place the implementative authority for export controls and other measures within the trade reform bill.

I would think that keeping the implementative authority for export controls within the Export Administration Act would be preferable, given its broad concern with domestic and international dimensions of supply, and make minor revisions in the language of the trade reform bill to provide explicit negotiation authority for export controls and for addressing the international problems of access to supplies.

THE INADEQUACY OF RULES AND INSTITUTIONS

There can be no doubt that the present chaos in world economic relations shows the inadequacy of international discussions and negotiations to develop agreed upon principles of conduct in export policy practices to avoid the kind of unilateralism we have recently witnessed in oil.

To be sure, this is a very difficult area to deal with. In fact, the discusion of the whole range of so-called "nontariff barriers" to trade, of which export controls is one, were largely left out of the Kennedy round of trade negotiations which dealt mostly with tariffs.

Nontariff barriers are to be a major focus of attention in the coming trade talks. These are very complex and difficult, and surely export controls will be one of the most difficult matters to find agreement on how they should be treated. But it is now abundantly clear that deal with them we must, and that considerable effort must be made to work out mutually satisfactory arrangements to guide how nations take action on export controls affecting the welfare of other nations. Part of the problem is that this whole subject has been ignored. As the just released "Economic Report of the President" points out so aptly:

> The existing patterns of thought as well as existing trade rules were not well geared to dealing with trade policy measures aimed at restricting exports and preserving domestic sources of supply.

Establishing these kinds of trade rules to guide governmental actions on exports controls is vital. The bill I am now introducing will hopefully enhance this effort.

CONCLUSION

There is a vacuum not only in the existing pattern of thought on these subjects but also in the existing pattern of legislation. The language I am proposing today to amend the Export Administration Act will, I hope, strengthen the Nation's efforts to achieve some order out of the economic chaos we are now experiencing.

If we revamp the policy context and authorities of this act to provide the capacity to respond with export controls to damaging export policies abroad and cast the use of export controls within our overall effort to achieve through international negotiations world economic practices which permit freer and more equitable access to markets and to sources of supplies, I think we will have taken significant steps to strengthen our own hand in dealing with the new international economic problems we face.

By Mr. TALMADGE (by request):

S. 3031. A bill to provide for two additional Assistant Secretaries of Agriculture; to increase the compensation of certain officials of the Department of Agriculture; to provide for an additional member of the Board of Directors, Commodity Credit Corporation; and for other purposes. Referred to the Committee on Agriculture and Forestry.

Mr. TALMADGE. Mr. President, by request, I introduce, for appropriate reference, a bill to provide for two additional Assistant Secretaries of Agriculture, and so forth. I ask unanimous consent that a letter from the Assistant Secretary of Agriculture, transmitting the legislation, be printed in the RECORD.

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

DEPARTMENT OF AGRICULTURE,
Washington, D.C., February 6, 1974.

HON. GERALD R. FORD,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft of a bill to provide the following adjustments in the top level policy staff of the Department of Agriculture:

Establish two new positions as Assistant Secretary of Agriculture at Executive Level IV;

Raise the position of Administrator, Animal and Plant Health Inspection Service, from GS–18 to Executive Level V; and

Increase the membership of the board of the Commodity Credit Corporation from six to seven.

The purpose of this legislation is to bring the USDA top level staff in line with other

departments and to recognize the tremendous growth in the scope and complexity of USDA programs since 1953, the last time such legislation was enacted.

The scope, magnitude, and complexity of the Department's operations have increased substantially since 1953, while the only additional top level policy position approved since that time has been the position of Assistant Secretary for Rural Development which was included in the Rural Development Act of 1972.

At present the Secretary of Agriculture has available to assist him in managing and directing the complex and far-reaching programs of the Department of Agriculture a top-level staff consisting of one Under Secretary and four program Assistant Secretaries, plus an Assistant Secretary for Administration. This small group of top policy officials is responsible for developing the policies and directing and managing the operations of a Department that carries out its many complex programs at over 10,000 locations, in every one of the 50 States, in over 3,000 countries, in every major metropolitan area, and in many foreign countries.

Many new programs have been enacted by the Congress since 1953, such as watershed protection, mandatory poultry inspection, National Wool Act, Food Stamp Program, Child Nutrition Act, Agricultural Fair Trade Practices Act, water and sewer program, cooperative forestry research program, and programs for the disposition of commodities under the Agricultural Trade Development and Assistance Act (Public Law 480), and resource conservation and development program.

Existing programs have been expanded in the areas of meat inspection, marketing, food distribution, nutrition, consumer services, research, education, forest land management, timber sales, rural housing, technical assistance by the Soil Conservation Service to farmers and soil conservation districts, and rural area development activities.

The relationships between these programs and other Government programs are becoming more and more complex. This has resulted, for example, in designation of the Secretary of Agriculture as a member of the Council on International Economic Policy, the Cost of Living Council, the Water Resources Council and other groups.

Net budgetary expenditures for all activities of the Department increased from about $4.7 billion in 1953 to an estimate of about $9.6 billion in 1974. During this same period the man-years (average annual employment) increased from 62,479 to 100,992.

The need for adequate staffing of the several Departments at the Under Secretary and Assistant Secretary level has been recognized in most of the other cabinet-level agencies of the Government. We believe the magnitude and scope of the activities which the Congress has authroized and directed this Department to carry out are as great as, or greater than, those of most other civilian cabinet-level agencies.

This Department with four Executive Level IV Assistant Secretaries ranks low among the Executive Departments. Compared with four such positions in this Department, the Defense Department and its service departments has 22; the Department of Housing and Urban Development has six; the Department of State has 11; the Department of Justice has nine; the Department of Treasury has five; the Department of the Interior has six; and the Department of Labor has five. A position as Director of Agricultural Economics was established in the Office of the Secretary of Agriculture on October 13, 1961. A position as Assistant Secretary for Administration was established in the Office of the Secretary of Agriculture by the Reorganization Plan of 1953.

We are also proposing that the position of Administrator, Animal and Plant Health Inspection Service, be established at Executive Level V. This agency is one of the largest and most complex in this Department. It has overall responsibility for the meat and poultry inspection programs as well as the many programs in the areas of plant and animal disease and pest control. The agency employs over 15,000 people and administers a budget of over $300 million. With the exception of the Forest Service, no agency in the Department employs more people, and none have a greater diversity of responsibilities. However, seven agencies that are smaller than this one have Level V administrators. It should also be noted that the Food and Drug Administration, which has comparable responsibilities, has a Level V commissioner even though its employment (6,200) and budget ($160 million) are less than half of those administered by the Animal and Plant Health Inspection Service.

The main functions of the Commodity Credit Corporation have been in those areas pertaining to the production of commodities, and the stabilization of prices thereof in line with the objective of improving net farm income. Of recent years, greater public and governmental attention has been focused on the stabilization of the rural population and toward this end, major emphasis has been directed to those programs which enhance rural development. In this regard the basic economic decisions of the CCC Board need to be further correlated with the administration of Rural Development programs. We believe this proposal to provide an additional member to the CCC Board of Directors will strengthen this relationship.

The Office of Management and Budget advises that there is no objection to the presentation of this proposed legislation from the standpoint of the Administration's program.

Sincerely,

CLAYTON YEUTTER,
Assistant Secretary.

By Mr. SPARKMAN (for himself, Mr. TOWER, and Mr. JOHNSTON) (by request):

S. 3032. A bill to extend and amend the Economic Stabilization Act of 1970 to provide for the orderly transition from mandatory economic controls and continued monitoring of the economy, and for other purposes. Referred to the Committee on Banking, Housing, and Urban Affairs.

Mr. SPARKMAN. Mr. President, I introduce for myself, the senior Senator from Texas (Mr. TOWER), and the junior Senator from Louisiana (Mr. JOHNSTON), by request, a bill to extend and amend the Economic Stabilization Act of 1970, to provide for the orderly transition from mandatory economic controls and continued monitoring of the economy and for other purposes. The proposals contained in this bill are those recommended by the administration.

The statutory authority in the Economic Stabilization Act of 1970 presently will expire on April 30, 1974. The Committee on Banking, Housing, and Urban Affairs has legislative jurisdiction over this matter, and it will be that committee's responsibility to give timely consideration to this matter.

Mr. President, I wish to make it plain that the three of us introducing this bill today are doing so that the administration's proposal will be given a forum before our committee.

Mr. President, I ask unanimous consent that a section-by-section analysis of the administration's bill be printed in the RECORD following my remarks.

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

SECTION-BY-SECTION ANALYSIS OF A BILL

To extend and amend the Economic Stabilization Act of 1970 to provide for the orderly transition from mandatory controls and continued monitoring of the economy and for other purposes.

SECTION 2. FINDINGS

This section provides that the Act may be cited as the "Economic Stabilization Act Amendments of 1974."

SECTION 1. SHORT TITLE

This section restates Section 202 of the Economic Stabilization Act of 1970 so as to set forth revised findings of Congress with respect to future requirements and objectives of the Economic Stabilization Program. These findings follow from the President's proposals as presented February 6, 1974, by Secretary of the Treasury George P. Shultz and Cost of Living Council Director John T. Dunlop to the Subcommittee on Production and Stabilization of the Senate Committee on Banking, Housing and Urban Affairs.

Paragraph (b) of this section sets forth findings related specifically to the need to control inflation in the health care industry. It is found necessary to continue after April 30, 1974 the controls that have been established over the industry.

SECTION 3. PRESIDENTIAL AUTHORITY

This section amends Section 203 of the Economic Stabilization Act of 1970 (effective May 1, 1974, as provided in Section 13 of this Act) so as to provide for mandatory controls with respect to only the health care sector of the economy after the scheduled termination date (April 30, 1974) for controls in other sectors. The Administration may request that a few additional sectors of the economy be included under continued controls. The section also makes several technical and clarifying amendments to conform Section 203 to the modified requirements and objectives of the Economic Stabilization Program. These changes consist of (1) changing the authority to issue "standards" to authority to issue "criteria", (2) deleting references to "rent" controls, (3) adding "aggregate expenditures" as one of the subjects along with prices, wages, and salaries for which criteria may be prescribed, and (4) deleting all reference to "interest rates", "corporate dividends", and "finance charges".

The old paragraph (h) is deleted because it pertained to rent controls. The new paragraph (h) is added to make clear that the provisions of this title apply to payments for health care services authorized under Titles V, XVIII, or XIX of the Social Security Act and, in cases of conflict, supersede that Act.

SECTION 4. CONTINUATION OF CERTAIN ACTIONS TAKEN PRIOR TO MAY 1, 1974

Subsection (a) of this section adds a new section 203*a* to the Economic Stabilization Act of 1970, to provide for the continuation after April 30, 1974, of the effect of certain actions taken under the Act on or before that date. The provisions of new Section 203*a* are intended to continue the effect of decisions and commitments reached on or before April 30, 1974, in accordance with the limited terms specified in those decisions and commitments. By authorizing the President to limit the operation of contract reopeners and to enforce pre-May 1, 1974 orders and commitments, this section will prevent a disruptive unraveling of the present controls and provide an orderly transition.

Section 203*a*(a) directs the President to, prescribe regulations to prevent inflationary surges that could occur after April 30, 1974, as a result of contract provisions that anticipate the modification or termination of economic controls on or before that date. The subsection is directed at both price and wage agreements. On the wage side, the

provision authorizes the President to limit the operation of terms in collective bargaining agreements expressly providing for wage reopeners or reversion to prescribed wage rates in the event of a modification of controls, and also to limit implementation of prescribed wage rates that would only be permitted implicitly by such a modification. However, the subsection is not intended to authorize the President to limit the operation of contract terms expressly providing for scheduled wage increases on or after May 1, 1974, whose operation is not expressly dependent on the modification of controls; thus, the operation of a contract provision cannot be limited simply because a wage increase scheduled by the provision is in excess of guidelines issued under the Economic Stabilization Program prior to May 1, 1974. The subsection also is not intended to authorize the President to extend the term of a contract beyond its intended expiration date (other than a date fixed by a provision whose operation is contingent on the modification of controls).

Section 203*a*(b) contemplates that the President will monitor decontrol commitments entered into by individual firms and may take appropriate action with respect to price behavior violative of those commitments. Further, the subsection authorizes the enforcement after April 30, 1974, of Cost of Living Council orders issued on or before that date that limit price or wage behavior for specified periods of time. The subsection also authorizes the continuation of controls over wages and salaries paid to executives for the remainder of the control period, which will generally be the balance of the firm's fiscal year beginning prior to May 1, 1974. This authority for continuing executive compensation controls permits the limitations to operate for a full year as would be necessary to ensure a lasting effect on this type of compensation.

Section 203*a*(c) authorizes the President to prescribe regulations to provide for the disposition after April 30, 1974, of any price or wage matters relating to periods prior to May 1, 1974. This authority would extend both to the orderly disposition of matters received but not acted on prior to May 1, 1974, and to the disposition of matters received after that date, relating retroactively into the pre-May 1, 1974, period.

Subsection (b) of this section adds a new section 203*b* to the Economic Stabilization Act of 1970 so as to provide the President with the authority to collect through reports, audits, recordkeeping requirements and hearings, as well as from existing government sources, such business and economic information as may be necessary to monitor inflation in the nation's economy in the future. This authority does not extend to the collection of information from another Federal agency if disclosure by that agency is prohibited by law or if the information constitutes privileged or confidential information collected by that agency for statistical or law enforcement purposes, if disclosure would frustrate development of accurate statistics or law enforcement.

SECTION 5. DELEGATION

This section amends Section 204 of the Economic Stabilization Act of 1970 (1) to expressly authorize the delegation of authority under that Act to State officials as well as to Federal officials and (2) to eliminate obsolete "grandfather" provisions exempting the members of the Pay Board and Price Commission from the requirement of Senate confirmation while retaining that exemption for the appointed members of the Construction Industry Stabilization Committee.

SECTION 6. CONFIDENTIALITY OF INFORMATION

This section amends Section 205(b) of the Economic Stabilization Act of 1970 to make it clear that *all* information pertaining to aggregate price changes by product line, prices or percentage of cost justification collected by the Government under the authority of the Economic Stabilization Act shall be available to the public. This amendment eliminates the vagueness resulting from having disclosure of such information tied to the size of the firm concerned, its obligation to file a particular report under superseded regulations, and a comparison of Economic Stabilization disclosure practices with those of the Securities and Exchange Commission. This provision is subject to the limitations set forth in new Section 203*b*(b), relating to disclosure of information provided to other Federal agencies.

SECTION 7. ADMINISTRATIVE PROCEDURES

This section amends Section 207(c) of the Economic Stabilization Act of 1970 by eliminating "rents, interest rates, corporate dividends or similar transactions" from the list of matters for which public hearings are to be held when changes are likely to have "a significantly large impact upon the national economy".

SECTION 8. SANCTIONS

This section amends Section 208 of the Economic Stabilization Act of 1970 to make it clear that an agency exercising authority under the Act has heretofore been authorized to issue remedial orders in violation cases directing refunds or price reductions of up to three times the dollar amount of the violations.

SECTION 9. PERSONNEL

This section amends Section 212 of the Economic Stabilization Act of 1970 by (1) changing the five Executive Level positions authorized under the Act from three level III's and two level V's to one level II, who is to be subject to Senate confirmation, one level III and three level V's; and (2) exempting bipartite and tripartite advisory committees appointed under the Economic Stabilization Act from the provisions of Section 10 of the Federal Advisory Committee Act.

SECTION 10. REVIEW OF FEDERAL PROGRAMS

This section removes Section 215 of the Economic Stabilization Act of 1970 concerning mass transportation systems, which becomes obsolete with the termination of mandatory controls, and replaces it with a provision providing for a review by an agency exercising authority under this Act of the economic impact of Federal agency programs and activities as measured against the purposes of this Act.

SECTION 11. TERMINATION

This section amends Section 218 of the Economic Stabilization Act of 1970 to extend that Act, as amended, for an additional twenty months until the end of 1975.

SECTION 12. NATIONAL COMMISSION ON PRODUCTIVITY

This section amends Section 4(f) of Public Law 92-210 to provide continued authorization for the National Commission on Productivity through the end of 1975, thus making its termination date the same as that for the Economic Stabilization Act as amended by Section 11 of this Act. It also reduces the the Economic Stabilization Program under Commission's authorized funding from $10,000,000 to $5,000,000.

SECTION 13. EFFECTIVE DATE

This section provides an effective date of May 1, 1974, for the amendments to Section 203 of the Economic Stabilization Act made by Section 3 of this Act. This allows the substantive regulations and orders issued with respect to Phase IV of the Economic Stabilization Program to remain in effect, subject to ongoing sector-by-sector decontrol amendments to those regulations, until the scheduled termination date of April 30, 1974. On May 1, 1974, the existing Section 203 authority will be replaced by the modified authority (i.e. authority for mandatory controls with respect to only the health care and industries).

In all other respects the amendments made by this Act would become effective upon enactment.

SECTION 14. AUTHORITY INCORPORATED IN EMERGENCY PETROLEUM ALLOCATION OF 1973

This section is added to make it clear that the provisions of the Economic Stabilization Act of 1970, previously incorporated by reference in the Emergency Petroleum Allocation Act of 1973, remain unaffected and unaltered by these Amendments for the purposes of that Act.

By Mr. SPARKMAN (by request):

S. 3033. A bill to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations, and for other purposes. Referred to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request, I introduce for appropriate reference a bill to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations and for other purposes.

The bill has been requested by the President of the United States and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when it is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the President to the President of the Senate dated February 7, 1974, and the letter from the Director of the Arms Control and Disarmament Agency.

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

S. 3033

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Arms Control and Disarmament Act, as amended, is further amended as follows:

(1) Section 41(d) (22 U.S.C. 2581(d)) is amended by—

(a) deleting "as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates not to exceed $100 per diem for individuals," and substituting therefor "as authorized by section 3109 of Title 5 of the United States Code," and;

(b) deleting from the first proviso thereof "one hundred days" and substituting therefor "one hundred and thirty days."

(2) Section 49(a) (22 U.S.C. 2589(a)) is amended by inserting in the second sentence thereof immediately after "$22,000,000," the following: ", and for the two fiscal years 1975 and 1976, the sum of $21,000,000,".

THE WHITE HOUSE,
Washington, D.C., February 7, 1974.

Hon. GERALD R. FORD,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I am transmitting herewith proposed legislation to extend the appropriation authorization for the Arms Control and Disarmament Agency, along with a letter from the Director of that Agency in support of this legislation.

Major progress has been made toward this

Administration's high priority foreign policy and national security objective of establishing effective arms control arrangements. Most importantly, the Strategic Arms Limitation Talks with the Soviet Union have resulted in definitive treaty limitations on strategic defensive systems and an agreement for interim limitations on strategic offensive systems. The continuing Strategic Arms Limitation Talks, accelerated by agreements reached at the June, 1973, Summit Conference, now are focused on achieving definitive treaty limitations on strategic offensive systems. Also of major importance was the initiation last year of negotiations to reduce the military confrontation in Central Europe.

The objective of this Administration to replace the dangers of a continuing unchecked arms race with the greater security afforded by the establishment of reliable controls over armaments has been well served by the Arms Control and Disarmament Agency. This has been demonstrated especially by the Agency's key role in the Strategic Arms Limitation Talks and the talks on mutual and balanced force reductions in Central Europe. The work of the Agency in these and other forums is vital to future progress in the difficult area of arms control and disarmament.

The draft legislation I am transmitting today would authorize appropriations for the Arms Control and Disarmament Agency for fiscal years 1975 and 1976. It also amends the Agency's authority to procure the services of experts and consultants so as to make this authority comparable to that prevailing elsewhere in the Executive Branch. This change is necessary for the Agency to continue to attract highly qualified consultants to assist it in its tasks.

I urge the Congress to give this bill prompt and favorable consideration.

Sincerely,

RICHARD NIXON.

U.S. ARMS CONTROL, AND DISARMAMENT AGENCY,
Washington, D.C., January 28, 1974.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: Enclosed for your approval and transmittal to the Congress is a draft bill that would amend the Arms Control and Disarmament Act to extend the authorization for appropriations for the Agency. The current two-year authorization expires on June 30, 1974, and the proposed legislation would authorize appropriations for the two-year period of fiscal years 1975 and 1976. New legislation will be required to keep the Agency operating, and early enactment is essential to permit timely Congressional consideration of the Agency's 1975 budget. The draft bill also amends the Agency's authority to procure the services of experts and consultants (section 41 (d) of the ACDA Act) to make it comparable to the generally prevailing authority in the Executive Branch.

This authorization request is supported by plans for what I believe will be a sound, effective and well-conceived arms control and disarmament effort by the Agency over the two-year period. The Strategic Arms Limitations Talks and the negotiations on mutual and balanced force reductions in Europe will continue to require a major portion of our resources. As you know, this Agency now has the principal support responsibility for both the SALT and MBFR negotiations. Other important arms control activities, including those at the UNGA, the Conference of the Committee on Disarmament in Geneva and other multilateral forums, as well as supporting research for these negotiations, will also be funded under this authorization.

Of the total amount of the proposed authorization of $21 million for two fiscal years, the Budget for fiscal year 1975 would include $9.5 million for ACDA.

Respectfully,

FRED C. IKLE.

By Mr. ERVIN (for himself, Mr. MUSKIE, Mr. PERCY, Mr. CHILES, and Mr. JAVITS):

S. 3034. A bill to prohibit the reservation of appropriated funds except to provide for contingencies or to effect savings. Referred to the Committee on Government Operations.

IMPOUNDMENT PROHIBITION ACT OF 1974

Mr. ERVIN. Mr. President, on behalf of myself and Senators MUSKIE, PERCY, CHILES, and JAVITS, I introduce for appropriate reference the Impoundment Prohibition Act of 1974.

This bill represents a significant departure from the impoundment measures passed by the Senate and House of Representatives last year, which have been stalled in a conference for more than 6 months.

Whereas those bills undertook to grant the President a limited power to impound funds, with an opportunity for Congress to either approve or disapprove each action, the Impoundment Prohibition Act of 1974 would prohibit the practice altogether except for the very narrow managerial purposes permitted in the Antideficiency Act (31 United States Code 665).

As it now stands, the Antideficiency Act permits the reservation of appropriated funds "to provide for contingencies, or to effect savings whenever savings are made possible by or through changes in requirements, greater efficiency of operations, or other developments subsequent to the date on which such appropriation was made available."

This last phrase—or other developments subsequent to the date on which such appropriation was made available—has served as a loophole through which Presidents have justified the impoundment of funds. The Impoundment Prohibition Act of 1974 would eliminate this loophole. Where such subsequent developments arise, or whenever it is determined that the full scope and objectives of programs can be attained for less than the amounts appropriated for them, the Executive would be directed to recommend that all or part of the appropriation be rescinded by Congress.

The Antideficiency Act would be amended further to provide specifically that appropriated funds shall not be reserved for fiscal policy purposes or to achieve less than the full objectives and scope of programs enacted and funded by Congress.

Except as specifically provided by particular appropriations or authorization acts, no reserves would be permitted other than the very narrow and limited reservations permitted by the Impoundment Prohibition Act of 1974.

Executive officers would be directed to notify the Comptroller General at least 10 days in advance of the establishment of such reserves and to give their reasons for doing so.

The Comptroller General would be empowered as a representative of Congress through attorneys of his own choosing, rather than through the Attorney General, to bring civil actions in the U.S. District Court for the District of Columbia to enforce the provisions of the Impoundment Prohibition Act of 1974. Such actions would be given precedence over all other civil actions.

The bill also contains a disclaimer that nothing in it shall be construed by any person or court as constituting a ratification or approval of any impoundment by the President or other Federal employee, in the past or in the future, unless done pursuant to statutory authority in effect at the time of such impoundment. This disclaimer is included in order not to prejudice any of the numerous lawsuits now pending against the administration over the impoundment issue.

Mr. President, I have studied the issue of impoundment in considerable detail during the past several years, and I have not hesitated to alter my approach to the problem as circumstances have changed.

In 1971 I introduced an impoundment bill which was very similar to H.R. 8480, the bill which the House passed last July. It would have permitted the President to impound funds provided both Houses of Congress did not disapprove of his action within 60 days.

After more than 2 years of hearings, study, and revisions, the Committee on Government Operations fashioned a bill, S. 373, which was stronger than my first effort. It would have permitted the President to impound funds for 60 days, at the end of which his authority would expire unless both Houses of Congress approved of his action. S. 373 was a considerable improvement over my first bill, and in contrast to the House bill, it provides a workable procedure for the regulation of impoundments.

At the time the Senate and House passed their respective impoundment bills, however, very few lawsuits challenging impoundments had been brought. Memoranda, rulings, and decisions have now been rendered in more than 30 cases at the Federal district court level, and a few cases have reached the appellate courts. While no single ruling has yet emerged, and the Supreme Court has refused original jurisdiction of one case that squarely presented the constitutional issue, an unmistakable trend has emerged at the district court level against an unbridled presidential discretion to impound. In light of this trend, I feel it would be unwise for Congress to delegate the power which the Constitution gives it rather than the President—the power of the purse.

Furthermore, Congress is on the threshold of enacting budget reform legislation which will for the first time in generations enable it to consider all of the ramifications of the appropriations and spending process at one time. Congress soon will force itself to consider rescissions of appropriations, or to increase revenues or the debt ceiling when it devises a budget each year. When it does so, the political justifications for impoundments will evaporate, and an outright prohibition of impoundments for political or fiscal purposes will be feasible.

Mr. President, the time has come for Congress to get off dead center on the impoundment issue. It must not delegate the power of the purse nor acquiesce in its abuse by the Executive. Instead, it must take positive steps to reform its budget procedures and to prohibit the wholesale and unlawful impounding of appropriated funds.

I strongly encourage all Senators to support the Impoundment Prohibition Act of 1974 so that Congress can take back its constitutional power.

Mr. President, I ask unanimous consent that the text of the Impoundment Prohibition Act of 1974 be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed, as follows:

S. 3034

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 Impoundment Prohibition Act of 1974."

SEC. 2. Section 3679(c)(2) of the Revised Statutes, as amended (31 U.S.C. 665), is amended to read as follows:

(2) In apportioning any appropriation, reserves may be established solely to provide for contingencies, or to effect savings whenever savings are made possible by or through changes in requirements or greater efficiency of operations. Reserves shall not be established for fiscal policy purposes or to achieve less than the full objectives and scope of programs enacted and funded by Congress. Whenever it is determined by an officer designated in subsection (d) of this section that such reserves should be established, the officer shall notify the Comptroller General at least 10 days in advance of such establishment together with his reasons therefor. The Comptroller General is authorized as a representative of Congress through attorneys of his own choosing to bring a civil action in the United States District Court for the District of Columbia to enforce the provisions of this section. The courts shall give precedence over all other civil actions brought under this section. Whenever it is determined by an officer designated in subsection (d) of this section to make apportionments and reapportionments that any amount so reserved will not be required to carry out the full objectives and scope of the appropriation concerned, he shall recommend the rescission of such amount in the manner provided in the Budget and Accounting Act of 1921 for estimates of appropriations. Except as specifically provided by particular appropriations or authorization acts, no reserves shall be established other than as authorized by this section.

SEC. 3. Nothing contained in this Act shall be interpreted by any person or court as constituting a ratification or approval of any reservation of budget authority by the President or any other Federal employee, in the past or in the future, unless done pursuant to statutory authority in effect at the time of such reservation.

By Mr. STAFFORD (for himself, Mr. BAKER, and Mr. RANDOLPH):

S. 3035. A bill to amend title 23, United States Code, the Federal-Aid Highway Act of 1973, and other related provisions of law, to establish a unified transportation assistance program, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs, Finance, and Public Works, by unanimous consent.

Mr. STAFFORD. Mr. President, the distinguished ranking Republican member of the Committee on Public Works (Mr. BAKER) had planned to introduce a major legislative proposal by the administration today. But he is necessarily absent from the Chamber this afternoon.

On his behalf, and as ranking Republican member of the Transportation Subcommittee, I am pleased to introduce the proposed Unified Transportation Assistance Act of 1974.

The bill makes a number of important changes in existing law gradually consolidating and coordinating the urban highway and mass transit programs. The bill would raise the Federal share on noninterstate highways to 80 percent from 70 percent, authorize mass-transit operating subsidies out of the general fund, and establish a formula allocation of part of the Urban Mass Transportation Act funds. Each of these proposals is important. Each will help the Congress focus its attention on the issues relating to improved urban transportation.

While I support the general outlines of the bill, I must express reservation concerning some specifics.

Section 103(b), for example, excludes urban areas of less than 50,000 population from support out of the urban system. Since Vermont has no population centers that exceed 50,000, my State, which still has many urban transportation problems, would be excluded from the program. And section 103(e) eliminates the one-half of 1 percent of the urban system funds guaranteed to Vermont and other small States.

Section 108 of the bill deletes current statutory requirements that urban system projects be designed to provide access for the handicapped, replacing it with a requirement that new buses and rolling stock for fixed rail systems be designed "with reasonable and practical features" to allow the physically handicapped and elderly to use them. Further, any State could satisfy that proposed requirement by providing an alternative service for the physically handicapped, using urban system funds to finance such an alternative service.

Such a proposal may be very sound. But I shall only support it if it can be shown that the handicapped and elderly will suffer in no way as a result.

Mr. President, I ask unanimous consent that the remarks Senator BAKER had prepared for delivery on the Senate floor, together with a copy of the bill and other material forwarded by the White House, be printed at this point in the CONGRESSIONAL RECORD.

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

STATEMENT OF SENATOR BAKER

Mr. President, a major achievement of the first session of the 93rd Congress was enactment of the Federal-Aid Highway Act of 1973 (P.L. 93-87). That Act included language that broadened considerably the scope of the highway program, in line with an amendment sponsored by the distinguished Senator from Maine (Mr. Muskie) and myself. Under that provision, urban areas may use funds allocated out of the Highway Trust Fund both for road construction and capital expenditures related to public mass transit: up to $200,000,000 for bus purchases during fiscal 1975, and up to $800,000,000 for buses and fixed rail systems in fiscal year 1976.

That flexibility was written into the Code before the "energy crisis". Now, I believe, public awareness of the energy savings made possible by better mass transit has augmented public support and made improved urban transportation a high national priority.

In response to this enhanced interest, I am pleased to sponsor a major legislative proposal developed by the Administration.

I am particularly pleased that I am joined in sponsoring this Administrative initiative by the distinguished chairman of the Committee on Public Works (Mr. Randolph) and the ranking Republican on the Transportation Subcommittee (Mr. Stafford). I recognize that Chairman Randolph and Senator Stafford may not support every facet of this bill. But they share my view that it is important for us to present this bill now for public review and comment.

In the next several months, the Subcommittee on Transportation will conduct many days of field hearings into national transportation policies and issues. This bill should be a touchstone for much of that comment. And I believe that the President and Secretary Brinegar must be commended for their leadership in developing this bill to help improve life in our cities by making intra-urban transportation more convenient.

This bill, the Unified Transportation Assistance Act of 1974, proposes to gradually meld together various Federal grant programs that now support urban transportation under differing criteria. It holds the promise of Federal-aid structures offering greater flexibility and opportunity for progress.

In an explanation of this proposed legislation, the Department of Transportation says it "consolidates two separate and relatively inflexible capital programs (the Federal-Aid Highway and Urban Mass Transportation Act programs) which are distorting, in various ways, local decisions on the investment of transportation funds and on transit operating practices."

This consolidation would be achieved in a three-part program. Title I of the bill amends Title 23 of the U.S. Code, allowing a State greater latitude to transfer funds among various highway categories. It would allow primary and secondary road money to be spent to purchase buses to serve small urban areas. It expands the rural public transit demonstration. It would focus the urban highway program where it will be most effective, in cities with populations of 50,000 or more. The bill also contains an authorization for urban and rural highway funds for one additional year (fiscal year 1977).

The major thrust of this legislation is toward standardization of the tests for an urban transportation grant, whether it is to come under the Federal-Aid Highway program or the Urban Mass Transportation Act. The bill raises the Federal share on all non-Interstate highway programs to 80 per cent, from 70 per cent, beginning with fiscal year 1975. This new Federal share brings the rate into line with the percentage grant now provided under the UMTA program.

In another move toward conformity, the bill establishes an identical test in earmarking funds for major urbanized areas, whether the money is to come from the UMTA or Highway program.

This bill broadens the UMTA criteria, allowing funds to be spent on highway-related construction, such as exclusive bus lanes or fringe parking lots. The highway program now permits such spending. And UMTA projects would be subject to the cooperative planning process now required for highways under Section 134 of Title 23.

Many of these changes are contained within Title II of the bill—the title that amends the Urban Mass Transportation Act. This title establishes for the first time, a system that allocates, by formula, a portion of the UMTA funds among the States. Specifically, the sums allocated would be $700 million in fiscal 1975, $800 million in fiscal 1976, and $900 million in fiscal 1977. The remaining funds—$700 million annually—would be available to finance individual capital grant

applications, similar to the Department of Transportation's present grant program.

One major initiative in this Administration bill is the broadening of the UMTA program to allow a state to use its allocated funds to subsidize the operating costs of local mass-transit systems.

Title III of the bill would not take effect until fiscal year 1978. This title would unify the Urban Highway System program with the Urban Mass Transportation program under Title 23. The new program would involve an annual allocation of $2 billion among the States, with $700 million retained by the Secretary of DOT for discretionary mass-transit capital grants. Local agencies would be allowed to use up to 50 per cent of the allocated funds for operating subsidies.

The legislation, I must note, is mute on the future of the Highway Trust Fund. The Fund expires on October 1, 1977, under present law. While this bill necessarily would draw on the general fund, beginning in fiscal year 1978, to support a new, unified urban transportation program, I do not believe the bill would prejudge any subsequent decision on the source of funding for urban transportation.

Mr. President, there are many other important initiatives contained in this bill. It offers constructive proposals that contribute significantly to our dialogue. I am hopeful that my colleagues will study this proposal with great care, so that we can determine the directions we wish to pursue.

Mr. President, I would add one final comment. Attached to this bill, when it was sent up to the Hill, was an Environmental Impact Statement explaining the bill's impact on the environment. Such statements, of course, are required, but often left off bills such as this one.

S. 3035

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SEC. 101. This Act may be cited as the "Unified Transportation Assistance Act of 1974".

TITLE I—AMENDMENTS TO TITLE 23, UNITED STATES CODE: URBAN, SMALL URBAN AND RURAL HIGHWAY PROGRAMS

EFFECTIVE DATE

SEC. 102. Sections 103–105 of this title shall become effective after June 30, 1974. The other provisions of this title shall become effective upon their enactment.

APPORTIONMENT

SEC. 103. (a) The definition of the term "rural areas" in section 101(a) of title 23, United States Code, is amended by substituting "urbanized" for "urban".

(b) Section 103(d) of title 23, United States Code, is amended by placing a period in the first sentence of paragraph (1) after the words "urbanized area" and striking the remainder of that sentence and the entire third sentence; and by amending the first sentence of paragraph (2) to read as follows: "After June 30, 1976, the Federal-aid urban system shall be located in each urbanized area and shall consist of arterial and collector routes."

(c) The term "outside of urbanized areas" shall be substituted for the term "rural areas" in paragraphs (1) and (2) of section 104(b), title 23, United States Code.

(d) Paragraph (3) of section 104(b), title 23, United States Code, is amended to read as follows: "For extensions of the Federal-aid primary and secondary systems in urbanized areas:

"In the ratio which the population in urbanized areas, or parts thereof, in each State bears to the total population in such urbanized areas, or parts thereof, in all States as shown by the latest available Federal census."

(e) Paragraph (6) of section 104(b), title 23, United States Code, is amended by substituting the term "urbanized areas" for the term "urban areas" wherever that term appears in the first sentence, and by deleting the last sentence.

(f) Subsection (c) of section 104, title 23, United States Code, is amended by substituting in the first sentence "paragraphs (1), (2), (3) or (6)" for "paragraphs (1) or (2)", and inserting at the end of the first sentence the following:

"Funds apportioned in accordance with paragraph (6) of section 104(b) shall not be transferred from their allocation to any urbanized area of 400,000 population or more under section 150 of this title, without the approval of the local officials of such urbanized area."

(g) Section 104(d), title 23, United States Code, is amended to read as follows:

"Not to exceed the total amount of funds apportioned in any fiscal year to each State in accordance with paragraph (3) of section 104(b) may be transferred to the apportionment under paragraph (6) of section 104(b) if such transfer is requested by the State highway department and is approved by the Governor of such State and by the Secretary as being in the public interest."

AVAILABILITY OF PLANNING AND URBAN SYSTEM FUNDS

SEC. 104. (a) Paragraph (2) of section 104(f), title 23, United States Code, is amended by placing a period after "census" and striking the remainder of the paragraph.

(b) Section 150, title 23, United States Code, is amended by substituting "400,000" for "200,000" wherever that number appears.

FEDERAL SHARE

SEC. 105. (a) Subsection (a) of section 120, title 23, United States Code, is amended by substituting "80 percent" for "70 percentum" where it appears in that subsection.

(b) The first sentence of subsection (f) of section 120, title 23, United States Code, is amended by substituting "80 percent" for "70 percentum".

(c) The amendments contained in this section shall take effect with respect to all obligations incurred after June 30, 1974.

AUTHORIZATIONS

SEC. 106. (a) For the purpose of carrying out the provisions of title 23, United States Code, the following sums are hereby authorized to be appropriated:

(1) For the Federal-aid urban system, out of the Highway Trust Fund, $800,000,000 for the fiscal year ending June 30, 1977. For the extensions of the Federal-aid primary and secondary system in urbanized areas, out of the Highway Trust Fund, $300,000,000 for each of the fiscal years ending June 30, 1976, and June 30, 1977.

(2) For the Federal-aid primary system in rural areas, out of the Highway Trust Fund, $700,000,000 for the fiscal year ending June 30, 1977.

(3) For the Federal-aid secondary system in rural areas, out of the Highway Trust Fund, $400,000,000 for the fiscal year ending June 30, 1977.

(b) The second sentence of paragraph (2) of section 104(a) of the Federal-Aid Highway Act of 1973 is amended by placing a period after "June 30, 1975" and deleting the remainder of that sentence.

(c) To the extent that (1) the sum of the authorizations to appropriate funds out of the Highway Trust Fund under subsection (a) and the total amount authorized to be appropriated out of the Highway Trust Fund through the fiscal year ending June 30, 1977, exceed (2) the sum of the amount which will be available in the Highway Trust Fund (excluding repayable advances) to defray the expenditures which will be required as a result of the authorizations to be appropriated out of the Highway Trust Fund under subsection (a) and the total amount of authorizations to be appropriated out of the Highway Trust Fund through June 30, 1977, an amount equal to the difference between (1) and (2), but not to exceed $2,200,000,000, is authorized to be appropriated out of the general funds in the Treasury to liquidate obligations resulting from authorizations under (1) for which the sums available under (2) are not sufficient. For the purposes of section 209(g) of the Federal-Aid Highway Act of 1956, funds authorized pursuant to this subsection shall constitute the amounts which will be available in the Highway Trust Fund to defray the expenditures which will be required to be made from such fund.

TECHNICAL AMENDMENT

SEC. 107. Section 142, title 23, United States Code, is amended by deleting subsection (d) and relettering the subsequent subsections accordingly, including any references thereto.

MASS TRANSPORTATION FOR ELDERLY AND HANDICAPPED

SEC. 108. (a) Title 23, United States Code, is hereby amended by adding a new section 154.

"Sec. 154. Mass transportation for the elderly and handicapped

"(a) It is hereby declared to be the national policy that elderly and physically handicapped persons have the same right as other persons to utilize mass transportation facilities and services; that special efforts shall be made in the planning and design of mass transportation facilities and services so that the availability to elderly and physically handicapped persons of mass transportation which they can practically utilize will be assured; and that all Federal programs offering assistance in the field of mass transportation should contain provisions implementing this policy.

"(b) In order to further this policy, the Secretary shall require that any bus or other mass transportation rolling stock acquire, or any mass transportation station, terminal, or other passenger loading facility improved or constructed after June 30, 1974, with Federal financial assistance under sections 104(e)(4) and 142 of this title, and the Urban Mass Transportation Act of 1964, as amended, and after June 30, 1977, chapter 5 of this title, be designed with practical and reasonable features which allow their utilization by physically handicapped persons and elderly persons with limited mobility.

"(c) Any Governor or local public body may satisfy the requirement of subsection (b) by providing alternative transportation service for physically handicapped persons and elderly persons with limited mobility. The alternative service provided shall be sufficient to assure that handicapped persons and elderly persons with limited mobility have available transportation service meeting standards, which shall be promulgated by the Secretary. Funds apportioned under 104(b)(6) of this title and under title II of the Urban Mass Transportation Act of 1964, as amended, shall be available for the Federal share of the cost of the alternative services authorized by this section.

"(d) Section 165(b) of the Federal-Aid Highway Act of 1973 is hereby repealed.

"(e) The analysis of chapter 1 of title 23, United States Code, is amended by adding at the end thereof the following:

"'154. Mass transportation for the elderly and handicapped.'"

RURAL AND SMALL URBAN AREA PUBLIC TRANSPORTATION

SEC. 109. (a) Section 101, title 23, United States Code, is amended by adding the following new definition:

"The term 'small urban area' means an

urban place as designated by the Bureau of the Census having a population of five thousand population or more and not within any urbanized area, within boundaries to be fixed by responsible State and local officials in cooperation with each other, subject to approval by the Secretary. Such boundaries shall, as a minimum, encompass the entire urban place designated by the Bureau of the Census."

(b) Section 142(a) of title 23, United States Code, is amended by adding a new section 142(a)(3) to read as follows:

"(3) To encourage the development, improvement and use of public mass transportation systems operating vehicles on highways for transportation of passengers in small urban and rural areas, the Secretary may, in addition to the projects under paragraph (1), beginning with the fiscal year ending June 30, 1975, approve as a project on the Federal-aid primary or secondary systems, for payment from sums apportioned under section 104(b)(1) and (2) of this title, the purchase of buses."

(c) Paragraph (2) of section 142(d) of title 23, United States Code, as redesignated herein, is amended by adding the following at the end thereof:

"After June 30, 1974, notwithstanding section 209(f)(1) of the Highway Revenue Act of 1956, the Highway Trust Fund shall be available for making expenditures to meet obligations resulting from projects authorized by subsections (a)(2) and (3) of this section and such projects shall be subject to, and governed in accordance with, all provisions of this title applicable to projects on the Federal-aid urban system, primary system and secondary system, respectively, except to the extent determined inconsistent by the Secretary."

(d) Section 142(g) of title 23, United States Code, as redesignated herein, is amended by inserting after "subsection (a)(2)" the following: ", and after June 30, 1974, under subsection (a)(3),".

(e) Section 142(i) of title 23, United States Code, as redesignated herein, is amended to read as follows:

"The provisions of section 13(c) of the Urban Mass Transportation Act of 1964, as amended, shall apply in carrying out subsections (a)(2) and (c) of this section, and after June 30, 1974, subsection (a)(3) of this section."

RURAL HIGHWAY TRANSPORTATION DEMONSTRATION PROGRAM

SEC. 110. (a) The first sentence of section 147 of the Federal-Aid Highway Act of 1973 is amended to read as follows:

"To encourage the development, improvement, and use of public mass transportation systems operating vehicles on highways for transportation in rural areas and small urban areas, in order to enhance access of populations in rural and small urban areas to employment, health care, retail centers, education, and public services, there are authorized to be appropriated $75,000,000 for the three-fiscal-year period ending June 30, 1977, of which $50,000,000 shall be out of the Highway Trust Fund, to the Secretary of Transportation to carry out demonstration projects for public mass transportation on highways in such areas."

(b) The second sentence of section 147 of the Federal-Aid Highway Act of 1973 is amended by deleting the word "and" after "other public mass transportation passengers," and the period at the end of the sentence, and adding at the end thereof the following: ", and the payment of operating expenses incurred as a result of providing such service.".

TITLE II—AMENDMENTS TO THE URBAN MASS TRANSPORTATION ACT OF 1964, DESIGNATION OF TITLE I OF UMTA ACT

SEC. 201. (a) After the enacting clause of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601, et seq.), insert the following:

"TITLE I—THE URBAN MASS TRANSPORTATION PROGRAM"

(b) Sections 2–15 of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601–1611), shall be included in title I of the Urban Mass Transportation Act of 1964, as amended.

(c) The introductory phrase of section 12(c) of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1607c(c)), is amended to read as follows: "As used in Title I of this Act—".

(d) Section 12(c) of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1607c(c)), is further amended by deleting the word "and" at end of paragraph (4), by inserting that word at the end of paragraph (5), and by adding at the end thereof the following new paragraph:

"(6) the term 'administrative reservation' means a commitment by the Secretary which, if accepted, would constitute an obligation of the United States."

AUTHORIZATIONS

SEC. 202. Section 4(c) of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1603(c)), is amended to read as follows:

"To finance grants and loans under sections 3, 7(b), 9 and projects under title II, the Secretary is authorized to incur obligations on behalf of the United States in the form of grant agreements or otherwise in amounts aggregating not to exceed $7,400,000,000. Of this sum, the Secretary shall apportion to the Governors of the fifty States, of Puerto Rico and to the Mayor of the District of Columbia $700,000,000 for fiscal year 1975, $800,000,000 for fiscal year 1976, and $900,000,000 for fiscal year 1977, pursuant to the formula prescribed by section 202. The amount authorized by the first sentence (which shall be in addition to any amount available to finance such activities under subsection (b) of this section) shall become available upon the effective date of this subsection and shall remain available until obligated. There are authorized to be appropriated for liquidation of the obligations incurred under this subsection not to exceed an aggregate of $1,260,000,000 prior to July 1, 1974, not to exceed an aggregate of $1,860,000,000 prior to July 1, 1975, and not to exceed an aggregate of $7,400,000,000, thereafter. Administrative reservations for grants authorized under sections 3, 7(b) and 9 of this Act shall not exceed $700,000,000 for fiscal year 1975. Sums appropriated under this subsection to finance grants under sections 3, 7(b) and 9 shall remain available until expended."

INVESTMENT STANDARDS

SEC. 203. Section 4 of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601, et seq.), is amended by adding a new subsection (e) to read as follows: "The Secretary may issue regulations establishing investment standards for the grant-in-aid program under this title."

TECHNICAL AMENDMENT

SEC. 204. (a) Section 4(d) of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1603d), is amended by striking all after the first sentence.

(b) Section 16 of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1612), is hereby repealed.

THE URBAN TRANSPORTATION FORMULA GRANT PROGRAM

SEC. 205. The Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601, et seq.), is amended by adding at the end thereof the following new title:

"TITLE II—THE URBAN TRANSPORTATION FORMULA GRANT PROGRAM

"Section 201. Definitions

"As used in title II—

"(a) The term 'construction' means the supervising, inspecting, actual building, and all expenses incidental to the construction or reconstruction of facilities and equipment for use in mass transportation, including designing, engineering, locating, surveying, mapping, acquisition of rights-of-way, relocation assistance and acquisition and replacement of housing sites;

"(b) The term 'Governor' means the Governor, or his designate, of any one of the fifty States and of Puerto Rico, and the Mayor of the District of Columbia;

"(c) The term 'local public bodies' includes municipalities and other political subdivisions of States; public agencies and instrumentalities of one or more States, municipalities, and political subdivisions of States; and public corporations, boards, and commissions established under the laws of any State;

"(d) The term 'mass transportation' means transportation by bus, or rail or other conveyance, either publicly or privately owned, which provides to the public general or special service on a regular and continuing basis;

"(e) The term 'Secretary' means the Secretary of Transportation;

"(f) The term 'States' means any one of the fifty States, the District of Columbia, and Puerto Rico; and

"(g) The term 'urbanized area' means an area so designated by the Bureau of the Census, within boundaries to be fixed by responsible State and local officials in cooperation with each other, subject to approval by the Secretary. Such boundaries shall, as a minimum, encompass the entire urbanized area within a State as designated by the Bureau of the Census.

"Section 202. Apportionment of funds

"(a) On the first day of fiscal years 1975, 1976, and 1977, the Secretary shall apportion the sums authorized by section 4(c) of this Act for apportionment in fiscal years 1975, 1976, and 1977, respectively, to the Governors in the following manner:

"In the ratio which the population in urbanized areas, or parts thereof, as designated by the Bureau of the Census, in each State bears to the total population in such urbanized areas, or parts thereof, in all the States as shown by the latest available Federal census.

"(b) Three percent of the funds apportioned under subsection (a) of this section shall be used for planning activities authorized by section 212 of this Act. Such funds shall be made available by the Governor to the metropolitan planning organizations in urbanized areas designated by the Governor as being responsible for carrying out the provisions of section 212 of this Act. These funds shall be matched in accordance with section 205 of this Act unless the Secretary determines that the interests of the program would be best served without such matching.

"(c) The distribution within any State of the planning funds made available to organizations under subsection (b) of this section shall be in accordance with a formula developed by the Governor and approved by the Secretary, which shall consider but not necessarily be limited to, population, status of planning, and metropolitan area transportation needs.

"(d) The funds remaining after the allocation required by subsection (b) of this section which are apportioned to any Governor under section 202(a) of this Act and which are attributable to urbanized areas of 400,000 population or more shall be made available for expenditure in such urbanized areas for projects approved under section 207 of this Act in accordance with a fair and equitable formula developed by the Governor, which formula has been approved by the Secretary. Such formula shall provide for fair and equitable treatment of incorporated municipalities of 400,000 or more population. Whenever such a formula has not been developed and approved for a State, the funds

apportioned to any Governor under section 202(a) of this Act which are attributable to urbanized areas having a population of 400,000 or more, or parts thereof, shall be allocated among such urbanized areas within such State for projects approved under section 207 of this Act in the ratio that the population within each such urbanized area, or part thereof, bears to the population of all such urbanized areas, or parts thereof, within such State. In the expenditure of funds allocated under the preceding sentence, fair and equitable treatment shall be accorded incorporated municipalities of 400,000 or more population.

"Section 203. Availability of sums apportioned

"Sums apportioned to any Governor under the Act shall be available for obligation by that Governor for a period of two years after the close of the fiscal year for which such sums are apportioned, and any amounts so apportioned remaining unobligated at the end of such period shall lapse and shall be returned to the Treasury of the United States for deposits as miscellaneous receipts.

"Section 204. Projects eligible for Federal financial assistance

"(a) The Secretary may approve as a project under this title, on such terms and conditions as he may prescribe, (1) the acquisition, construction and improvement of facilities and equipment for use, by operation or lease or otherwise, in mass transportation service, (2) the payment of operating expenses to improve such service, and (3) mass transportation related projects as described in section 142(a)(1), title 23, United States Code.

"(b) The Secretary shall issue such regulations as he deems necessary to administer this section and section 205, including regulations regarding maintenance of effort by States, local governments, and local public bodies, and the appropriate definition of operating expenses.

"Section 205. Federal share

"The Federal share payable on account of any project financed with funds made available under this title shall not exceed 80 percent of the cost of the project. The remainder of the cost of the project shall be provided from sources other than Federal funds. Funds available for expenditure for mass transportation projects described by section 204(a)(2) of this Act shall be supplementary to and not in substitution for the average amount of State and local government funds expended on the operation of mass transportation service for the two Federal fiscal years preceding the fiscal year for which the project is intended.

"Section 206. Programs

"(a) As soon as practicable after the apportionments pursuant to section 202 of this Act have been made for any fiscal year, any Governor desiring to avail himself of the benefits of this title shall submit to the Secretary for his approval a program, or programs, of proposed projects for the utilization of the funds authorized. The Secretary shall act upon programs submitted to him as soon as practicable, and he may approve a program in whole or in part.

"(b) In approving programs for projects under this title, the Secretary shall require that such projects be selected by the appropriate local officials with the concurrence of the Governor and, in urbanized areas, also in accordance with the planning process required pursuant to section 212 of this Act.

"Section 207. Plans, specifications and estimates

"(a) The Governor shall submit to the Secretary for his approval such surveys, plans, specifications, and estimates for each proposed project as the Secretary may require. The Secretary shall act upon such surveys, plans, specifications, and estimates as soon as practicable after the same have been submitted, and his approval of any such project shall be deemed a contractual obligation of the Federal Government for the payment of its proportional contribution thereto.

"(b) In approving the plans, specifications and estimates for any proposed project under this section, the Secretary shall assure that possible adverse economic, social, and environmental effects relating to any proposed project have been fully considered in developing such project, and that the final decisions on the project are made in the best overall public interest, taking into consideration the need for fast, safe and efficient transportation, public services, and the costs of eliminating or minimizing such adverse effects, and taking into consideration the following:

"(1) air, noise, and water pollution;

"(2) destruction or disruption of manmade and natural resources, aesthetic values, community cohesion, and the availability of public facilities and services;

"(3) adverse employment effects, and tax and property value losses;

"(4) injurious displacement of people, businesses and farms; and

"(5) disruption of desirable community and regional growth.

"Section 208. Public hearings

"Upon submission for approval of a proposed project under this title, the Governor shall certify to the Secretary that he has conducted public hearings, or has afforded the opportunity for such hearings, and that these hearings included consideration of the economic and social effects of such a project, its impact on the environment, including requirements under the Clean Air Act, as amended, the Federal Water Pollution Control Act, as amended, and other applicable Federal environmental statutes, and its consistency with the goals and objectives of such urban planning as has been promulgated by the community. Such certification shall be accompanied by (1) a report which indicates the consideration given to the economic, social, environmental, and other effects of the proposed project, including, for construction projects, the effects of its location or design, and the consideration given to the various alternatives which were raised during the hearing or which were otherwise considered; and (2) upon the Secretary's request, a copy of the transcript of the hearings.

"Section 209. Certification acceptance

"(a) The Secretary may discharge any of his responsibilities under this title for projects upon the request of any Governor, by accepting a certification by the Governor, or his designee, if he finds such projects will be carried out in accordance with State laws, regulations, directives, and standards establishing requirements at least equivalent to those contained in, or issued pursuant to, this title.

"(b) The Secretary shall make a final inspection or a review of each such project upon its completion and shall require an adequate report of its estimated and actual cost, as well as such other information as he determines necessary.

"(c) The procedure authorized by this section shall be an alternative to that otherwise prescribed in this title. The Secretary shall promulgate such guidelines and regulations as may be necessary to carry out this section.

"(d) Acceptance by the Secretary of a Governor's certification under this section may be rescinded by the Secretary at any time if, in his opinion, it is necessary to do so.

"(e) Nothing in this section shall affect or discharge any responsibility or obligation of the Secretary under any Federal law, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321, et seq.), section 4(f) of the Department of Transportation Act, (49 U.S.C. 1653(f)), title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000(d), et seq.), title VIII of the Act of April 11, 1968 (Public Law 90-284, 42 U.S.C. 3601, et seq.), and the Uniform Relocation Assistance and Land Acquisition Policies Act of 1970 (42 U.S.C. 4601, et seq.), other than this title.

"Section 210. Project agreements

"(a) As soon as practicable after the plans, specifications, and estimates for a specific project have been approved, the Secretary shall enter into a formal project agreement with the Governor. Such project agreement shall make provisions for State funds required for the State's pro rata share of the cost of such project.

"(b) The Secretary may rely upon representations made by the Governor with respect to the arrangements or agreements made by the Governor and appropriate local officials where a part of the project is to be constructed at the expense of, or in cooperation with, local subdivisions of the State.

"Section 211. Payment to Governors for construction

"(a) The Secretary may, in his discretion, from time to time as the work progresses, make payments to a Governor for costs of construction incurred by him on a project. These payments shall at no time exceed the Federal share of the costs of construction incurred to the date of the voucher covering such payment plus the Federal share of the value of the materials which have been stockpiled in the vicinity of such construction in conformity to plans and specifications for the project. Such payments may also be made in the case of any such materials not in the vicinity of such construction if the Secretary determines that because of required fabrication at an off-site location the materials cannot be stockpiled in such vicinity.

"(b) After completion of a project in accordance with the plans and specifications, and approval of the final voucher by the Secretary, a Governor shall be entitled to payment out of the appropriate sums apportioned to him of the unpaid balance of the Federal share payable on account of such project.

"(c) No payment shall be made under this title, except for a project covered by a project agreement.

"(d) In making payments pursuant to this section, the Secretary shall be bound by the limitations with respect to the permissible amounts of such payments contained in section 205 of this Act.

"(e) Such payments shall be made to such official or officials or depository as may be designated by the Governor and authorized under the laws of the State to receive public funds of the State.

"Section 212. Transportation planning in urbanized areas

"The development of projects under this title shall be based upon a continuing, cooperative, and comprehensive planning process covering all modes of surface transportation and carried on in accordance with section 134(a), title 23, United States Code. The Secretary shall not approve any project under this title unless he finds that such projects are based on a continuing comprehensive transportation planning process carried on cooperatively by States and local communities in conformance with the objectives stated in section 134(a), title 23, United States Code. A project under this title may not be undertaken unless the responsible public officials of the urbanized area in which the project is located have been consulted and, except for projects to pay operating expenses, their views considered with respect to the corridor, the location and the design of the project.

"Section 213. Labor standards

"The provisions of section 13(c) of title I of this Act shall apply in carrying out mass transportation projects under this title.".

TITLE III—AMENDMENTS TO TITLE 23, UNITED STATES CODE: UNIFIED TRANSPORTATION ASSISTANCE PROGRAM

EFFECTIVE DATE

SEC. 301. This title shall become effective after June 30, 1977.

REDESIGNATION OF TITLE 23

SEC. 302. (a) The title of title 23, United States Code, is hereby amended to read as follows:

"TITLE 23—HIGHWAYS AND MASS TRANSPORTATION"

(b) The analysis of chapter 1, title 23, United States Code, is amended by striking out "Chapter 1—FEDERAL-AID HIGHWAYS" and inserting the following: "Chapter 1—FEDERAL-AID HIGHWAYS AND MASS TRANSPORTATION".

DEFINITIONS

SEC. 303. Section 101 of title 23, United States Code, is amended by (a) inserting after the definition of "forest development roads and trails" the following:

"The term 'Governor' means the Governor, or his designate, of any one of the fifty States, of Puerto Rico, and the Mayor of the District of Columbia.";

(b) inserting after the definition of "maintenance" the following:

"The term 'mass transportation' means transportation by bus or rail or other conveyance, either publicly or privately owned, which provides to the public general or special service on a regular and continuing basis."; and

(c) amending the definition of "construction" by inserting after the word "highway" the following: "or facilities and equipment for use in mass transportation."

GOVERNOR AND STATE AGENCY

SEC. 304. (a) The term "Governor" is substituted for the term "State" where that term appears in title 23, United States Code, unless the context requires otherwise.

(b) (1) Section 302, title 23, United States Code, is amended by substituting "State agency" for "State highway department" wherever that term appears in the section and the title of the section.

(2) The analysis of chapter 1 of title 23, United States Code, is amended by deleting "302. State highway department." and inserting the following: "302. State agency.".

(c) The term "State agency" is substituted for the term "State highway department" wherever that term appears in any other section of title 23, United States Code.

FEDERAL-AID SYSTEMS

SEC. 305. The first sentence of section 103 (d) (2) of title 23, United States Code, is amended by adding after "collector routes" the following: ", and the public mass transportation systems of each urbanized area."

APPORTIONMENT

SEC. 306. (a) Section 104(b), title 23, United States Code, is amended by striking "On or before January 1 next preceding the commencement," and substituting therefor "On the first day,".

(b) Section 104(f) (1), title 23, United States Code, is amended to read as follows:

"(f) (1) Three percent of the funds apportioned under paragraph (6) of subsection (b) of this section for the Federal-aid urban system shall be available only for the purpose of carrying out the requirements of section 134(a) of this title."

(c) Section 104(f) (2), title 23, United States Code, is hereby deleted and subsequent paragraphs, and all references thereto, are renumbered accordingly.

(d) Section 104(f) (2), title 23, United States Code, as redesignated herein, is amended to read as follows:

"(f) (2) Funds required to be used for planning pursuant to section 134(a) of this title shall be made available by the Governor to the metropolitan planning organizations designated by the Governor as being responsible for carrying out the provisions of section 134(a) of this title. These funds shall be matched in accordance with clause (A) of section 120(a) of this title unless the Secretary determines that the interests of the Federal-aid transportation program would be best served without such matching.".

CERTIFICATION ACCEPTANCE

SEC. 307. (a) Section 117, title 23, United States Code, is amended by deleting subsection (a) and inserting the following subsections (a) and (b) therefor, and relettering the subsequent subsections accordingly.

"(a) The Secretary may discharge any of his responsibilities relative to highway and mass transportation projects on Federal-aid systems, except the Interstate System, under this title, the National Environmental Policy Act of 1969 (49 U.S.C. 4321, et seq.), and section 4(f) of the Department of Transportation Act (49 U.S.C. 1653(f)), upon the request of any Governor, by accepting a certification by the Governor if the Secretary finds, after consultation with the Council on Environmental Quality, that (1) such projects will be carried out in accordance with State laws, regulations, directives, and standards establishing requirements at least equivalent to those contained in, or issued pursuant to such acts, and (2) with respect to the National Environmental Policy Act and section 4(f) of the Department of Transportation Act, the Governor has an agency suitably equipped and organized to carry out to the satisfaction of the Secretary the duties under these acts.

"(b) Where the Secretary has accepted a certification by a Governor pursuant to subsection (a), the Governor for the purposes of the National Environmental Policy Act shall be considered the 'responsible official', and for the purposes of section 4(f) of the Department of Transportation Act, he shall be considered the 'Secretary', and shall be subject to the same judicial remedies and Federal court jurisdiction with regard to such laws as the Secretary otherwise would be subject. This subsection shall not preclude the States from providing other judicial and administrative remedies.

(b) Subsection (c) of section 117, title 23, United States Code, as redesignated herein, is amended by inserting after "final inspection" the words "or review".

(d) Section 117(f) of title 23, United States Code, as redesignated herein, is amended to read as follows:

"(f) Nothing in this section shall affect or discharge any responsibility or obligation of the Secretary under any other Federal law, including title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000(d), et seq.), title VIII of the Act of April 11, 1968 (Pub. L. No. 90-284, 42 U.S.C. 3601, et seq.), and the Uniform Relocation Assistance and Land Acquisition Policies Act of 1970 (42 U.S.C. 4601, et seq.), other than this title, the National Environmental Policy Act, and section 4(f) of the Department of Transportation Act."

TECHNICAL AMENDMENT

SEC. 308. Section 134, title 23, United States Code, is amended by substituting in the last sentence of subsection (a) "transportation project" for "highway project".

OPERATING EXPENSES

SEC. 309. (a) Section 142(a) (2) of title 23, United States Code, is amended by adding after "rolling stock for fixed rail" the following: "and the payment of operating expenses incurred as a result of improving mass transportation service. Not to exceed 50 percent of the sums apportioned to each Governor for each of the fiscal years 1978, 1979, and 1980 under section 104(b) (6) shall be available for the payment of the Federal share of projects for the payment of operating expenses."

(b) Section 142(a) of title 23, United States Code, is further amended by adding at the end thereof a new paragraph (4) to read as follows:

"The Secretary shall issue such regulations to administer this section as he deems necessary, including regulations regarding the maintenance of effort by State and local governments and an appropriate definition of operating expenses."

(c) Section 142 of title 23, United States Code, is further amended by adding at the end thereof a new subsection (k) to read as follows:

"Funds available for projects for the payment of operating expenses pursuant to paragraph (2) of subsection (a) shall be supplementary to and not in substitution for the average amount of State and local government funds expended on mass transportation service in the two Federal fiscal years preceding the Federal fiscal year for which the project is intended."

MASS TRANSPORTATION FARES

SEC. 310. Section 301 of title 23, United States Code, is amended by adding at the end thereof the following new sentence:

"For the purposes of this section, fares on public mass transportation systems shall not be construed as a toll of any kind."

RESEARCH AND PLANNING

SEC. 311. (a) Section 307(c) (1), title 23, United States Code, is amended to read as follows:

"(c) (1) Not to exceed one and one-half percent of the sums apportioned for each fiscal year beginning with fiscal year 1974 to any State under section 104(b) (1), (2) and (5) of this title shall be available for expenditure upon request of the Governor, with the approval of the Secretary, with or without State funds for statewide surface transportation planning, including but not limited to transportation studies, feasibility studies and social, environmental and economic studies, for the planning of rural and small urban area transportation systems and inter-urban transportation systems; for the determination of appropriate relationships between locally adopted urban and State transportation plans; for studies of the desirable regulatory and equitable tax policies regarding transportation, for studies on the operation of transportation facilities; and for research and development to assist States in responding to their transportation problems.".

(b) Section 301(c) (2), title 23, United States Code, is hereby deleted, and the subsequent paragraphs of this section, and any references thereto, are renumbered accordingly.

(c) Section 307(c) (2), title 23, United States Code, as redesignated herein, is amended to read as follows:

"(2) In addition to the percentage provided in paragraphs (1) and (2) of this subsection, not to exceed one-half of one per centum of sums apportioned for each fiscal year beginning with the fiscal year 1974 under paragraphs (1) and (2) of section 104(b) of this title shall be available for expenditure upon request of the Governor for the purposes enumerated in paragraph (1) of this subsection, including demonstration projects in connection with such purposes.".

TRANSPORTATION AUTHORIZATIONS

SEC. 312. For the purposes of carrying out the provisions of title 23, United States Code, the following sums are hereby authorized to be appropriated:

(a) For the Federal-aid urban system, $2,000,000,000 for each of the fiscal years ending June 30, 1978, June 30, 1979, and June 30, 1980.

(b) For the Urban Mass Transportation Capital Grant Program, $700,000,000 for each of the fiscal years ending June 30, 1978, June 30, 1979, and June 30, 1980.

DISTRIBUTION OF AUTHORIZED SUMS

SEC. 313. (a) The amounts authorized by section 312(a) of this Act shall be apportioned to the Governors in each of the fiscal years ending June 30, 1978, June 30, 1979, and June 30, 1980, in the manner prescribed by section 104(b)(6), title 23, United States Code.

(b) The first sentence of subsection (b) of section 118, title 23, United States Code, is amended to read as follows:

"Such sums shall continue available for expenditure by the Governor for a period of two years after the close of the fiscal year for which sums are apportioned. Any amounts so apportioned remaining unexpended at the end of such period shall lapse and be returned to the Treasury of the United States for deposits as miscellaneous receipts."

(c) The Secretary is authorized to incur obligations on behalf of the United States in the form of grant agreements or otherwise for projects authorized by chapter 5, title 23, United States Code.

(d) The amounts authorized by subsection (c) shall become available for obligation after June 30, 1977, and shall remain available until obligated.

(e) There are authorized to be appropriated for liquidation of the obligations incurred under subsection (c) not to exceed $200,000,000 prior to July 1, 1978, which amount may be increased to not to exceed an aggregate of $400,000,000 prior to July 1, 1979, and not to exceed an aggregate of $2,100,000,000 thereafter.

URBAN MASS TRANSPORTATION CAPITAL GRANT PROGRAM

SEC. 314. Title 23, United States Code, is amended by adding at the end thereof the following new chapter:

"Chapter 5—The Urban Mass Transportation Capital Grant Program."

"501. Federal financial assistance

"The Secretary is authorized, in accordance with the provisions of this chapter and on such terms and conditions as he may prescribe, to make grants to assist Governors and local public bodies in financing the acquisition, construction, and improvement of facilities and equipment for use, by operation or lease or otherwise, in mass transportation service in urbanized areas and in coordinating such service with highway and other transportation in such areas. Eligible facilities and equipment may include land (but not public highways), buses and other rolling stock, and other real and personal property needed for an efficient and coordinated mass transportation system. No grant shall be provided under this section unless the Secretary determines that the applicant has or will have

(1) the legal, financial, and technical capacity to carry out the proposed project; and

(2) satisfactory continuing control, through operation or lease or otherwise, over the use of the facilities and equipment.

Any Governor or local public body applying for assistance under this section for a project located wholly or partly in a State in which there is statewide comprehensive transportation planning shall furnish concurrently with its submission to the Secretary, a copy of its application to the Governor of each State affected. If within 30 days thereafter, the Governor of an affected State submits comments to the Secretary, the Secretary must consider the comments before taking final action on the application.

"502. Public hearings

"Any application for a grant under this chapter to finance the acquisition, construction, or improvement of facilities or equipment which will substantially affect a community or its mass transportation service shall include a certification that the applicant—

(a) has afforded an adequate opportunity for public hearings pursuant to adequate prior notice, and has held such hearings, unless no one with a significant economic, social, or environmental interest in the matter requests a hearing;

(b) has considered the economic and social effects of the project and its impact on the environment, including the requirements of the Clean Air Act, as amended, and the Federal Water Pollution Control Act; and

(c) has found that the project is consistent with official plans for the comprehensive development of the urbanized area.

Notice of any hearings under this subsection shall include a concise statement of the proposed project, and shall be published in a newspaper of general circulation in the geographic area to be served. If hearings have been held, upon the request of the Secretary, a copy of the transcript of the hearings shall be submitted with the application.

"503. Requirements of capital grant program

"Federal financial assistance shall not be provided pursuant to section 501 unless the Secretary determines that the facilities and equipment for which the assistance is sought are needed for carrying out a program, meeting criteria established by him, for a unified or officially coordinated urbanized area transportation system as a part of the comprehensively planned development of the urbanized area, and are necessary for the sound, economic, and desirable development of such area. Such program shall encourage to the maximum extent feasible the participation of private enterprise. Where facilities and equipment are to be acquired which are already being used in mass transportation service in the urbanized area, the program must provide that they shall be so improved (through modernization, extension, addition, or otherwise) that they will better serve the transportation needs of the area.

"504 Federal share

"The Secretary, on the basis of engineering studies, studies of economic feasibility, and data showing the nature and extent of expected utilization of the facilities and equipment, shall estimate what portion of the cost of a project to be assisted under section 501 cannot be reasonably financed from revenues—which portion shall hereinafter be called 'net project cost'. The Federal grant for any such project to be assisted under section 501 shall be in an amount not to exceed 80 percent of the net project cost. The remainder of the net project cost shall be provided, in cash, from sources other than Federal funds. Any public or private transit system funds so provided shall be solely from undistributed cash surpluses, replacement or depreciation funds or reserves available in cash, or new capital.

"505. Investment standards

"The Secretary may issue regulations establishing investment standards for the grant-in-aid program under this chapter.

"506. General provisions

"(a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this chapter, the Secretary shall (in addition to any authority otherwise vested in him) have the functions, powers, and duties set forth in section 402, except subsections (c)(2) and (f), of the Housing Act of 1950. Funds obtained or held by the Secretary in connection with the performance of his functions under this chapter shall be available for the administrative expenses of the Secretary in connection with the performance of such functions.

"(b) All contracts for construction, reconstruction, or improvement of facilities and equipment in furtherance of the purposes for which a grant is made under this chapter, entered into by applicants under other than competitive bidding procedures as defined by the Secretary, shall provide that the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall, for the purpose of audit and examination, have access to any books, documents, papers, and records of the contracting parties that are pertinent to the operations or activities under such contracts.

"507. Definitions

"(a) As used in this chapter—

(1) the term 'Governor' includes the Governor, or his designate, or any one of the several States, of Puerto Rico, and of the possessions of the United States, and the Mayor of the District of Columbia; and

(2) the term 'local public bodies' means municipalities and other political subdivisions of States; public agencies and instrumentalities of one or more States; municipalities, and political subdivisions of States; and public corporations, boards, and commissions established under the laws of any State.

"508. Labor standards

"(a) The Secretary shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed with the assistance of grants under this chapter shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended. The Secretary shall not approve any such grant under this chapter without first obtaining adequate assurance that required labor standards will be maintained upon the construction work.

"(b) The Secretary of Labor shall have, with respect to the labor standards specified in subsection (a), the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948; 40 U.S.C. 276 c).

"(c) It shall be a condition of any assistance under section 501 of this title that fair and equitable arrangements are made, as determined by the Secretary of Labor, to protect the interests of employees affected by such assistance. Such protective arrangements, shall include, without being limited to, such provisions as may be necessary for (1) the preservation of rights, privileges, and benefits (including continuation of pension rights and benefits) under existing collective bargaining agreements or otherwise; (2) the continuation of collective bargaining rights; (3) the protection of individual employees against a worsening of their positions with respect to their employment; (4) assurances of employment to employees of acquired mass transportation systems and priority of reemployment of employees terminated or laid off; and (5) paid training or retraining programs. Such arrangements shall include provisions protecting individual employees against a worsening of their positions with respect to their employment which shall in no event provide benefits less than those established pursuant to section 5(a) of the Act of February 4, 1887 (25 Stat. 379), as amended. The contract for the granting of any such assistance shall specify the terms and conditions of the protective arrangements.".

(b) The table of contents of title 23, United States Code, is amended adding the following at the end thereof:

"Chapter 5—The Urban Mass Transportation Capital Grant Program

"501. Federal financial assistance.
"502. Public hearings.
"503. Requirements of capital grant program.
"504. Federal share.
"505. Investment standards.
"506. General provisions.
"507. Definitions.
"508. Labor standards."

EXPLANATION OF THE UNIFIED TRANSPORTATION ASSISTANCE ACT OF 1974

There follows a description of the principal provisions of the Unified Transportation Assistance Act of 1974, and a discussion of the bill's objectives.

DESCRIPTION OF THE LEGISLATION

The Unified Transportation Assistance Act of 1974 is divided into three titles. Title I becomes effective at the beginning of fiscal year 1975. It contains amendments to the urban and rural highway programs, respectively, under title 23, United States Code, and funding authorizations for these programs.

This title authorizes for fiscal year 1977, out of the Highway Trust Fund, an additional $800 million for the Federal-aid urban system, $300 million for the urban extensions of the primary and secondary systems in urbanized areas, $700,000,000 for the primary system in rural areas, and $400,000,000 for the secondary system in rural areas. To establish parity between title 23 projects and those eligible for funding under the UMTA Act, the bill increases the Federal share for non-Interstate projects from 70 per cent to 80 per cent.

This title also revises the apportionment formulas so that beginning in fiscal year 1975 funds are distributed on the basis of the population of urbanized areas (50,000 or more) for both the urban and urban extension systems. The apportionment formulas for the primary and secondary systems are adjusted correspondingly to pick up small urban areas of populations between 5,000 and 50,000, which presently are part of the basis for the urban system and urban extension system apportionments. Consistent with these steps, it also realigns programs so that projects in small urban areas are financed out of rural authorizations and urban programs finance projects only in urbanized areas (those with population in excess of 50,000). In addition, title I changes from 200,000 to 400,000 the population figure in the section of title 23 which "earmarks" urban system funds attributable to urbanized areas for use in these large urban centers.

To help meet the need for public transportation of persons living in rural and small urban areas, title I permits primary and secondary system funds to be used for the purchase of buses. It also extends for one year the "rural highway public transportation demonstration program" established by the Federal-Aid Highway Act of 1973. $45 million is added to this program—$30 million out of the Trust Fund and $15 million from the general fund—bringing the program's total funding to $75 million. Further, the operating expenses of rural and small urban public transportation systems are eligible for Federal funding under this program.

In addition, to provide increased flexibility, title 23 is amended to permit up to 40 per cent of the primary, secondary, urban extension and urban system apportionments to be transferred among any of these apportionments. Further, the entire apportionment for urban extensions can be added to the urban system apportionment. Current law permits transfers only between the separate urban programs and separate rural programs, but not from urban programs to rural programs, or vice versa.

Title II amends the Urban Mass Transportation Act of 1964. Its principal features are: (1) the addition of $1.3 billion to the funds currently available for mass transportation projects, (2) the establishment of an urban transportation formula grant program through the requirement that there be an apportionment from the total amount of funds available under the UMTA Act of $700 million, $800 million, and $900 million for fiscal years 1975, 1976, and 1977, respectively, and (3) the addition of the payment of operating expenses as a permitted use of the apportioned funds. In addition to mass transportation capital projects and mass transportation related highway projects, the apportioned funds may be used for mass transit operating expenses. Mass transportation related projects include the construction of exclusive or preferential bus lanes, highway traffic control devices, bus passenger loading areas, and fringe parking facilities.

The Federal share for projects under title II is 80 per cent. The bill also requires that Federal funds for transit operating expenses assure improvements to public transportation service and be supplementary to and not in substitution for State and local funds now used to operate the system. This is referred to subsequently in this explanation as a "maintenance of effort" limitation.

Other provisions in title II provide that the Governors of the several States are the recipients of Federal funds under this program; that 3 per cent of the funds apportioned to the Governors must be passed through to metropolitan planning agencies responsible for planning in all urbanized areas (areas of 50,000 population, or more); and that projects selected for funding have to be the product of a comprehensive urban planning process involving the appropriate local officials. Further, like the urban highway program, funds apportioned under the new formula grant program which are attributable to urbanized areas over 400,000 population, must be used in those specific areas. Federal environmental, civil rights, uniform relocation and assistance, and labor statutes apply to projects under this title.

The formula grant program is modeled upon the existing urban highway program. A population-based allocation formula is used because it is a more representative indicator of both highway and public transit needs than other indices. The intention is to establish a program which parallels the urban highway program so that the program can be merged in title III into a single program with minimum disruption.

The additional authorizations provided in title II, together with those currently available, are sufficient to retain a $700 million annual discretionary mass transportation capital grant program through fiscal year 1977. This program will operate very much like the existing UMTA capital program. However, because a large share of conventional transit projects can be financed through the urban formula grant program, more rigorous project selection criteria for major projects funded under the discretionary program are to be developed.

Title III, which takes effect in fiscal year 1978, merges the UMTA formula grant program, as established in title II of the bill, and the urban highway program into the Unified Transportation Assistance Program. This is accomplished by amending title 23, United States Code, effective at the beginning of fiscal year 1978. The more significant amendments are as follows: (1) changing the description of the Federal-aid urban system to include the public mass transportation systems of urbanized areas, (2) adding the payment of operating expenses (subject to both a "maintenance of effort" limitation, and a 50 per cent ceiling on the amount of any Governor's apportionment which may be spent for operating expenses) as a permitted use of urban funds; (3) authorizing $2.7 billion per year for urban highway and public mass transportation projects for each of fiscal years 1978, 1979, and 1980; (4) requiring that of this sum, the Secretary is to apportion $2 billion each year for the combined urban highway and mass transit programs; (5) establishing a discretionary fund for the remaining $700 million per year, which will be available for major mass transportation capital projects, but not for operating expenses; and (6) placing the transit discretionary program in title 23, of the United States Code, by adding a new chapter 5 to that title which contains a number of provisions analogous to those now in the UMTA Act.

Apportionments under title III will be made to Governors, and the present requirement that a State have a highway department capable of carrying out the State's responsibilities under title 23 is revised to require the existence of a State agency suitably equipped to carry out the provisions of the expanded title.

Three per cent of each year's urban system apportionment will be reserved for urban planning. Governors are required to pass through to planning agencies in all urbanized areas that portion of the planning funds which are attributable to these urbanized areas.

The certification for acceptance procedure now in title 23 is broadened to allow the Secretary to delegate to the Governors his responsibilities for projects under the National Environmental Policy Act if the Secretary, after consultation with the Council on Environmental Quality, finds that these projects will be carried out in accordance with State laws and regulations at least equivalent to NEPA and that the Governor has an agency adequately equipped to assure compliance with these laws and regulations. Similarly, the Secretary will be authorized to delegate to any Governor his responsibility for the preservation of parklands as required by section 4(f) of the Department of Transportation Act. Federal courts will retain jurisdiction of projects approved under these amendments.

OBJECTIVES OF THE LEGISLATION

The Nation's highway and public mass transportation systems receive Federal assistance under the Federal-aid highway program, codified in title 23, United States Code, and the Urban Mass Transportation Act of 1964, as amended. As a result of the landmark Federal-Aid Highway Act of 1973, $800 million which is authorized for expenditure on the urban system is available for mass transportation capital projects in each of fiscal years 1974, 1975, and 1976. Seeking to continue the progress made in the Federal-Aid Highway Act of 1973, the Unified Transportation Assistance Act of 1974 provides urbanized areas the financial resources and flexibility to make rational decisions regarding their transportation problems. These problems have been intensified by the energy crisis and the need for urbanized areas to meet air quality standards prescribed by the Clean Air Act. Increased sums are provided in this bill for mass transportation projects, and for the first time, Federal funds will be permitted to be used for transit operating expenses.

The proposed legislation also consolidates two separate and relatively inflexible capital programs (the Federal-aid highway and the UMTA programs) which are distorting, in various ways, local decisions on the investment of transportation funds and on transit operating practices. Combining the programs and expanding the range of uses will encourage better planning and decision-making at the local level. In addition, providing urbanized areas with an assured source of Federal funds over a period of several years will encourage more responsible long-term local planning.

Further, the bill provides rural and small urban areas the flexibility to improve public transportation. It also increases the funds available for highway construction in rural areas.

Finally, the bill provides that beyond fiscal year 1977, the urbanized area highway and mass transportation projects will be funded with general funds. The future status of the

Highway Trust Fund and its relationship to scheduled Interstate completion will be considered by the Congress sometime prior to its expiration in 1977.

PAYMENT OF MASS TRANSPORTATION OPERATING EXPENSES

With the enactment of the Urban Mass Transportation Act of 1964, the Federal Government began providing capital assistance for our cities' mass transportation systems. The landmark UMTA Act of 1970 for the first time elevated Federal interest in mass transportation into a multi-billion dollar continuing commitment.

Despite this capital assistance, many of the Nation's public transportation systems lack sufficient operating resources to substantially improve transit service. The reasons for this situation vary from system to system, but essentially they are attributable to declining ridership and increasing operating expenses.

The national goal of clean air, as reflected in the Clean Air Act of 1970, and the current energy crisis have increased the need for healthy, efficient public transportation systems. Transportation controls prescribed under the Clean Air Act for many urbanized areas call on citizens to reduce their use of automobiles and use public transportation systems more.

The Unified Transportation Assistance Act of 1974 seeks to strengthen these systems by providing additional capital assistance and authorizing payments to augment the operating funds for public transit systems where such payments will result in service improvements. The funds available for this purpose will be distributed by formula to State Governors. These funds will be available for transit capital assistance and operating expenses, mass transportation related projects, such as exclusive busways, and beginning in fiscal year 1978 when the urban highway and mass transit programs are consolidated, highway construction projects. The amount of funds available for operating expenses is subject to a "maintenance of effort" limitation and a 50 percent limit on the amount of each Governor's apportionment which he can spend Statewide on these projects.

We believe that the flexible block grant approach proposed in the Unified Transportation Assistance Act of 1974 is superior to a categorical grant program in several respects. First, in terms of Federal-State relationships, the formula distribution system proposed in this legislation places the primary responsibility for determining how to invest their transportation funds in State and local governments. Because the decision regarding what portion of available Federal money should be used to pay transit operating expenses involves numerous State and local considerations, it is desirable that the Federal Government not be involved in detailed oversight of State and local decision-making. A categorial grant program would necessarily require such a degree of Federal participation. Second, a categorical grant program to pay transit operating expenses would reduce the incentives for efficient operation of transit systems. Third, a categorical grant program establishes in law the "use it or lose it" principle. This encourages local governments to spend funds for operating expenses, whether or not these expenditures are the most prudent for the State or local area. The block grant approach permits funds to be used for a wide range of activities, rather than limiting them to a narrow categorical use. Additionally, by limiting the amount of funds available for operating expenses by the "maintenance of effort" factor, the proposed program will help assure that the incentives for good management remain and that the Federal dollars are well invested.

CONSOLIDATION OF PROGRAMS

By making certain mass transportation projects eligible for funding under the highway program, the Federal-Aid Highway Act of 1973 has taken an important step toward providing urbanized areas with flexibility in their transportation investment decisions. Merger of the Highway and UMTA grant programs in title 23 of the United States Code, in 1978 would complete this process by creating a single pool of funds available for the full range of highway and transit projects.

In recognition of the concern that the competition at the State and local levels between mass transportation and highway interests would not be properly balanced, the bill vests the Governor, instead of the State highway department, with the allocated funds and requires that certain sums be earmarked for use in urbanized areas of 400,000 or more population.

RURAL TRANSPORTATION PROGRAM

In response to the need of persons living in rural areas for improved public transportation, the Federal-Aid Highway Act of 1973 authorized $30 million for a two-year demonstration rural highway public transportation demonstration program. Title I of the proposed legislation would extend this program for an additional year, authorize $45 million more for it, and expand its coverage to include small urban areas (5,000–50,000 population).

Recognizing that a number of public transportation systems in rural and small urban areas have been able to obtain necessary facilities and equipment, but are beset with high maintenance, management, bookkeeping and promotion costs, the bill adds the payment of operating expenses as an eligible demonstration program expenditure.

To further strengthen rural and small urban area public transportation systems, primary and secondary system funds are made available to Governors for the purchase of buses in these areas.

UNIFIED TRANSPORTATION ASSISTANCE ACT OF 1974: SECTION-BY-SECTION ANALYSIS

The Unified Transportation Assistance Act of 1974 is divided into three titles. Title I of the bill amends the urban and rural highway programs by making certain changes to title 23 of the United States Code. Its principal purposes are to authorize highway trust funds for expenditure on the several Federal-aid systems for fiscal year 1977, to expand the rural and small urban public transportation program, and to revise the apportionment formulas in favor of urbanized areas.

Title II amends the Urban Mass Transportation Act of 1964, as amended, by dividing that Act into two titles. Title I of the Urban Mass Transportation Act is referred to as the "Urban Mass Transportation Program" and includes sections 2 through 15 of the existing Act. These sections pertain to the capital grant program currently administered by the Urban Mass Transportation Administration. The bill also establishes a separate grant transportation formula program, designated as title II of the UMTA Act. This program establishes a procedure for the distribution of mass transportation funds to Governors by formula and authorizes operating expenses as a new permitted use of these funds.

Title III becomes effective in fiscal year 1978 and merges the UMTA program and the urban highway program by amendments to title 23, United States Code. It expands upon the Federal-Aid Highway Act of 1973 by adding operating expenses to the purposes for which urban system funds are available and establishes a new chapter 5 of title 23, referred to as the "Urban Mass Transportation Capital Grant Program". This grant program augments the formula program and is similar in structure to that currently administered by the Urban Mass Transportation Administration, which, as stated, is designated under this bill as title I of the Urban Mass Transportation Act of 1964.

A detailed analysis of the sections of this bill follows.

SECTION 101. SHORT TITLE

This bill may be referred to as the "Unified Transportation Assistance Act of 1974".

Title I—Amendments to Title 23, United States Code: Urban, Small Urban and Rural Highway Programs.

SECTION 102. EFFECTIVE DATE

Sections 103 to 105 of this title become effective after June 30, 1974. The other provisions of this title are effective upon their enactment.

SECTION 103. APPORTIONMENT

This section shifts the urban/rural break point from 5,000 population to 50,000 population. This is accomplished by amending the definition of "rural areas" to mean areas outside of urbanized areas (which are areas in excess of 50,000 population), changing the Federal-aid urban system to apply to only urbanized areas, substituting the term "outside of urbanized areas" for "rural areas" in the apportionment formulas for the primary and secondary systems, and substituting urbanized areas for "urban places 5,000 or more" in the apportionment formula for the urban extension system and the urban system.

This section also deletes the requirement that any State not receive less than ½ of 1 per cent of each year's urban system apportionment. Further, section 103 amends section 104(d) of title 23 by providing that, upon the request of the State highway department and approval by the Governor and the Secretary, not more than 40 per cent of a State's primary, secondary, urban extension, and urban system apportionments may be transferred to any of the other such system's apportionment, and up to the total amount of a State's urban extension apportionment may be transferred to its urban system apportionment. Urban system apportionments are not to be transferred from their allocation, pursuant to section 150 of title 23, to any urbanized area of 400,000 population or more without the approval of the local officials of that area.

SECTION 104. AVAILABILITY OF PLANNING AND URBAN SYSTEM FUNDS

This section amends section 104(f) of title 23 by deleting the requirement that no State receive less than ½ per cent of the planning funds apportioned. It also recommends section 150 of title 23 by changing the minimum population level for urbanized areas to which urban system funds are allocated from 200,000 population to 400,000 population.

SECTION 105. FEDERAL SHARE

The Federal share for projects on the primary, secondary, urban and urban extension systems, and for emergency repair and reconstruction projects is increased from 70 per cent to 80 per cent by an amendment to section 120(a) of title 23. The amendments in this section take effect with respect to all obligations incurred after June 30, 1974.

SECTION 106. AUTHORIZATIONS

This section authorizes the following sums to carry out the purposes of title 23: $800 million for fiscal year 1977 for the Federal aid urban system; $300 million for each of the fiscal years 1976 and 1977 for the primary and secondary systems in urbanized areas; $700 million for fiscal year 1977 for the pri-

mary system; and $400 million for fiscal year 1977 for the secondary system. In order to direct primary and secondary funds for fiscal year 1976 to urbanized areas, rather than to urban areas, the fiscal year 1976 authorization for this system in the Federal-Aid Highway Act of 1973 is repealed, and an identical sum is authorized for expenditure in urbanized areas during that year by this title.

To protect against the possibility that authorizations in this title may result in expenditures from the Highway Trust Fund exceeding the receipts in the Fund, section 106(c) amends section 209(g) of the Federal-Aid Highway Act of 1956. The latter section provides that, if such an excess occurs, the amounts authorized are to be adjusted by appropriate reductions in the Interstate System apportionment. Section 106(c) of the bill guards against this by providing that to the extent that (1) the sum of the authorizations to appropriate funds from the Trust Fund under this section and the total amount authorized to be appropriated out of the Trust Fund through June 30, 1977, exceed (2) the sum of the amounts available in the Trust Fund as a result of authorizations under this section and the total amount of Highway Trust Funds authorized to be appropriated through June 30, 1977, then an amount equal to the difference between these two figures, but not to exceed $2.2 billion, shall be authorized to be appropriated out of general funds for the liquidation of obligations resulting from authorizations under (1) for which the sums available under (2) are not sufficient. For the purposes of section 209(g) of the Federal-Aid Highway Act of 1956, the general funds so authorized shall constitute amounts available in the Highway Trust Fund to defray the expenditures which will be required to be made from the Fund. In this way the possibility of a determination by the Secretary of the Treasury that there are insufficient funds in the Highway Trust Fund and the ramifications of that determinaion are avoided.

SECTION 107. TECHNICAL AMENDMENT

Subsection (d) of section 142 is deleted. Section 134 of title 23 carries out the purpose of subsection (d).

SECTION 108. MASS TRANSPORTATION FOR THE ELDERLY AND HANDICAPPED

This section adds a new section 154 to title 23. It declares that it is the national policy that elderly and physically handicapped persons have the same rights as other persons to utilize mass transportation services and facilities, and that special efforts shall be made in the planning and design of such facilities and services so that mass transportation which the elderly and handicapped can utilize will be assured. To further this policy, the Secretary shall require that any bus or other mass transportation rolling stock acquired, or any mass transportation station, terminal or other passenger loading facility improved or constructed after June 30, 1974, with Federal financial assistance under sections 104(e)(4) and 142 of title 23, the Urban Mass Transportation Act of 1964, and, after June 30, 1977, chapter 5 of title 23, be designed with practical and reasonable features which allow their utilization by elderly and handicapped persons.

A Governor or local public body may satisfy this requirement by providing alternative transportation service for the elderly and handicapped. This service shall be sufficient to assure that such persons have available transportation service meeting standards to be promulgated by the Secretary.

Funds apportioned under section 104(b)(6) of title 23 and under title II of the UMTA Act shall be available for the Federal share of the alternative services authorized by this section.

Section 165(b) of the Federal-Aid Highway Act of 1973 is hereby repealed. In title II of the bill, section 16 of the UMTA Act is repealed.

SECTION 109. RURAL AND SMALL URBAN AREA PUBLIC TRANSPORTATION

This section adds a new paragraph to section 142 of title 23. It would allow primary and secondary system funds to be used for the purchase of buses to serve small urban and rural areas. "Small urban area" is defined to mean an urban place as designated by the Bureau of the Census having a population of 5,000 or more and not within any urbanized area. Its boundaries are to be fixed by State and local officials in cooperation with each other, and such boundaries are subject to approval by the Secretary. At a minimum they are to encompass the entire urban place designated by the Bureau of the Census.

SECTION 110. RURAL HIGHWAY PUBLIC TRANSPORTATION DEMONSTRATION PROGRAM

This section amends section 147 of the Federal-Aid Highway Act of 1973 by increasing the authorizations for this program to $75 million, extending the period of the program to June 30, 1977, and increasing to $50 million the portion of the authorizations which come from the Highway Trust Fund. In addition, the payment of operating expenses is added as an eligible project.

TITLE II—AMENDMENTS TO THE URBAN MASS TRANSPORTATION ACT OF 1964

SECTION 201. DESIGNATION OF TITLE I OF THE URBAN MASS TRANSPORTATION ACT

This section amends the Urban Mass Transportation Act of 1964, as amended (hereinafter referred to as the "UMTA Act" or the "Act"), by designating sections 2 through 15 as title I of the Act. This title is referred to as the "Urban Mass Transportation Program." The section also amends section 12(c) of the Act by narrowing the application of the definitions herein from the entire Act to title I, and provides a definition of "administrative reservation."

SECTION 202. AUTHORIZATIONS

This section amends section 4(c) of the UMTA Act (a) by adding grants under title II of the Act to the purposes for which funds are authorized, (b) by adding $1.3 billion to the authorization level, (c) by directing the Secretary to apportion by formula to the Governors of the fifty States, of Puerto Rico, and to the Mayor of the District of Columbia the following sums: $700 million for fiscal year 1975, $800 million for fiscal year 1976, and $900 million for fiscal year 1977; and (d) by increasing the amount of funds authorized to be appropriated for the liquidation of the obligations incurred in this subsection to not more than an aggregate of $7.4 billion. This section also attempts to improve the budgetary discipline in the UMTA program by providing administrative reservations (defined by section 102(d) of the bill as a commitment by the Secretary which, if accepted, would constitute a contractual obligation of the United States), for projects under title I of the Act shall not exceed $700 million for fiscal year 1975. Further, this section states that the sums appropriated for projects under title I shall remain available until expended. The period of availability for sums apportioned to the Governors is set forth in section 203 of title II of the UMTA Act.

SECTION 203. INVESTMENT STANDARDS

Section 104 expressly authorizes the Secretary to issue regulations establishing investment standards for the grant-in-aid program under title I of the Act. This provision is needed to help assure prudent investment of Federal funds by establishing criteria for UMTA capital grants, particularly now that the funds requested by applicants are exceeding the amount of Federal funds available for such projects. Absent this provision, the establishment of such criteria will continue to be prohibited by section 4(b) of the Department of Transportation Act, 49 U.S.C. 1653(b)(2).

SECTION 204. TECHNICAL AMENDMENT

This section deletes section 16 of the UMTA Act regarding mass transportation for the elderly and handicapped. Section 108 of the bill establishes a new section 154 of title 23, United States Code, to replace section 16.

SECTION 205. THE URBAN TRANSPORTATION FORMULA GRANT PROGRAM

This section establishes title II of the UMTA Act which contains new sections 201 to 214 of the Act. Because it is the bill's intent to merge the UMTA program with the Federal-aid urban system program in title 23, United States Code, beginning in fiscal year 1978, sections 205 through 213 are modeled after existing provisions in title 23.

Section 201 of the Act provides a definition for the term "construction" which includes, *inter alia* designing and engineering for mass transportation projects. It also defines the term "Governor" as the Governor or his designate of any one of the 50 States, of Puerto Rico, and the Mayor of the District of Columbia. It is the intent of the bill that the reference to the designate of the Governor be interpreted broadly, particularly in the event that the Governor, under State constitutional law, cannot execute the functions assigned to him by the provisions of this title. This reference would authorize the Governor under these circumstances to designate a State officer or agency which under the State constitution is empowered to carry out the functions which would otherwise be vested in the Governor by this title.

The definitions of "mass transportation" and "Secretary" in title I of the UMTA Act are applied to title II. The definition of "States" in title II differs from that in title I by not including the possessions of the United States. The term "urbanized area" is defined as an area which is determined by State and local officials in cooperation with the Secretary and whose boundaries include at least the area designated by the Bureau of the Census. The Bureau of the Census defines urbanized areas as areas of at least 50,000 population.

Section 202(a) of the Act directs the Secretary to apportion the sums authorized for apportionment by section 4(c) of the Act. The Secretary is to carry out this responsibility on the first day of fiscal years 1975, 1976 and 1977 and apportion funds to the Governors in accordance with a formula based on the populations in urbanized areas in each State.

Subsection (c) requires that the distribution within a State of planning funds be done in accordance with the formula developed by the Governor and approved by the Secretary and sets forth criteria which may serve as a basis for the formula.

Subsection (d) earmarks to urbanized areas of 400,000 population or more the funds apportioned to a Governor which remain after the allocation of planning funds and which are attributable to such urbanized areas. This distribution is to be in accordance with a fair and acceptable formula developed by the Governor and approved by the Secretary. If such a formula has not been developed, the distribution to such urbanized areas of planning funds and project funds is to be in accordance with the ratio that such urbanized areas' population bears

to the population of all such urbanized areas within the State. In expending funds under subsection (d), fair and acceptable treatment is to be accorded incorporated municipalities of 400,000 or more population.

Section 203 of the Act provides that funds apportioned to a Governor under title II of the UMTA Act shall be available for obligation for two years after the close of the fiscal year for which such funds are apportioned. Any amount remaining unexpended at the end of that period shall lapse and be returned to the Treasury of the United States.

Section 204 of the Act defines the projects which are eligible for Federal assistance under title II of the Act. Eligible projects are mass transportation capital projects, payment of mass transportation operating expenses to improve such service, and mass transportation related projects as described in section 142(a)(1), title 23, United States Code. This last group includes exclusive bus lanes, fringe and transportation corridor parking facilities, and highway traffic control devices. The Secretary is authorized to issue regulations, including regulations regarding maintenance of effort by States, local governments, and local public bodies, and a definition of operating expenses, as he deems necessary to administer this section.

Section 205 sets the Federal share for any project under title II of the UMTA Act at not more than 80 per cent of the cost of the project. It specifies that the remainder of the project is to come from sources other than Federal funds, and to assure that State and local governments maintain their financial support of mass transportation systems, this section states that funds under this title shall be supplementary to and not in substitution for the average amount of State and local government funds expended on the operation of mass transportation service for the two Federal fiscal years preceding the Federal fiscal year for which the project is intended.

Section 206 of the Act requires the Governor to submit to the Secretary for his approval a program of proposed projects for the utilization of the authorized funds. Section 206 parallels section 105(a) and (b) of title 23.

Section 207(a) directs the Governor to submit to the Secretary for his approval such surveys, plans, specifications, and estimates for each proposed project as the Secretary may require. The Secretary is to act upon submissions as soon as practical, and his approval of any project shall be deemed a contractual obligation of the Federal government. Section 207(a) is modeled after section 106 of title 23.

Section 207(b) directs the Secretary, in approving the plans, specifications and estimates, to assure that possible adverse economic, social, and environmental effects have been fully considered, and that the final decisions on projects are made in the best overall public interest, and take into consideration a number of environmental, social and economic factors. This section is modeled after section 109(h) of title 23, United States Code.

Section 208 requires the Governor, upon the submission of each proposed project, to certify to the Secretary that he has conducted public hearings, or has afforded the opportunity for such hearings, and that the hearings have considered the economic, social, and environmental impacts of the project and its consistency with the urban planning goals promulgated by the community in which it is to be located. This section is analagous of section 128 of title 23.

Section 209 gives the Secretary the same certification acceptance authority for projects under title II of the UMTA Act as he has for non-Interstate projects under section 117 of title 23. Under this procedure he may discharge any of his responsibilities for projects under title II by accepting a certification from the Governor if he finds that such projects will be carried out in accordance with State laws, regulations and standards establishing requirements at least equivalent to those contained in or issued pursuant to this title. The Secretary is directed to make a final review of each project and is authorized to promulgate guidelines and regulations to carry out this section. He also may rescind his acceptance of the Governor's certification if in his opinion it is necessary to do so. This section does not affect or discharge the responsibility or obligation of the Secretary under any Federal law, including the National Environmental Policy Act of 1969, section 4(f) of the Department of Transportation Act, and the Uniform Relocation Assistance and Land Acquisition Policies Act of 1970, other than title II of the UMTA Act.

Section 210 authorizes the Secretary to enter into formal project agreements with a Governor. This section is similar to section 110 of title 23.

Section 211 authorizes the Secretary to make progress payments to a Governor for the costs of construction incurred by him on a project. This section is similar to section 121 of title 23.

Section 212 requires that projects developed under title II of the UMTA Act be based on a continuing cooperative and comprehensive planning process covering all models of surface transportation and carried out in accordance with section 134(a) of title 23. The Secretary is prohibited from approving a project under title II of the Act unless he finds that such projects are based on this planning process. Further, this section states that a project may not be undertaken unless the responsible public officials of the urbanized areas in which the project is located have been consulted and, except for projects to pay operating expenses, their views considered with respect to the corridor, the location and the design of the project.

Section 213 applies the labor standards in section 13(c) of the UMTA Act regarding the Davis-Bacon Act and the protection of employees affected by assistance under the Act to title II projects.

Title III—Amendments to Title 23, United States Code: Unified Transportation Assistance Program

SECTION 301. EFFECTIVE DATE

This title becomes effective July 1, 1978.

SECTION 302. REDESINGATION OF TITLE 23

The title of Title 23 is amended to read: "Highways and Mass Transportation".

SECTION 303. DEFINITIONS

This section adds to section 101 of title 23 definitions of "Governor" and "mass transportation". In addition, it amends the definition of "construction" to include mass transportation projects.

SECTION 304. GOVERNOR AND STATE AGENCY

This section substitutes the term "Governor" for the term "State", unless the context requires otherwise. For example, "Governor" would not be used as a substitute in the term "State funds" and "State officer", or when "States" is used as a geographic reference. This section also substitutes "State agency" for "State Highway Department" in section 302 of title 23 and whenever else that term appears in title 23.

SECTION 305. FEDERAL-AID SYSTEMS

Section 103(d)(2) of title 23 is amended by adding public mass transportation systems of urbanized areas to the description of the Federal-Aid urban system.

SECTION 306. APPORTIONMENTS

Subsection (a) changes the date on which the Secretary is to apportion funds to the first day of each fiscal year.

Subsection (b) makes a mandatory allocation of three per cent of the urban system apportionment for planning functions pursuant to section 134(a) of title 23. Governors are to make these planning funds available to the metropolitan planning organizations designated by him as being responsible for carrying out the provisions of section 134(a).

SECTION 307. CERTIFICATION ACCEPTANCE

This section amends section 117 of title 23 by adding the Secretary's duties under the National Environmental Policy Act and section 4(f) of the Department of Transportation Act regarding non-Interstate projects to those under title 23 which he may delegate to a Governor. Upon the request of a Governor, the Secretary may accept a certification if he finds, that (1) projects for which the certification applies will be carried out in accordance with State laws, regulations and guidelines establishing requirements at least equivalent to those contained in, or issued pursuant to such acts, and (2) with respect to NEPA and section 4(f), the Governor has an agency suitably equipped and organized to carry out to the satisfaction of the Secretary the duties under these acts. In making the above findings on a Governor's request, the Secretary is to consult with the Chairman of the Council of Environmental Quality. It is intended that the responsibilities for projects involving Federal lands will not be delegated.

When the Secretary has accepted a certification by a Governor, the Governor shall be the "responsible official" for the purposes of NEPA, and the "Secretary" for the purposes of section 4(f). The Governor shall be subject to the same judicial remedies and Federal court jurisdiction with regard to NEPA and section 4(f) as the Secretary otherwise would be. This section shall not preclude the States from providing other judicial and administrative remedies.

This section does not affect any of the Secretary's responsibilities under Federal law, regarding relocation assistance and civil rights.

SECTION 308. TECHNICAL AMENDMENT

This section amends section 134 of title 23 by substituting in the last sentence of subsection (a) "transportation project" for "highway project".

SECTION 309. OPERATING EXPENSES

This section adds the payment of operating expenses incurred as a result of improving mass transportation service to the category of projects eligible under section 142 of title 23 for the expenditure of urban system funds. Not more than 50 percent of the urban system funds apportioned to each Governor in each of the fiscal years 1978, 1979, and 1980 are available for transit operating expenses. However, it is not the intent of this section to place any limitations on where in the State the Governor may spend funds available for operating expenses. To assure the continuation of State and local government financial support for mass transportation operations, a new subsection (k) provides that funds available for operating expenses shall be supplementary to and not in substitution for the average amount of State and local governments funds expended on mass transportation service in the two Federal fiscal years preceding the Federal fiscal year for which the project is intended. Further, section 309 directs the Secretary to issue regulations including regulations regarding the maintenance of effort

by State and local governments and an appropriate definition of operating expenses, to administer this section.

SECTION 310. MASS TRANSPORTATION FARES

This section amends section 301 of title 23 to make clear that fares collected on mass transportation projects financed pursuant to title 23 are not tolls, and therefore are not prohibited by this title.

SECTION 311. RESEARCH AND PLANNING

This section amends section 307(c)(1) of title 23 by narrowing to the primary, secondary, and Interstate system apportionments the basis for determining the amount of funds available for research and planning. It also broadens the scope of authorized planning activities to include Statewide surface transportation planning.

In addition, section 310 deletes section 307(c)(2) of title 23 which mandates that a certain amount of funds be used for research and planning purposes. Finally, subsection (c) of section 311 eliminates urban extension funds from those available for research and planning under a redesignated section 307(c)(2) of title 23.

SECTION 312. TRANSPORTATION AUTHORIZATIONS

This section authorizes $2 billion for each of the fiscal years of 1978, 1979 and 1980 for the Federal-Aid urban system. Pursuant to other provisions in the bill, projects on the urban system include highway construction in urbanized areas, mass transportation capital projects for both rail and bus, and mass transportation related projects.

This section also authorizes $700 million for each of fiscal years 1978, 1979, and 1980 for expenditure pursuant to the Urban Mass Transportation *Capital* Grant Program established by the new chapter 5 of title 23.

SECTION 313. DISTRIBUTION OF AUTHORIZED SUMS

$2 billion of each year's authorizations are to be apportioned to the Governors by the Secretary in accordance with the urban system apportionment formula. These sums will be available for expenditure by the Governor for a period of two years after the close of the fiscal year for which such sums are apportioned. Any amounts remaining unexpended at the end of each period shall lapse and be returned to the Treasury of the United States.

$700 million per year will be available to the Secretary for capital grants pursuant to chapter 5 of title 23, and shall remain available until obligated.

Subsection (e) provides a schedule for liquidation of obligations incurred under chapter 5 of title 23. It states that not more than $200 million is authorized to be appropriated for liquidations prior to July 1, 1978, not more than $400 million prior to July 1, 1979, and not to exceed $2.1 billion thereafter.

SECTION 314. URBAN MASS TRANSPORTATION CAPITAL GRANT PROGRAM

Section 314 amends title 23 of the United States Code by adding a new chapter to be designated as "Chapter 5—The Urban Mass Transportation Capital Grant Program." This chapter to be designated as "Chapter 5—The Urban Mass Transportation Capital Grant Program." This chapter contains provisions which are similar to many in the UMTA Act (which upon enactment of this bill would be referred to as title I of the UMTA Act).

Section 501 under chapter 5 authorizes the Secretary to make grants, subject to the other provisions of chapter 5 and to any terms and conditions which he might prescribe, to assist Governors and local public bodies and agencies, in financing the acquisition, construction, and improvement of facilities and equipment for use in mass transportation service in urbanized areas and in coordinating such service with highway and other forms of transportation. Under section 501 (a), land (except public highways), buses and other rolling stock, and real and personal property necessary to an efficient and coordinated mass transportation system would be eligible for grant funding. Grant funds cannot be used to pay ordinary government or nonproject operating expenses.

A grant can be made only if the Secretary has determined that an applicant has or will have (1) the legal, financial, and technical capacity to carry out the proposed project, and (2) satisfactory continuing control over the use of the facilities and equipment.

Each applicant for a project located in a State having a statewide comprehensive transportation plan is required, concurrent with submission of its grant application, to furnish a copy of its application to the Governor of the State. Comments from the Governor to the Secretary submitted during the following 30 days must be considered by the Secretary prior to final action on the application.

Section 502 concerns public hearings. It requires that an application for a grant to finance the acquisition, construction, or improvement of facilities or equipment which would substantially affect a community or its mass transportation service must include a certification that (1) an adequate opportunity for public hearings was afforded by the applicant, and that such hearings were held unless no one with a significant economic, social or environmental interest requested a hearing; (2) the hearing considered the economic, social and environmental effects of the project; and (3) the project was found by the applicant to be consistent with the official comprehensive development plan of the urban area.

Section 503 provides that capital assistance shall not be provided under this chapter unless the facilities and equipment sought are part of a unified urbanized area transportation system and meet certain other criteria.

Section 604 directs the Secretary to estimate what portion of the project is to be financed from non-transit revenue sources for the purpose of determining the Federal share of the project's costs. Further, the section establishes the Federal share at 80 per cent and specifies what sources of local funds are acceptable for a project.

Section 505 authorizes the Secretary to establish investment standards for the capital grant program under chapter 5. This section is identical to section 203 of the bill.

Section 506(a) gives the Secretary authority under certain sections of the Housing Act of 1950. It also provides that funds available to the Secretary in connection with the performance of his functions under chapter 5 shall be available for administrative expenses. This subsection is identical to section 12(a) of the Urban Mass Transportation Act of 1954, as amended.

Section 506(b) authorizes the Secretary of Transportation and the Comptroller General to have access to certain specified documents, papers, and records of contractors whose contracts for the construction, or improvement of mass transportation facilities and equipment were let through noncompetitive bidding procedures.

Section 507 defines "Governor" and "local public bodies" as used in the bill.

Section 508 applies the Davis-Bacon Act and the employee protection provisions of section 13(c) of the UMTA Act of 1964, as amended, to projects under chapter 5.

ENVIRONMENTAL STATEMENT PURSUANT TO SECTION 102(2)(C), PUBLIC LAW 91-190

The action is proposed legislation affecting programs of the Department of Transportation. Major elements of the legislation provide for the following:

a. Amendments to the Federal-aid urban and urban extension systems under title 23, United States Code: extends programs through fiscal year 1977 at funding of $800 million and $300 million respectively; changes Federal share of projects from 70 per cent to 80 per cent; changes distribution formula to "urbanized areas" (50,000 or more) and adjusts primary and secondary system formula to pick up areas between 5,000 and 50,000 population; changes from 200,000 to 400,000 the population figure of areas for which funds are "earmarked" for urbanized area use.

b. Amendments to primary and secondary rural systems in rural areas under title 23: extends programs through fiscal 1977 at funding level of $700,000 and $400,000 respectively; expands use of funds to include purchase of buses for use in rural and small urban areas; extends "rural highway public transportation demonstration program" through fiscal year 1977 and increases total program from $30 million to $75 million, and expands use of funds under the demonstration program to include transit operating expenses.

c. Amendments to Urban Mass Transportation Act of 1964: increases from $6.1 billion to $7.4 billion the amount of obligational authority; establishes formula allocation to urbanized areas for a portion of this authority; provides that the funds which are allocated by formula can be used for transit operating expenses.

d. Merges UMTA program and Federal-aid urban systems program into Unified Transportation Assistance Program beginning in fiscal year 1978; amends Federal-aid urban systems definition to include public mass transportation systems in urban areas; defines use of funds to include payment of operating expenses of transit; authorizes funding of $2.7 billion for fiscal years 1978, 1979 and 1980; requires allocation to Governors in each year of $2 billion on urbanized area basis; establishes discretionary fund of $700 million in each of fiscal years 1978, 1979, and 1980 for mass transportation capital projects only; incorporates certain current provisions under UMTA Act; establishes 3 per cent apportionment for urban planning including a pass through of money to areas of 400,000 or more population; broadens current title 23 "certification acceptance" procedure to include NEPA and DOT section 4(f) responsibilities for non-Interstate projects in fiscal year 1978.

(3) Environmental Impact and Adverse Environmental Effects:

The legislation will not have any impacts. Individual projects funded by the various programs will have varying impacts which can be addressed only on an individual project basis. The overall effect of the increased flexibility and enhanced funding provided by the legislation should be to facilitate implementation of transportation projects with improved environmental impacts.

(4) Alternatives Considered:

(a) Categorical grants for transit operating expenses.

(b) Different funding levels.

(5) Request for Comments:

At the time of preparation of this draft statement, no comments have been requested from Federal, state or local agencies.

(6) Date of Availability:

This draft statement is being made available to the Council on Environmental Quality and the public on February 13, 1974.

1. DESCRIPTION OF THE PROPOSED ACTION

This environmental statement has been prepared in accordance with Section 102(2)(C) of the National Environmental Policy Act of 1969, guidelines established by the Council on Environmental Quality, and other implementing instructions. It analyzes the potential environmental impact of legislation proposed by the Department of Transportation to amend existing laws governing programs which provide funds to assist transportation planning and capital needs in urban and rural areas. In general, the purpose of this bill is to increase the funding of such programs, and to combine them in a way that will increase the scope and flexibility in the use of these funds. Overall, approximately $16 billion will be made available for urban transportation uses through fiscal year 1980. A substantial increase is provided over the current level of funding for both urban and rural programs. A portion of this increase is earmarked for rural areas to sustain and improve these programs. The greater portion of the new money is for use in urbanized areas.

The major new funding provisions and related important features, by title, are as follows:

Title I. Extends the highway urban systems and urban extension authorizations through FY 1977, authorizing $800 million and $300 million to these programs, respectively. The permitted use of these funds has already been expanded to include transit capital projects and highway-related transit projects. The Federal share for projects financed under title 23, United States Code, is increased from 70 per cent to 80 per cent to correspond with the provisions applicable to the UMTA program. The geographic scope of the program is reduced to urbanized areas (i.e., areas over 50,000 population). This title of the bill also extends the authorizations for the rural primary and secondary highway program through fiscal year 1977 by providing for authorizations of $700 million and $400 million, respectively, for these programs in fiscal year 1977. Also, $45 million is added to the public transportation demonstration program in rural areas, the program is extended through fiscal year 1977, and the funds are made available to cover operating expenses. These programs are expanded to cover all non-urbanized areas.

Title II. $1.3 billion is added to contract authority available under the urban mass transportation fund, bringing the total to $7.4 billion to fund the mass transit program through fiscal year 1977. A formula allocation is introduced whereby $700, $800, and $900 million would be allocated to Governors for fiscal years 1975, 1976 and 1977. A fund of $700 million for each of these years is to be administered in a discretionary manner as is the current practice of UMTA's captial assistance program. The permitted use of the allocated monies includes transit operating expenses, highway-related transit projects, and transit capital projects. The discretionary grant program funds may be used only for transit capital projects and is limited to urbanized areas.

Title III. Establishes a Unified Transportation Assistance Program and provides authorization of $2.7 billion out of general revenues for each of the fiscal years 1978, 1979 and 1980. $2 billion in each of the years is to be allocated by formula based on urbanized areas populations. The remaining $700 million in each year will be administered in the same manner as the discretionary grant program established in title I. The purposes for which the allocated funds authorized under this title may be used include transit capital and operating projects, highway construction, and mass transportation related transit projects. The purposes for which the discretionary grant program may be used are restricted, as under title II, to transit capital projects. This title also gives the Secretary authority to accept a Governor's certification regarding NEPA and section 4(f) of the DOT Act.

In essence, the program established under title III of the bill amalgamates the urban highway and UMTA programs beginning in fiscal year 1978. Thus, the transit capital and planning assistance program and the urban highway assistance programs will be formally administered as a unified transportation assistance program.

2. THE PROBABLE IMPACT OF THE PROPOSED ACTION ON THE ENVIRONMENT

It is difficult to assess the specific environmental effects of the proposed legislation because the funds made available will be used for a variety of transportation purposes as determined at the State and metropolitan level.

Nevertheless, it is possible to examine the major changes in the legislation and to discuss, in general terms, their probable environmental impacts. From an overall point of view, the increased funding for mass transportation projects, together with the flexibility to use the funds for transit operating expenses should promote improvement of the quality and quantity of transit service in metropolitan areas. These improvements are expected to result in increased transit ridership with attendant reductions in auto congestion, air pollution, and energy requirements.

A somewhat more specific discussion of the probable environmental effects of the legislation follows.

A. *Increase in funds available for mass transportation projects, establishment of an urban transportation formula grant program and flexibility to use funds for transit operating expenses.*

The legislation, by providing both increased funding and the flexibility to use a portion of the funds for transit operating expenses should be particularly helpful in assisting metropolitan areas meet the demand for increased transit service resulting from the energy crisis and the implementation of transportation control plans necessary under the Clean Air Act to achieve acceptable ambient air quality standards.

From an energy efficiency point of view, transit operates at a decided advantage over the auto for a typical urban work trip. According to a recent report [1] prepared on energy use and transportation performance in the New York region in 1970, the relative energy consumption per passenger mile traveled for bus, subway, rail, and auto was as follows:

	Btu/passenger-mile traveled	Efficiency advantage of transit as compared to auto
Bus	2,314	2.8
Rail	2,603	2.5
Subway	3,124	2.1
Auto	6,508	

It should be noted that this data represents 24 hour averages and that the transit energy advantage for the peak period trips would be even greater.

With respect to air pollution, transit also has a significant advantage over the auto for many urban trips. Assuming an average automobile occupancy of 1.3, a bus occupancy of 30 passengers and 1976 emission rates, the passenger mile emission rate for autos is about 30 times the carbon monoxide emission rate and at least 12 times the hydrocarbon rate of the diesel bus. Depending on the type of fuel used the emission reduction advantage for rapid rail can be even greater. Also, the emissions from electric generating plants for rapid rail can be located in a more remote area, thus reducing the population exposed to emissions.

The transportation control plans which have recently been promulgated by the Environmental Protection Agency to achieve the ambient air quality standards by 1977, require significant reductions in the vehicle miles of travel in 15 to 20 metropolitan areas. In all of these cases, transit improvements together with increases in carpooling are viewed as an important element in achieving these reductions.

It is reasonable to expect the increased funding and flexibility provided by the proposed legislation to ultimately result in increases in transit ridership and reductions in auto trips, over that which would have occurred in the absence of the legislation. To the extent that a diversion occurs, from auto to transit, there should be a reduction in transportation energy utilization, air pollution, traffic congestion and the need for additional highway capacity.

This discussion is not intended to infer that there are no negative environmental effects associated with transit programs. Obviously there may be significant effects associated with the construction and operation of major transit systems, but, as indicated earlier, these can only be evaluated on an individual project basis. As under current programs the regulations and guidelines established by NEPA will pertain, requiring, among other things, the preparation and review of an environmental impact statement for major Federal actions which significantly affect the environment prior to project approval. However, after June 30, 1978, the Secretary will be authorized to accept the certification of a Governor that he has the capability and laws equivalent to NEPA to conduct those responsibilities at the State level for non-Interstate projects. In determining whether to accept a Governor's certification, the Secretary is to consult with the Chairman of the Council on Environmental Quality.

B. *Authorization of funds for FY 77 Federal Aid Urban Systems, Urban Extension, and Increase in Federal share to 80 percent.*

This bill authorizes funds for the urban and rural highway programs under title 23, United States Code for FY 77, at essentially the same level as provided in previous years. Further, it increases the Federal share for non-Interstate projects from 70 percent to 80 percent effective FY 1977.

An important change in this proposal is the increase in the Federal share for non-Interstate projects funded under title 23 from 70 percent to 80 percent. This change is necessary to equalize the Federal share under title 23 with that provided by the Urban Mass Transportation Act of 1964, as amended. It is likely that the environmental effect of this change will not be significant.

With respect to the environmental effects of the FY 77 authorizations, these can be determined meaningfully only at the project stage.

C. *Rural Public Transportation Programs.*

To help meet the need for public transportation of persons living in rural and small urban areas, it is proposed that primary and secondary system highway funds be available for the purchase of buses. Also the act extends for one year the rural highway public transportation demonstration program es-

[1] Regional Energy Consumption, Regional Plan Association, Inc. and Resources for the Future, Inc., p. 15, Jan. 1974.

tablished by the Federal-Aid Highway Act of 1973. $45 million is added to the program bringing the total funding to $75 million. In addition, the operating expenses of the rural public transportation systems are eligible for funding under the demonstration program.

The primary purpose of this proposal is to provide mobility to those who do not normally have convenient access to private auto transportation. As such, the proposal has the potential to improve the quality of life in rural and small urban areas by providing transportation for a wide range of trip purposes. It probably does not have any significant environmental impact.

D. *Consolidation of the UMTA and Federal-Aid Urban System Program.*

Title III of the Act provides for a merger of the mass transportation formula grant program and the urban highway program into the Unified Transportation Assistance Program beginning in FY 1978. An authorization level of $2.7 billion per year is proposed for each of fiscal years 1978, 1979, and 1980. Under the bill, $2 billion would be apportioned by formula based on each State's urbanized area population. An additional $700 million would be authorized for funding mass transportation capital projects as currently done under the existing UMTA program.

It is anticipated that the merger of the two separate formula grant programs, together with the flexibility of fund transit operating expenses will remove the distortions which the individual categorical programs have produced. The resulting local decisions or project selections should be more efficient and environmentally compatible.

3. ANY PROBABLE ADVERSE ENVIRONMENTAL EFFECTS WHICH CANNOT BE AVOIDED IF THE LEGISLATION IS IMPLEMENTED

The construction and operation of transportation facilities from the funds authorized by this bill will have some adverse environmental impacts such as increased noise, air pollution, and energy consumption. These adverse effects will be minimized through the guidelines and procedures applied at the system and project planning phases.

4. ALTERNATIVES TO THE PROPOSED LEGISLATION

A. *Categorial Grants for Transit Operating Expenses.*

An alternative to the proposed legislation which provides funds for transit capital acquisition *or* operating expenses would be to provide a separate categorical grant program for transit operating expenses whereby the Department would review and act on State and local body applications for operating expenses.

Although it is not likely that there would be any significant difference in the environmental effects between the funding mechanisms, this alternative was rejected because the categorical grant program would tend to remove management incentives for urban transportation operators and involve the Federal government in detailed oversight of State and local decision-making.

B. *Different Funding Levels.*

The proposed legislation increases the funds available for mass transportation projects by $1.3 billion through FY 77, adds $2.2 billion in highway system fund authorizations for FY 77, and authorizes $8.1 billion for the Unified Transportation Assistance Program for the fiscal years 77, 78, and 79. In arriving at the increased mass transportation funding level, consideration was given to the requirements for increased transit service resulting from the energy crisis and implementation of the transportation control plans to achieve the ambient air quality standards. Also, there were indications that additional funds are necessary to meet planned transit investments and mounting operating expenses. Not providing the additional transit funds would result in increased private auto travel with attendant increases in congestion, air pollution, noise, and energy consumption. Even higher levels of increased transit funding were considered and rejected in light of other national funding priorities.

5. THE RELATIONSHIP BETWEEN LOCAL SHORT-TERM USES OF MAN'S ENVIRONMENT AND THE MAINTENANCE AND ENHANCEMENT OF LONG-TERM PRODUCTIVITY

Transit and highway capital projects, particularly those involving construction of large, fixed facilities, are by nature long-term effects.

Planning for urban transportation systems is often based on projections 20 to 40 years in the future. The potential of such projects for enhancing "long-term productivity" will in large part depend upon the success which urban transportation planning and comprehensive planning bodies have in translating the perception of need for quality urban development into transportation development programs that properly consider the role and impacts of highways and mass transportation in terms of social, economic, and natural resource costs. This legislation recognizes certain inherent efficiencies of mass transit which may lead localities to opt for transit over a highway in a given situation. It is possible that mass transit improvements, when combined with complementary public policies, can significantly reduce the amount of land which is directly used for transportation purposes in urban areas and as indicated earlier, result in significant energy savings and improved air quality. Because of greater capacity, buses and other transit vehicles require much less room on roadways or other rights-of-way and their increased use for certain kinds of travel patterns can minimize the need to consume valuable urban land for roads. In addition, private automobiles require considerable amounts of land for parking, particularly at high-density destination points, whereas a mass transit vehicle requires less space and can be taken to a relatively low-density facility when not in use. Decisions made in the next few years with respect to the use of more transit or continued primary reliance on more highways and automobiles can have a very significant long-term impact on the way urban areas develop.

6. IDENTIFICATION OF ANY IRREVERSIBLE AND IRRETRIEVABLE ENVIRONMENTAL IMPACTS OR COMMITMENTS OF RESOURCES

This legislation will not involve any direct irreversible or irretrievable impact on the environment or commitment of resources. However, the actual construction of facilities with the funds made available can induce the various developmental consequences which extend far beyond the direct impacts of such projects. Once set in motion, these forces are also difficult to predict, although effective preliminary planning and continuous evaluation can assist in optimizing them.

SENATOR RANDOLPH COSPONSORS TRANSPORTATION BILL, DISCUSSES ITS PROVISIONS

Mr. RANDOLPH. The President's unified transportation assistance program is a proposal to reorganize and merge the highway and mass transit programs of the Federal Government.

It would extend the relationship of the highway and mass transit programs, a relationship that has been formalized in recent years in legislation developed by the Committee on Public Works. Some portions of this legislation merit our consideration this year while some of the recommendations are long range and their adoption now would be premature.

The impact of these proposals would be substantial. I am cosponsoring this bill not because I agree with it in every detail but because this is a proper way to bring these issues before the Congress. Legislation of this magnitude deserves our extensive and thoughtful consideration for it affects the lives of all Americans.

The administration's proposal is essentially financial, involving the shifting of funds for both highway and mass transit programs. There is no new money authorized by this bill for either program. The existing authorizations are simply extended for additional years.

For years we have spoken of the desirability of a balanced transportation program and have moved in that direction with such legislation as the Federal-Aid Highway Act of 1973. The administration bill purports to continue this evolution process and the primary concern of Congress must be to assure that it does.

Flexibility was a dominant theme in the 1973 act, and the committee will give careful scrutiny to the portions of the President's proposal which would continue this development. We must be alert to anything that would impede or reverse the progress toward a unified transportation system we have made in recent years.

Title I of the administration bill is concerned solely with modifications to the Federal-aid highway program. Our Transportation Subcommittee, under the chairmanship of Senator LLOYD BENTSEN, has already scheduled extensive hearings to review contemporary transportation needs, providing us with the forum to receive reactions to the administration plan.

Title II deals with the urban mass transit program and is under jurisdiction of the Committee on Banking, Housing and Urban Affairs. Senator HARRISON A. WILLIAMS, JR., of New Jersey, is the recognized Senate leader in this field and will direct consideration of title II.

Title III would effect the ultimate merger of highway and mass transit activities in fiscal year 1978. It is in taking this significant step that I believe we must proceed with caution. The provisions of title III would not take effect for nearly three and one-half years, or well into the 95th Congress. The implications of this title are farreaching, and I am glad that we have adequate time to consider them.

The 1973 act is only a few months old, and its provisions should be more fully implemented before the Congress takes the steps proposed for full integration of highway and transit programs. We need an opportunity to evaluate the effect of the new act on our transportation programs. Furthermore, the administration is proposing a long-range realinement of Federal transportation programs. Such a basic restructuring should take place, however, only when we more fully understand what transportation needs will be in the years ahead.

Many of the recommendations relating to the highway program concern matters which have been previously considered by the Committee on Public Works. I am particularly pleased that the bill proposes an expansion of the rural highway

public transportation demonstration program authorized in the 1973 act by provisions I initiated. This is a need that has been neglected in the past. The Congress and the President apparently are now in agreement that the residents of rural and small-town America must enjoy the same freedom of mobility that is being provided to city dwellers.

The President recommends that the highway trust fund be permitted to go out of existence in 1977 as now scheduled. The orderly development of the interstate highway system since 1956 has been possible because of assured financing from the trust fund' There is no likelihood that the Interstate system will be completed by 1977. If we decline to continue the trust fund, other sources of assured funding must be dedicated to completing the Interstate system so that this massive project does not extend indefinitely into the future.

The revision of the highway and mass transit programs will mean little if the administration continues to arbitrarily impound congressionally provided spending authority. The highway program has been subjected to extensive impoundment in recent years. Several administrations have employed this questionable practice to inhibit congressionally approved activities in transportation and other fields. In its consideration of the unified transportation assistance program the committee will certainly try to determine if the administration is committed to the spending levels proposed in its bill or if it will revise them by impoundment following enactment.

The acceptance of the principle of operating assistance represents a significant change of attitude by the administration. Public transportation systems need this help if they are to fulfill the role expected of them in the future. It is unwise to make large public investments in mass transit equipment without encouraging its full utilization. Mass transit must be viewed as one of the essential public services provided in a community. It has been neglected in the past, but if it is to be revitalized there must be emphasis on both equipment and operations.

While there is a substantial backlog of mass transit needs to be met, our country's highway needs also remain large. Therefore, in our desire to expand transit services we must be careful not to impair the continued orderly development of needed highways. Most mass transit operations, in fact, take place on streets and highways. Motor vehicles still are our primary transportation mode for both people and products. Any modifications in the Federal transportation program must be undertaken in this context and with the understanding that cars, buses, and trucks will continue to be essential in this country.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill introduced by the Senator from Vermont (Mr. STAFFORD) and others on the Unified Transportation Assistance Act of 1974 be jointly referred to the Committees on Banking, Housing and Urban Affairs, Finance and Public Works.

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

By Mr. ABOUREZK (for himself, Mr. YOUNG, Mr. CURTIS, Mr. HANSEN, Mr. MCGOVERN, and Mr. PROXMIRE):

S. 3036. A bill to protect the public health and welfare by providing for the inspection of imported dairy products and by requiring that such products comply with certain minimum standards for quality and wholesomeness and that the dairy farms on which milk is produced and the plants in which such products are produced meet certain minimum standards of sanitation. Referred to the Committee on Agriculture and Forestry.

Mr. ABOUREZK. Mr. President, America, the land of plenty, has increasingly become America, the land of shortages. Whether talking about baling wire, plastic syringes, or gasoline, the story is the same—sorry, sold out.

This concern over the quantity of goods available to us is a proper one. I am worried, however, that in trying to deal with problems of quantity we will overlook problems of quality. Especially in foodstuffs.

The American consumer has come to expect that the food offered for his use meets the highest standards of quality control. For the most part that expectation is reasonable.

In the case of imported food items such trust is not always well placed. The administration has recently expanded vastly the import quotas on cheese and other dairy products. The effect will be to make more of these items available. But when I look at the inspection record on these imports I am not sure that I would care to buy them.

The sad fact is that foreign food products have not been manufactured with the same care as that taken by American producers. Food and Drug Administration figures suggest that at best only 15 percent of imported dairy products are examined by American inspectors. Of these, about 10 percent are rejected because they are contaminated or unfit for human consumption.

To put it another way, a high percentage of the 85 percent uninspected imported dairy products contains insect larvae, rat particles, unsafe chemical substances, and other contaminants that would not be possible under the American domestic sanitary requirements.

That is not a meal that I would care to feed my family. But unless we are willing to impose the same strict sanitation standards on imports that we now impose on American production, that is exactly what the American consumer risks every time he buys imported dairy products.

The wholesomeness of American domestic dairy production is assured through the knowledge that strict standards of sanitation are observed at every stage in the production process beginning at the farm. The farms and plants in which dairy products are produced in this country must meet strict State and local sanitation requirements and the final products are subject to inspection by the Food and Drug Administration. I see no reason why foreign dairy products should be held to any less rigorous standards.

For that reason, I am introducing legislation that would require thorough inspection of dairy products that are brought into this country.

Under this bill imported dairy products will still be subject to random inspection by the FDA just as they are now. In addition, the plants where these dairy products are manufactured and the farms where the milk is produced will be subject to the same strict sanitation requirements asked of American farmers and manufacturers. The consumer is entitled to no less.

The bill would provide that dairy items must meet all existing Federal standards and the Secretary of Health, Education, and Welfare would be given the authority to set standards for imported products for which no Federal standards have been set. This would assure that fluid milk production would meet the standards of sanitation that are now required at State and local levels of government.

The primary responsibility for enforcing these standards would be left with the health officials of the countries which produce dairy products for export into this country. Each country that wants to engage in dairy trade with us would be expected to set up a system of farm and plant inspection that would be comparable with that existing in this country.

However, the system that would be set up in each of these countries would be monitored by American officials to insure compliance with American requirements. This would be very similar to the existing program that already operates with regard to imported meats.

As long as the present administration follows a policy of expanding dairy imports, it is imperative that we provide protection for the American consumer that will assure him that these imports are as safe as domestically produced items. That is the purpose behind my bill and I hope that Congress will give it speedy approval.

By Mr. STEVENSON (for himself, Mr. ABOUREZK, Mr. CLARK, Mr. HART, Mr. HATHAWAY, Mr. HUDDLESTON, Mr. HUGHES, Mr. METCALF, Mr. MONDALE, Mr. MOSS, Mr. NELSON, and Mr. PROXMIRE):

S. 3037. A bill to provide for full financial disclosure by Federal elective officials and candidates for Federal elective office, and for other purposes. Referred to the Committee on Rules and Administration.

Mr. STEVENSON. Mr. President, on behalf of Senators ABOUREZK, CLARK, HART, HATHAWAY, HUDDLESTON, HUGHES, METCALF, MONDALE, MOSS, NELSON, PROXMIRE, and myself, I introduce the Full Disclosure Act of 1974.

Never has the case for full financial disclosure by public officials been stronger than it is today. The criminal tax evasion of former Vice President Agnew and the questionable tax deductions and nonpayment of State income taxes by President Nixon have given the public a tragic impression that there are two sets of tax laws, one for the politicians and one for everybody else. A national poll released last week showed Congress is held in the lowest esteem in a decade. Only 10 percent of those polled felt that Congress

inspired confidence in Government. The Congress must dispel the doubts about its ability to insure honest government.

Financial disclosure is needed not so much because of the wrongdoing it may expose, but because of the doubts it will lay to rest. The overwhelming majority of public officials abide by the laws they make and administer. The purpose of financial disclosure is to compel a devotion to public welfare, as opposed to private gain. It is also to convince the public that it can trust its elected representatives. There is no other way. Trust must be earned with facts; it cannot be elicited with empty words.

The Full Disclosure Act of 1974 would provide the public with a full range of financial information about those who occupy and aspire to elective offices in the Federal Government. Specifically, it requires candidates and elected officials to file annual financial statements starting this year with the Comptroller General of the United States who in turn is required to make the statements public. The statements would contain the following information:

The amount and sources of all income, earned and unearned.

The amount and source of gifts received by the individual and members of his or her immediate family, other than gifts having a value of $100 or less.

The amount of income and property taxes paid.

All assets held and debts owed.

Transactions in securities, commodities, and real property.

Officeholders would be required to file such reports for each year in which they serve. Candidates—including primary candidates—would be required to file for the year preceding the election year. In each case, the reports would be due on May 1 of the year following the year covered by the report. Failure to comply would be a criminal offense punishable by a fine of up to $1,000, imprisonment for up to one year, or both.

I will press for early enactment of this Act so that its provisions can go into effect this year. In addition, I will continue to disclose all my financial interests and for 1973 commence making public disclosure of my income and taxes in accordance with the requirements of my bill.

Watergate and the other sordid events of recent months have shown us politics at its worst. In the actions of Judge Sirica, Elliot Richardson, Archibald Cox, and Leon Jaworski, it has also shown us public service at its best. Watergate could have occurred anywhere in the world, but only in a great and good nation could the subsequent effort to find the truth and do justice have been made.

The legacy of Watergate can be either lingering public cynicism and governmental drift, or more open and effective self-government. I believe we have the will and the vision to make the right choice, and that the enactment of financial disclosure legislation is an important part of that choice.

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

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

S. 3037

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this bill may be referred to as "The Full Disclosure Act of 1974".

SEC. 2. Title III of the Federal Election Campaign Act of 1971 is amended by adding the following new section immediately after section 304 and renumbering subsequent sections accordingly:

"FINANCIAL DISCLOSURE"

"SEC. 305. (a) For purposes of this subsection—

(1) 'income' means gross income as defined in section 61 of the Internal Revenue Code of 1954;

(2) 'security' means security as defined in section 2 of the Securities Act of 1933, as amended (15 U.S.C. 77b);

(3) 'commodity' means commodity as defined in section 2 of the Commodity Exchange Act, as amended (7 U.S.C. 2);

(4) 'dealings in securities or commodities' means any acquisition, holding, withholding, use, transfer, disposition, or other transaction involving any security or commodity; and

(5) 'tax' means all federal, state, and local income taxes and all federal, state, and local property taxes paid by the candidate, or by the candidate and the candidate's spouse jointly.

(b) Each candidate for nomination for election or election to federal office (other than a candidate who holds the office of President, Vice-President, or Member of Congress) shall file with the Comptroller General a financial disclosure report for the calendar year immediately preceding the year of that individual's candidacy. Except for cases to which subsection (d) of this section applies, such report shall be filed not later than thirty days after the individual becomes such a candidate, or on May 1 of the election year, whichever is later.

(c) Each individual who has served at any time during any calendar year as President, Vice-President, or Member of Congress shall file with the Comptroller General a financial disclosure report for that year. Except for cases to which subsection (d) of this section applies, such report shall be filed not later than May 1 of the year immediately following such calendar year.

(d) In cases where primary elections, conventions, and caucuses to nominate candidates for Federal elective office occur on or before May 1 of the election year, candidates for nomination shall file an initial financial disclosure report not later than 10 days before the date on which such primary election, convention, or caucus is held and shall not later than May 1 of the election year file a supplementary report containing any additional information required by this Act which was not available at the time the initial report was filed.

(e) Each financial disclosure report to be filed under this section shall be made upon a form which shall be prepared by the Comptroller General and furnished by him upon request. Each such report shall contain a full and complete statement of—

(1) the amount and sources of all income, other than reimbursements for expenditures actually incurred, and each gift or aggregate of gifts from one source of a value of more than $100 (other than gifts received from any relative or his spouse) received by him or by him and his spouse jointly or by his spouse or by his children during the preceding calendar year, including any fee or other honorarium received by him for or in connection with the preparation or delivery of any speech or address, attendance at any convention or other assembly of individuals, or the preparation of any article or other composition for publication;

(2) the value of all assets held by him, or by him and his spouse jointly, and the amount of each liability owed by him, or by him and his spouse jointly, as of the close of the preceding calendar year.

(3) all dealings in securities or commodities by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction during the preceding calendar year;

(4) all purchases and sales of real property or any interest therein by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction, during the preceding calendar year; and

(5) the amount of each tax paid by the candidate, or by the candidate and the candidate's spouse filing jointly, during the preceding calendar year.

(f) The Comptroller General may provide for the grouping of items of income, sources of income, assets, liabilities, dealings in securities or commodities, and purchases and sales of real property when separate itemization is not feasible or is not necessary for an accurate disclosure of the income, net worth, dealing in securities and commodities, or purchases and sales of real property of any individual.

(g) All reports filed under this subsection shall be maintained by the Comptroller General as public records. Such reports shall be available, under such regulations as the Comptroller General may prescribe, for inspection by the public.

SEC. 3. The provisions of Section 2 of this Act shall apply with respect to calendar years commencing on or after January 1, 1973.

SEC. 4. The Comptroller General is authorized to promulgate such rules and regulations as he deems necessary to the performance of the duties vested in him by this Act."

Mr. HUDDLESTON. Mr. President, I am pleased to cosponsor the Full Disclosure Act of 1974.

At a time when public servants are held in particularly low esteem and when new questions over Government officials' activities are raised almost daily, it is particularly important that we take definitive action to restore the lost confidence and integrity of American Government.

The existing disclosure requirements for Members of Congress are simply not enough. Under prevailing conditions, it is inadequate for a Senator to forward, in a sealed envelope, to the Comptroller General his tax returns and various forms, to have them opened only if an investigation is undertaken and only if a small group of his colleagues so decide.

In today's atmosphere—where there is widespread suspicion and distrust of public officials—we need to do more. We need to lay the cards on the table—to show the American people where their representatives derive their income; where their holdings in securities, commodities and real property lie; and what their taxes and tax deduction are.

There is nothing inherently wrong with honorariums, investments or tax deductions. In and of themselves, they are good and desirable and contribute to the achievement of many beneficial goals.

But, when question can be raised over connections between investments and voting records, when great wealth can apparently be attained in public office and when taxes paid can seem out-of-

line with income earned, then doubts emerge—doubts which redound to the detriment of those in Government, to the institution of Government and to those Government must serve.

The ramifications can be widespread: A failure of well-qualified persons to seek public office; a disillusionment with participation in the political process; a cavalier attitude on the part of citizens toward cooperation with Government requests in a host of important areas.

To be trusted, a government must prove itself trustworthy. And, Government has not done a very good job of this in recent months and years.

The proposed legislation is, however, a move in the right direction. It will open new records and give the voters new information upon which to base their decisions at election time—information which relates directly and intimately to the honesty and integrity of those who seek and hold public office.

By Mr. McCLURE (for himself, Mr. BAKER, Mr. RANDOLPH, Mr. MONTOYA, Mr. BENTSEN, Mr. DOMENICI, Mr. GRAVEL, and Mr. STAFFORD):

S. 3041. A bill to amend the Public Works and Economic Development Act of 1965, as amended, to extend the authorizations for a 1 year period, to establish an economic adjustment assistance program, and for other purposes. Referred to the Committee on Public Works.

Mr. McCLURE. Mr. President, I am pleased to join with Senator BAKER, ranking minority member of the Senate Public Works Committee; Senator RANDOLPH, chairman of the committee; and Senator MONTOYA, chairman of the Economic Development Subcommittee in presenting the administration bill to extend the Public Works and Economic Development Act for 1 year and to authorize a new economic readjustment program.

We have been joined by other members of the committee with whom we have had an opportunity to discuss the proposal—Senators BENTSEN, DOMENICI, GRAVEL, and STAFFORD.

In his economic message last Tuesday, the President outlined his proposal for a new economic adjustment program. In addition to the new program, the administration also recommended a 1-year extension of the Public Works and Economic Development Act. It is the administration's intention that the economic adjustment program be phased in during fiscal year 1975 and will operate simultaneously with the EDA program.

One of the objectives of the new program is to assist communities in adjusting to changing economic conditions. The program seeks to meet these changes as they occur, not after they become deeply entrenched creating another chronically depressed region.

It may be that this objective is one the Federal Government should pursue, and therefore deserves full consideration. But the administration's proposal, being recommended as an alternative to the existing economic development legislation, introduces a new perspective and orientation. For this reason I believe the administration's bill requires a full discussion of the objectives to be pursued in any new economic program; I hope it may serve as a focal point for these discussions.

The Public Works and Economic Development Act was created 10 years ago to assist areas of the country that have experienced chronic unemployment and low incomes. Since 1970 the act has been amended and extended three times. At no time did the Congress provide a real and thorough evaluation of the program objectives and strategies, or in my view adequately examine where these program changes were taking us.

Last year the entire work of the committee was consumed in securing a 1-year extension of the existing EDA and title V programs. The recommendation for a one year extension introduced today puts that question behind us. It allows us to concentrate on a complete reexamination and reworking of economic development legislation.

Every day we see the impact that Federal programs and decisions have on the States we represent. I recognize that EDA is not—and cannot be—the sole or principle vehicle for coordinating all these other activities. But it is highly important for us to understand how the program we develop is coordinated with these other ongoing activities.

It is important to understand how legislation we may propose coordinates with other program changes being considered by the Congress, such as the Better Communities Act and the 1972 Rural Development Act which is beginning its first full year of operation.

In my view, we should not delve into every conceivable aspect of the development questions, such as unemployment compensation and welfare proposals, but we should try to write a bill that relates to other Federal programs, and we should understand that relation.

Mr. President, Senator BAKER, the ranking minority member of the Public Works Committee could not be in the Chamber at this time. I ask unanimous consent that his statement be printed in the RECORD following my own.

Mr. President, I also ask unanimous consent that the President's message, the text of the bill, and the section-by-section analysis be included in the RECORD following Senator BAKER's statement.

Mr. BAKER. Mr. President, as ranking minority member of the Public Works Committee, I am pleased to cosponsor with Senator RANDOLPH, chairman of the committee, Senator MONTOYA and Senator McCLURE, the administration's proposal for a 1-year extension of the Public Works and Economic Development Act and a new economic readjustment program.

The administration is to be commended for the constructive and cooperative effort which this bill represents. I was very heartened by the willingness of the administration to meet with members of the Public Works Committee to discuss the national economic development study required by the Congress in the 1973 extension of the EDA program, and the legislative recommendations which were being considered. For my part, and I believe I speak for other members of the committee, I appreciated having the opportunity to discuss this very important legislation and to have the committee's views on record before the report and legislation were completed and submitted.

In its continuing effort to streamline the categorical grant-in-aid system and to return more program responsibility and initiative to the States and local governments, the administration last year proposed to terminate the EDA program, replacing it with several alternative programs—some already in existence, including the Rural Development Act and the loan programs of the Small Business Administration, or being proposed, such as the Responsive Governments Act and the Better Communities Act.

After reviewing the administration's proposal, I think we generally agreed that it failed to provide an orderly transition, and that it would end the ongoing EDA programs before there was some experience with the administration's proposed alternative programs, some of which were not in place and operating at the time.

I am convinced that many of the goals sought by the administration conform with the direction the Public Works Committee has been moving in its consideration of new economic development legislation—as in fact indicated in our report on the EDA extension last year, Senate Report 93–117.

More than 2 years ago, the Public Works Committee recognized the need to review and rework the existing economic development programs. Under the leadership of Senator RANDOLPH, chairman of the Public Works Committee, and Senator MONTOYA, chairman of the Economic Development Subcommittee, the committee began a comprehensive review of development programs with the purpose of drafting a national development program better geared to today's economic needs.

I believe the committee would like to see more responsibility for development programs returned to the States and local communities, and greater assurance of reliable funding—such as could be achieved through State apportionments and advanced funding—which could well include some blocking of development funds to these entities. We very much desire better coordination of planning and implementation of all Federal grant programs.

I was glad to note that this year the administration recommended a 1-year extension of the Public Works and Economic Development Act along with its recommendation for a new economic adjustment program.

As pointed out in the message, the extension is to permit an orderly transition to the new program. During this year's extension, the block grant program can be phased in, giving Congress and the State and local communities experience with the new program. This year will give the Congress time to see if the new proposal will work, and if the programs can be made more responsive.

Since 1969 the administration has

been working to rationalize Federal programs and regional arrangements.

The Federal Regional Councils were established to improve coordination of the categorical grant-in-aid system and serves as a single point of contact with the Federal agencies for the States. More recently the Federal Regional Councils have begun looking to the goals and objectives of the region they serve. When the committee begins work on a new program, it may be able to relate to these regional efforts.

Similarly, the A–95 review and comment procedure, established to coordinate categorical plans and programs and to encourage areawide and statewide planning and program implementation, should be encouraged.

I hope that in the committee, working with Chairman RANDOLPH, Senator MONTOYA, Senator MCCLURE, and other interested members, we may be able to work out a structure helpful not only for economic development but for other programs as well.

The original intent of the Public Works and Economic Development Act was to provide public works infrastructure in lagging areas of the Nation and I think the committee still believes that a base of public facilities does help a lagging area become more competitive.

But I believe we have also come to recognize that public works projects require considerable lead-time for construction and their impact is only felt in the long run.

But for the short-term economic dislocations, due to base closings or economic slowdown in the energy crunch, more flexibility and a wider range of programs is needed. Measures, other than public facilities, such as business development, retraining and relocation, are more appropriate.

I would be inclined at this time to continue the title V Regional Commissions now in place rather than blanketing the entire country with development commissions or moving to State compacts for economic development. The title V Regional Commissions would continue to focus on the special problems of the depressed regional economics they represent but would be brought into the development activities of the larger regions proposed in the bill.

Mr. President, the bill is based on the findings and recommendations of the study of current Federal programs submitted to the Congress on the first of February. I am sure that the bill, along with the study, will be given full consideration by the committee.

SENATOR RANDOLPH BELIEVES ECONOMIC ADJUSTMENT ACT PLACES IMPORTANT ISSUES BEFORE CONGRESS

Mr. RANDOLPH. Mr. President, the Economic Adjustment Act of 1974 is the answer of the executive branch of the national need for an ongoing economic development program. While I am a cosponsor of this measure, I do not necessarily believe that this bill as introduced is the final form which this legislation should take. I am pleased to be a cosponsor, however, for I believe the subject of this bill is of great importance to our country. In this manner, the Congress will be able to carefully examine another proposal embodying one approach to the problem.

It was encouraging that representatives of the administration called on the committee recently to discuss with us its thoughts on economic development. This represents a refreshing change of attitude on the part of the executive branch and hope it is indicative of a new willingness to work with the Congress in developing legislative proposals.

The Committee on Public Works created the initial legislation in the field of economic development. In recent years we have reviewed its effect and worked toward a new, comprehensive economic development program with nationwide application. We will, therefore, carefully examine the administration's program and determine how it meshes with our own approach.

The concept of regionalism as a mechanism for orderly development programs has been effective in facilitating optimum usage of local and Federal resources. This existing organizational structure should be utilized as at least the basis for any new program, and the committee will seek to determine if there is a real role for regional commissions and local development organizations in the President's plan.

I am encouraged by the recognition implicit in the legislation that there should be a separate and continuing economic development program. This represents a change of position by the administration from its stance of a year ago when abandonment of these programs was recommended.

These proposals come at a time when our Subcommittee on Economic Development, chaired by Senator JOSEPH MONTOYA, is preparing an intensive examination of economic development needs and programs. The President's program will be carefully reviewed during this time.

ECONOMIC ADJUSTMENT ACT

Mr. MONTOYA. Mr. President, on March 21, 1972, I introduced S. 3381, the Public Works Development Act as the basis for a new and creative approach to regional and economic development. Joining me in cosponsorship of that bill were Senators John Sherman Cooper, the great former representative from the State of Kentucky, and JENNINGS RANDOLPH, the distinguished chairman of the Public Works Committee. It is in that same spirit of bipartisanship that I add my name to the cosponsorship of the economic adjustment and assistance legislation being introduced today. At the same time, I must make it abundantly clear that while I recognize the need to continue seeking improvements in all our endeavors as individuals and as a society, I cannot accept any other contention than that the programs authorized by current legislation, the Public Works and Economic Development Act, have been exceedingly successful in meeting the mandates of Congress. These programs have, in fact, been among the most successful undertakings by the Federal Government. The only fault that may be found with these programs is that they have had too few resources to combat the vast and most difficult economic problems that beset many areas of our Nation. But this lack is no fault of the underlying principles of the programs themselves nor of those who have tried to carry them out.

Clearly there is a continued need to focus the Nation's attention on economic problems at the subnational or regional levels. Last year in arguing for the extension of the Public Works and Economic Development Act, I pointed out that dispersal of this economic focus as then recommended by the administration would weaken, not strengthen, efforts to assist economically distressed areas. I pointed out that the Nation has not yet been able to solve the problem of economic stagnation or deterioration with respect to every region of the country and that economic progress itself creates constant economic disruption. I pointed out that new technology, increased competition, depleted resources, changing trade patterns, changing tastes, obsolescence all have economic impacts—impacts that fall disproportionately among the Nation's regions. Similarly, I pointed out that changing national priorities themselves, such as recent defense realinements, can cause great economic dislocation.

It was concern for the adverse economic impact of base closings that moved the Senate while extending current economic development legislation to require from the Economic Adjustment Committee within the Department of Defense its plans and programs to alleviate the ill effects on the Nation's communities of base closing. Additional action by the Senate that same day resulted in the economic adjustment proposal presented to the Senate this day.

Never has an economic focus on the Nation's individual communities and regions been more important than today, as the consequences of the energy shortage spread unevenly and inequitably throughout our national economy. Largely as the result of this shortage, unemployment in the Nation jumped from 4.8 percent to 5.2 percent last month, the largest monthly increase since the start of the 1970 recession.

Similarly, personal income registered an actual decline in January, the first such decline in 19 months. I am gratified, therefore, that the President in his February 19 message to Congress recognized that regional economic programs can serve as an extremely important tool for States and communities in responding to energy problems.

The Subcommittee on Economic Development, of which I am chairman, intends to hold hearings in Washington and throughout the country in order to give the American public and their elected representatives at the State and local levels an opportunity to express their opinions on how best the economic needs of the Nation might be met. It is my sincere hope that these hearings will result in an economic development and adjacent program that will truly meet the needs of our communities, regions, and States.

Mr. DOMENICI. Mr. President, I am pleased today to cosponsor with other distinguished Members of the Senate, the Economic Adjustment Act of 1974, the administration's proposal to extend the Public Works and Economic Development Act and to authorize a new economic adjustment program. Economic development programs have, in my opinion, been among the most successful in achieving their fine purposes. I am confident that by the bill we introduce today those programs can be sustained, improved, and augmented for even better results.

I am particularly encouraged that this bill would extend for 1 full year the Public Works and Economic Development Act. As I have consistently maintained since coming to the Senate, the programs carried forward under this act cannot be discontinued until we are certain that those functions will be effectively discharged by other means. This bill we introduce today is consistent with that position since it insures continuation of the existing programs while the Congress and the Executive work together to fashion longer range programs with whatever transitional arrangements necessary. This bill, Mr. President, will provide the legislative vehicle for obtaining the invaluable advice, guidance, and assistance of entities outside the Congress or the administration.

Of course, as we all understand, this bill may contain specific points with which those of us joining in its introduction find either questionable or objectionable. This, is undoubtedly, the case here, but the overriding point, Mr. President, is that this bill represents a significant step in the continuing dialog between the Congress and the administration to provide the best possible Federal assistance to the largest number of our citizens, our States, and communities to promote their economic well-being with all the attendant benefits which flow therefrom.

As a member of the Economic Development Subcommittee of the Committee on Public Works, I look forward to participating fully in the hearings and work of the subcommittee and I am confident that we can produce legislation responsive to the demand of the time and current conditions and capable of transition to such other approaches we determine offer the greatest future potential for the common good.

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

S. 3041

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 "Economic Adjustment Act of 1974."

STATEMENT OF PURPOSE

SEC. 2. It is the purpose of this Act to extend the Public Works and Economic Development Act of 1965, as amended, for one year in order to provide an orderly transition to an economic adjustment assistance program, and to establish an economic adjustment assistance program to help States and local governments to deal more effectively with problems resulting from changes in economic conditions. Some of the problems that must be surmounted are unemployment and underemployment, ineffective use of capital and natural resources, and deterioration in the quality of life within communities. The administrative structure provided in this Act, in which Federal, State and local governments will function as partners, is itended to place the initiative at the State and local levels, and permit States and local governments to make more effective use of Federal, State, local, and private resources to adjust to economic changes. The Act is to encourage cooperative intergovernmental action to solve problems as they occur, to return resources to productive use as soon as possible, avoid or reduce unnecessary hardship for the American people, and prevent the creation of new economically distressed areas.

DEFINITIONS

SEC. 3. For the purposes of this Act:

(a) "Federal Region" means an economic adjustment assistance region created by section 303.

(b) "Federal Regional Administrator" means a regional economic adjustment administrator appointed pursuant to section 302.

(c) "Fiscal year" means the fiscal year of the Government of the United States.

(d) "Multi-jurisdictional entity" means any consortium of general purpose political subdivisions in a State.

(e) "Multi-State organizations" means a multi-State organization authorized pursuant to section 209.

(f) "State" or "States" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam and American Samoa.

(g) "State plan" means an economic adjustment assistance plan formulated pursuant to section 205.

TITLE I—TRANSITION

AUTHORIZATION OF TRANSITIONAL APPROPRIATION

SEC. 101. The following transitional appropriations are authorized by amendment to the Public Works and Economic Development Act of 1965, as amended:

(1) The first sentence of section 105 is amended by striking out the word "and" after the words "June 30, 1973," and by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and such sums as may be necessary for the fiscal year ending June 30, 1975.".

(2) Subsection (c) of section 201 is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and such sums as may be necessary for the fiscal year ending June 30, 1975.".

(3) Section 302 is amended by striking out the word "and" after the words "June 30, 1973," and by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and such sums as may be necessary for the fiscal year ending June 30, 1975.".

(4) Subsection (g) of section 403 is amended by inserting after "1974", the following: "and such sums as may be necessary for the fiscal year ending June 30, 1975,".

(5) The first sentence of subsection (d) of section 509 is amended by striking out the word "and" after the words "not to exceed $305,000,000" and by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and for the fiscal year ending June 30, 1975, to be available until expended, such sums as may be necessary.".

CONTINUATION OF REDEVELOPMENT AREAS

SEC. 102. (a) Section 2 of the Act of July 6, 1970, as amended (Public Law 91–304), is amended by striking out "1974" and inserting in lieu thereof "1975".

(b) The amendment made by subsection (a) of this section shall take effect June 30, 1974, and any area designated as a redevelopment area for the purposes of the Public Works and Economic Development Act of 1965, as amended, on or before that date and which has had such designation terminated or modified in accordance with section 402 of such Act of 1965 on or before the date of enactment of this title shall, for the purposes of such Act of 1965, be held and considered as a designated redevelopment area during such period and shall continue to be designated as a redevelopment area until otherwise terminated or modified in accordance with the provisions of section 402 of such Act of 1965 and section 2 of the Act of July 6, 1970, (Public Law 91–304) as amended by this title.

TITLE II—ECONOMIC ADJUSTMENT ASSISTANCE PROGRAM

OBJECTIVES OF PROGRAM

SEC. 201. The Federal financial assistance authorized by this title is to be used by States to pursue the following objectives:

(1) Provide smooth and orderly adjustment to changes in regional, State or local economic conditions, through stimulation of alternative economic activities or other actions which will minimize persistent unemployment, ineffective use of resources, and other economic hardships;

(2) Reduce unemployment and economic distress in areas suffering from persistent and substantial unemployment, through stimulation of economic activities or other adjustment actions; and

(3) Increase personal income levels in areas with low average income, through stimulation of more productive employment opportunities for the underemployed, and other adjustment actions.

ACTIVITIES ELIGIBLE FOR ASSISTANCE

SEC. 202. Funds provided to States pursuant to this title to achieve the objectives of section 201 may be used—

(1) For assistance for public facilities, public services, business development, planning, research, technical assistance and such other economic adjustment purposes as the States may deem appropriate;

(2) Through grants, loans, subsidies, loan guarantees, tax rebates, salaries and wages or such other form of assistance as the States may deem appropriate;

(3) By public entities, private profit-making and non-profit enterprises, organizations and individuals; and

(4) For administrative costs of State, local, multi-state or other multijurisdictional or single governmental organizations resulting rfom responsibilities for planning, coordinating or implementing economic adjustment activities pursuant to this title.

AUTHORIZATION OF APPROPRIATIONS

SEC. 203. (a) There are hereby authorized to be appropriated $100,000,000 for fiscal year 1975 and such sums as may be necessary for the four succeeding fiscal years. Such sums shall remain available until expended.

(b)(1) For the purpose of affording adequate notice to the States of funding available under this title, appropriations under this title are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which they are to be allocated for obligation.

(2) The authorization of this subsection (b)(1) may be exercised notwithstanding that its initial application may result in the enactment in the same year of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

ALLOCATION OF FUNDS AMONG STATES

SEC. 204. (a) The funds provided from appropriations pursuant to the authorization of section 203 shall be allocated for the States, as follows:

(1) A minimum of 80 percent shall be allocated for the States by the President in a manner to be established by regulations of the President, and in accordance with the following formula:

(A) 15 percent of the amount allocated under this paragraph shall be allocated on the basis of the relative number of persons residing in the State as compared to the population of all States;

(B) 25 percent of the amount allocated under this paragraph shall be allocated on the basis of relative number of persons residing outside metropolitan areas of one million or more population in the State as compared to such population in all States;

(C) 10 percent of the amount allocated under this paragraph shall be allocated on the basis of the geographic size of the State as compared to the geographic size of all States;

(D) 30 percent of the amount allocated under this paragraph shall be allocated on the basis of the relative number of unemployed persons residing in areas of persistent and substantial unemployment within the State as compared to such numbers in all States; and

(E) 20 percent of the amount allocated under this paragraph shall be allocated on the basis of the relative number of persons in families with an annual income below the poverty level residing in areas with a median family income of 50 percent or less of the national median within the State as compared to such numbers in all States.

(2) Amounts not allocated for States pursuant to paragraph (1) may be allocated by the President based upon special needs for the funds arising from regional, State or local problems or from actions of the Federal government. Such funds may be allocated by the President for specific States, or allocated to Federal Regional Administrators for allocation by the Federal Regional Administrators to one or more States within their regions.

(b) The amounts allocated for States pursuant to subsection (a) will be apportioned by the President to the appropriate Federal Regional Administrators for obligation to the States in accordance with sections 205 and 206.

(c) Any funds allocated for a State pursuant to subsection (a) will remain available for that State until expended, except as follows:

(1) Funds allocated for a State may be reallocated among States of a multi-state organization in accordance with section 209(e).

(2) Funds allocated for a State may be reallocated to other States by the President when the allocation has been terminated, reduced or limited pursuant to section 207.

(3) Funds allocated for a State may be reallocated to other States by the President if funds allocated to a State have not been obligated to that State within two years of the date of the allocation, for whatever reason, provided that the State shall be notified of the proposed reallocation at least 30 days prior to reallocation and may take action to obtain obligation of the funds during that period.

(4) Any funds reallocated pursuant to this subsection may be allocated in accordance with paragraph (a)(2) of this section even though this may result in a final percent of less than 80 percent allocated in accordance with paragraph (a)(1) of this section.

STATE PLANNING AS A CONDITION FOR OBLIGATION OF ALLOCATED FUNDS

SEC. 205. (a) Except as otherwise provided in sections 206 and 207, funds allocated for a State shall be obligated to the State upon submission by the Governor of the State, and approval by the Federal Regional Administrator, of a State plan or plans which shall contain the following elements:

(1) An identification of the area or areas selected within the State for economic adjustment.

(2) The criteria used in the selection of the areas described pursuant to paragraph (1).

(3) A statement of economic adjustment objectives for each of the areas described pursuant to paragraph (1), which objectives shall be consistent with the objectives of this title, and a description of the specific strategies designed to attain such objectives.

(4) A statement describing the funds required to implement the strategies described pursuant to paragraph (3) and the sources of such funds. This shall identify the financial resources available or to be sought from State, local and private sources and from other Federal programs.

(5) A description of the types of assistance for which funds obligated under this title shall be expended to carry out the strategies described pursuant to paragraph (3).

(6) A description of the process used in formulating the plan, and to be used in implementing the plan, which process shall be in accordance with the provisions of subsection (b) hereof. This shall include a description of the process to be used in coordinating activities to be funded under this title with related activities to be funded by other Federal programs or by State, local or private sources.

(7) Such other information, statements or certifications which may be required by regulations established by the President.

(b) Elected officials of general purpose units of local governments and, if multijurisdictional entities are established, representatives of multijurisdictional entities which have responsibilities for economic adjustment activities in their respective areas shall participate in the preparation and implementation of State plans. The President may establish regulations regarding procedures to be followed in developing and implementing State plans.

(c) The Federal Regional Administrator shall approve the State plan and obligate funds to the State upon determining that—

(1) The plan is consistent with this title;

(2) The plan was prepared in accordance with subsection (b); and

(3) The plan meets any specific requirements established by regulations issued by the President pursuant to this Act.

(d) Approval by the Federal Regional Administrator of a State plan or modification thereto does not constitute approval for allocation or obligation of Federal funds available under other Federal programs which a State has identified in its plan as required by subsection (a)(4) as a source of financial resources.

(e) The amount of funds obligated to a State shall not exceed the amount specified in the State plan as being required from funds under this title to carry out the planned adjustment activities.

(f) A State plan may range from a comprehensive Statewide plan covering a period of several years, to a limited plan for a short-duration effort to deal with a specific adjustment problem. State plans for use of the funds allocated pursuant to section 204 may be submitted at any time within two years of the date of the allocation and may be submitted after two years of the date of the allocation if the funds have not been reallocated by the President pursuant to section 204.

(g) Modifications of a State plan may be made by a State whenever such State deems appropriate in order to carry out the objectives of this title or whenever necessary as a result of determinations made by the Federal Regional Administrator pursuant to subsection (c) hereof; *Provided*, that any major modification, as defined by regulations to be established by the President, shall be approved by the Federal Regional Administrator prior to expenditure of a State's obligated funds for such modified plan.

(h) The Federal Regional Administrator shall not disapprove any State plan submitted under this title, or any modifications thereof, without first affording the State reasonable notice, and an opportunity for a hearing.

USE OF FUNDS FOR PLANNING

SEC. 206. Upon application by a State, the Federal Regional Administrator may obligate funds to the State as he determines necessary to enable the State and local governments and multijurisdictional entities therein to prepare the plans required by section 205.

REVIEW OF STATE PERFORMANCE

SEC. 207. (a) Within 60 days after the end of each fiscal year, States shall submit a report to the appropriate Federal Regional Administrator, which shall include—

(1) A description of the progress made during the fiscal year toward the objectives of the approved plans;

(2) A description of how the funds obligated under this title were used to pursue the objectives;

(3) A statement of reasons for substantive variations from the approved plans;

(4) A statement of corrective actions taken or planned; and

(5) Such other information, statements or certifications which may be required by regulations established by the President pursuant to this Act.

(b) Each State receiving funds under this title shall—

(1) Use such fiscal, audit, and accounting procedures as may be necessary to assure (A) proper accounting for payments received by it, and (B) proper disbursement of such payments; and

(2) Provide to the Federal Regional Administrator and the Comptroller General of the United States access to, and the right to examine, any books, documents, papers, or records as they require.

(c) If the Federal Regional Administrator, after reasonable notice and opportunity for hearing, finds pursuant to evaluation criteria established by the President that a State is failing to attain the objectives of its approved plans due to inadequate management or other reasons within the control of the State, and that the State has failed to take corrective action, or if the State has failed to comply substantially with any pro-

vision of this Act, the Federal Regional Administrator may—

(1) Terminate obligations to such State under this title, or

(2) Reduce obligations under this title by an amount equal to the amount of such payments which were not expended in accordance with this title, or

(3) Limit the availability of payments under this title to programs, projects or activities not affected by such failures, or

(4) Notify the State to return to him all or part of the unexpended sums paid under this title.

(d) The Federal Regional Administrator shall determine whether any reductions or limitations in obligations pursuant to subsection (c) hereof shall be reserved for subsequent obligation to the State when corrective action has been taken, or result in a reduction in the allocation available for the State. If it is determined that the allocation will be reduced, the funds shall be reallocated in accordance with section 204.

(e) In lieu of, or in addition to, any action authorized by subsection (c), the Federal Regional Administrator may, if he has reason to believe that a recipient has failed to comply substantially with any provision of this Act, refer the matter to the Attorney General of the United States with a recommendation that an appropriate civil action be instituted.

JUDICIAL REVIEW

SEC. 208. (a) Any State which receives a notice of termination, reduction or limitation in obligations or allocation pursuant to section 207 (c) or (d) may within sixty days after receiving such notice, file with the United States court of appeals for the circuit in which such State is located a petition for review of the action. A copy of the petition shall forthwith be transmitted to the Federal Regional Administrator. A copy shall also forthwith be transmitted to the Attorney General of the United States.

(b) The Federal Regional Administrator shall file in the court the record of the proceeding on which the action was based, as provided in section 2112 of title 28, United States Code. No objection to the action shall be considered by the court unless such objection has been urged before the Federal Regional Administrator.

(c) The court shall have jurisdiction to affirm or modify the action or to set it aside in whole or in part. The findings of fact by the Federal Regional Administrator if supported by substantial evidence contained in the record, shall be conclusive. However, if any finding is not supported by substantial evidence contained in the record, the court may remand the case to the Federal Regional Administrator to take further evidence, and the Federal Regional Administrator may thereupon make new or modified findings of fact and may modify the previous action. He shall certify to the court the record of any further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence contained in the record.

(d) The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification, as provided in section 1254 of title 28, United States Code.

MULTI-STATE ORGANIZATIONS

SEC. 209. (a) The consent of Congress is hereby given to any two or more States to negotiate and enter into agreements or compacts, not in conflict with any law of the United States, for cooperative efforts in pursuing the objectives of this Act. The States participating in such agreements or compacts may establish such agencies as they may deem desirable to make such agreements effective.

(b) In pursuing the objectives of this title, each multi-state organization may—

(1) Provide a forum for consideration of problems of the region, and proposed solutions;

(2) Conduct and sponsor research and studies of the region to foster effective economic adjustment;

(3) Develop regional economic adjustment objectives;

(4) Develop joint efforts among the States to pursue the regional objectives; and

(5) Assure that State plans are consistent with or include approved regional adjustment objectives.

(c) Multi-state organizations established or designated pursuant to this section may require that its member States submit their State plans to the multi-state organization or its agency for review or approval prior to submission of the plans to the Federal Regional Administrator.

(d) The expenses of a multi-state organization shall be paid by the State members of the organization. Funds obligated to States pursuant to sections 205 and 206 may be used by the States to pay the expenses of a multi-state organization, including administrative expenses. The share to be paid by each State shall be determined by the State members of the organization.

(e) States participating in multi-state organizations may propose in their plans to pool all or part of the allocations made for some or all of the member States of the organization pursuant to section 204(a), and such funds may be obligated to any State or States in the organization in accordance with State plans approved by the multi-state organization and the appropriate Federal Regional Administrator. In the event the multi-state organization includes States in more than one Federal region, the President may establish procedures to assure consistency of Federal actions in reviewing and approving the joint State plans and proposed reallocation of funds.

TITLE III—GENERAL PROVISIONS

FUNCTIONS AND DUTIES OF THE PRESIDENT

SEC. 301. The authorities, functions and duties assigned to the President by titles II and III may be delegated by the President to the Secretary of Commerce, or to any other person designated by the President by and with the advice and consent of the Senate.

FEDERAL REGIONAL ADMINISTRATORS

SEC. 302. The President shall appoint a Federal Regional Administrator for each Federal Region established pursuant to section 303. Each of said Federal Regional Administrators shall be compensated at a rate to be determined by the President not to exceed the rate provided for in level IV of the Federal Executive Salary Schedule. Each Federal Regional Administrator shall have full responsibility for administering the obligation of funds and reviewing the use of obligated funds, and shall perform the additional functions and duties assigned to him by titles II and III and as are otherwise assigned by the President. The Federal Regional Administrators shall cooperate and consult with other Federal departments and agencies responsible for programs which affect regional State or local economic activities, may participate in activities of Federal interagency councils and committees as necessary to promote interagency cooperation and consultation, and shall provide liaison between the Federal departments and agencies and multi-state organizations established or designated pursuant to title II.

FEDERAL REGIONS

SEC. 303. For purposes of administration of title II, Federal Regions shall be established and shall conform with the Standard Federal Regions established by the President for administration of Federal programs. The boundaries of such Federal Regions may be modified as required to conform to any changes which may be made in the boundaries of the Standard Federal Regions.

REGULATIONS

SEC. 304. The President may establish such rules and regulations as may be necessary to carry out the purposes and conditions of titles II and III.

NONDISCRIMINATION

SEC. 305. (a) No person shall, on the ground of race, color, religion, national origin, sex, or age be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under title II.

(b) Whenever the President determines that a State government or unit of local government has failed to comply with subsection (a) of this section or an applicable regulation, he shall notify the Governor of the State (or, in the case of a unit of local government, the Governor of the State in which such unit is located) of the noncompliance and shall request the Governor to secure compliance. If within a reasonable period of time the Governor fails or refuses to secure compliance, the President is authorized (1) to refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted; (2) to exercise the powers and functions provided by title VI of the Civil Rights Act of 1964; or (3) to take such other actions as may be provided by law.

(c) When a matter is referred to the Attorney General pursuant to subsection (b) of this section, or whenever he has reason to believe that a State government or unit of local government is engaged in a pattern or practice in violation of the provisions of this section, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

LABOR STANDARDS

SEC. 306. All laborers and mechanics employed by contractors or subcontractors in any construction, alteration, or repair, including painting and decorating of projects, buildings, and works which are federally assisted under title II, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Number 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 1, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

REPORT

SEC. 307. At least six months prior to the end of the fifth fiscal year for which funds are appropriated pursuant to section 203, the President shall submit to Congress a report evaluating the effectiveness of the economic adjustment assistance program established by title II and setting forth such recommendations as he deems advisable for continuation, modification, expansion or termination of such program.

AUTHORIZATION OF FEDERAL ADMINISTRATIVE APPROPRIATION

SEC. 308. There are hereby authorized to be appropriated such sums as may be neces-

sary for the Federal expenses of administration of this Act.

THE WHITE HOUSE.

To the Congress of the United States:

The industrialization of America is essentially a story of change and progress. For most communities, that change is usually beneficial, enhancing general prosperity. But for some, adjustment to change can be difficult. As new developments unfold in energy, defense needs, technology, and international trade, some areas of the country will inevitably suffer transitional pains even as the Nation as a whole is benefiting.

There are now over 400 areas in the country which have experienced chronic unemployment and low income levels, despite a general increase in national prosperity. In these *depressed* areas it is also not unusual to find inadequate educational and health arrangements as well as a substandard housing.

For nearly a decade, the programs of the Economic Development Administration and the Regional Action Planning Commissions have been attempting to alleviate economic distress and restore economic viability to these chronically distressed areas. Last year I proposed to terminate the programs of EDA, and remove the Federal role in the decision-making process of the Title V Regional Commissions, because those programs had not been effective. Subsequently I agreed with the Congress to continue those programs for one more year while we reexamined the problems and the ability of current and proposed Federal programs to deal with the problems.

The study, conducted over the last several months by the Department of Commerce and the Office of Management and Budget, was completed and transmitted to the Congress on February 1, 1974. It concludes that:

Current economic development programs fail to provide adequate assistance for economic change *before* the changes have done serious damage to the viability of recipient communities;

The project-by-project allocation of Federal assistance results in dispersion of available resources in amounts too small to do much lasting good, and it also fails to encourage a comprehensive and planned multi-level government and private response to the problems of economic adjustment;

There is a need for a more effective form of Federal assistance to permit States and communities to develop comprehensive and targeted adjustment efforts.

If new economic opportunities can be developed in an area before labor, capital, and hope are dispersed, the normal rhythm of economic life can be maintained. We can then avoid the enormous outlays for economic assistance that are required to help distressed areas, and we can prevent the irretrievable loss of resources that occurs in spite of this assistance.

THE ECONOMIC ADJUSTMENT ASSISTANCE PROGRAM

Based upon our experiences with current programs and the conclusions of the recent Government study, I believe it is time to revamp our approach to adjustment assistance.

I am, therefore, sending to Congress today my proposal for an Economic Adjustment Act. This measure is designed to help States and communities provide smoother and more orderly adjustment to economic changes and limit the number of new distressed areas. It will also permit more effective long-range areas to overcome the problems of areas now suffering from economic distress.

By granting State and local officials greater flexibility in the way they spend Federal funds within distressed areas, it is our hope that they will have greater success in reducing unemployment and raising general income levels in those areas.

Although this act is not intended as an emergency measure just to deal with dislocations caused by the energy crisis, it could serve as an extremely important tool for States and communities in responding to energy problems. This proposal, along with my recent proposal for extending unempoyment insurance benefits for individuals in areas heavily impacted by energy problems would help reduce hardships while adjustment efforts are pursued.

RETURNING DECISIONMAKING TO THE STATES AND COMMUNITIES

A primary goal of the proposed act is to return to States and communities the principal responsibility for deciding how to use the proposed Federal assistance to achieve program objectives. If this assistance is to be used to maximum advantage, the decisions must rest with State and local officials who are in the best position to understand their needs.

In order to return this responsibility to the States and communities, a minimum of 80 percent of the funds available under the act would be automatically allocated to States on the basis of a formula that would recognize the needs of the States and communities for assistance. The formula would take into account unemployment levels, population dispersal, income levels, and other factors. The remaining funds would be allocated to States on a discretionary basis to meet special needs arising from State, regional or local problems, or from Federal actions such as closing of large Federal installations. The funds allocated to a State would automatically be made available to the State upon preparation and approval of a general State plan which specifies the target areas selected for economic adjustment and the general objectives planned for each area.

Because the money would be given to the States as a block grant, the States could apply it to only one or a few problem areas, with each project getting enough money to make a difference. By contrast, much of the EDA funding has been dispersed in smaller amounts for many different projects, thereby making it difficult to develop a comprehensive effort to overcome the problems of any area. Furthermore, under the new program, States should be able to apply funds to areas before economic distress becomes acute.

This approach would also maximize State and local responsibility for planning and carrying out economic adjustment efforts, while providing assurance that the funds are being used to pursue national objectives. It would permit States, and adjustment areas within States, to develop and put into effect their economic adjustment plans in conjunction with related programs such as those under the recently enacted Comprehensive Employment and Training Act, the Rural Development Act, and the proposed Better Communities Act. States and communities could also conduct more rational planning for economic adjustment because they would have a better understanding of the amount of Federal resources which would be available to them for that purpose. And they would no longer design programs on the basis of what States and local governments think Washington wants, rather than what they themselves need.

STRENGTHENING REGIONAL PLANNING AND COORDINATION

The Economic Adjustment Act would authorize interstate compacts to permit States to work together on common adjustment efforts. States which participate in multi-State economic adjustment organizations could use funds allocated under the act for joint adjustment efforts, including administrative costs and planning activities of the regional organization. Regional organizations could participate in the development of the plans of the member States to assure that the State plans reflect any regional adjustment needs.

The principal Federal authority and responsibility under the act would be given to ten Federal Regional Administrators, one in each Standard Federal Region. The Federal Regional Administrators would have responsibility for reviewing State plans, obligating funds to the States, and evaluating performance by the States in using the funds.

The Federal Regional Administrators have the responsibility of working closely with the Federal Regional Councils in each Federal region to help assure improved coordination among the many Federal programs which affect economic activities in an area or region. I plan to request the Secretary of Commerce to carry out the central Federal administrative and policy responsibilities under the act.

TRANSITION PERIOD PROPOSED

The Economic Adjustment Assistance Program would replace the programs now conducted by the Economic Development Administration and the Regional Action Planning Commissions. Although current authority for those programs is now due to expire at the end of this fiscal year, I am prepared to accept legislation to extend that authority for the purpose of providing for an orderly transition to the new Economic Adjustment Assistance Program.

With the expectation that the Congress will provide the required legislation for the new program and will extend the programs of EDA and the Regional Commissions, my budget for fiscal year 1975 includes funding for EDA and the Title V Commissions at a level of $205 million. The budget also includes an additional $100 million as initial funding for the new act. This will provide a total of $305 million for these programs in fiscal year 1975, an increase of nearly $50 million over the 1974 levels.

The concerns and suggestions of Members of Congress have played a major role in shaping this legislative proposal. I hope that the dialogue between the Congress and the executive branch will continue as the Congress considers this proposal.

The Economic Adjustment Act can provide the basis for an important improvement in the ability of our States and communities to adjust to economic changes and prevent unnecessary distress and hardship. By helping to raise employment and income levels for some Americans, it can improve the quality of life for all Americans.

RICHARD NIXON.

THE WHITE HOUSE, *February 19, 1974.*

SECTION-BY-SECTION ANALYSIS

TITLE I—TRANSITION

Section 101—Authorization of Transitional Appropriation.—Authorizes appropriations for a one-year extension of the Public Works and Economic Development Act of 1965, as amended.

Section 102—Redevelopment Areas.—Continues the designation of redevelopment areas by preventing their termination or modification.

TITLE II—ECONOMIC ADJUSTMENT ASSISTANCE PROGRAM

Section 201—Objectives of Program.—States the objectives of the economic adjustment assistance program. These objectives are: (1) orderly adjustment to changing economic conditions by stimulating alternative economic activities, (2) reducing unemployment in geographic areas of high unemploy-

ment, and (3) increasing income levels in areas with low average income.

Section 202—Activities Eligible for Assistance.—Lists the types of activities eligible for assistance, such as public facilities, public services, business development and technical assistance; and lists the nature of the assistance such as grants, loans, subsidies, loan guarantees, and tax rebates. This assistance may be provided to public entities, private profit and non-profit enterprises and individuals, and to State and other units of government for administrative costs in implementing this title.

Section 203—Authorization of Appropriations.—Authorizes appropriations for fiscal year 1975 and the four succeeding years. These appropriations are available until expended, and may be made one year in advance of planned obligation in order to give the States notice of the funding available.

Section 204—Allocation of Funds Among States.—(a) Allocates funds to the States as follows: (1) at least 80 percent are allocated based on the following formula: (A) 15 percent allocated based on population of State compared to Nation's population, (B) 25 percent allocated based on population of State outside metropolitan areas compared to Nation's population outside metropolitan areas, (C) 10 percent allocated based on geographic size of the State compared to all States, (D) 30 percent allocated based on areas of persistent and substantial unemployment in the State compared to such national unemployment, and (E) 20 percent allocated based on population of State with income below poverty level residing in areas with low median income compared to such population in the Nation. (2) The remaining funds (20 percent or less of the total appropriation) are allocated by the President to meet special needs.

(b) Funds are apportioned to the Federal Regional Administrators for obligation to the States based on section 205.

(c) Funds are available for a State until spent, unless (1) reallocated to a multi-State organization encompassing the State, (2) reallocated to other States after being reduced for the State pursuant to section 207, or (3) reallocated to other States because they have not been obligated to the State within two years of allocation. Funds reallocated may be allocated pursuant to paragraph (a)(2) above.

Section 205—State Planning As A Condition For Obligation of Allocated Funds—(a) Obligates funds allocated to a State when the Federal Regional Administrator approves the State plan. A State plan must contain an identification of economic adjustment areas, the criteria used in selecting these areas, the economic adjustment objectives of each area, the funds required to achieve these objectives, how funds provided by this title will be used, how the economic adjustment plan was formulated, and any other information required by the President.

(b) Requires local governmental officials to participate in the preparation and implementation of State plans.

(c) The Federal Regional Administrator is required to approve a State's plan when it is consistent with this title, when it was prepared according to subsection (b) above, and if the plan conforms with regulations authorized pursuant to this Act.

(d) Approval of a State's plan is not approval for allocation of Federal funds from other Federal programs identified in the plan.

(e) Funds obligated to a State may not exceed the amount required by the plan.

(f) A State plan may be long-range or short-range.

(g) States may modify their plans if approved by the Federal Regional Administrator.

(h) The Federal Regional Administrator may not disapprove a plan without reasonable notice and an opportunity for a hearing.

Section 206—Funds for Planning.—Allows Federal Regional Administrator to obligate funds for a State to enable it to prepare the required plan.

Section 207—Review of State Performance.—Requires the States to submit annual reports indicating progress made toward planned objectives, and how funds were used. States are also required to use proper fiscal, audit, and accounting procedures, and to allow Federal officials to examine their records. If the Federal Regional Administrator finds that a State is failing to meet planned objectives because of mismanagement, or has failed to comply with the Act, he may terminate or reduce obligation available to the State, or notify the State to return unexpended funds. He may also refer the matter to the U.S. Attorney General for appropriate civil action.

Section 208—Judicial Review.—Allows States receiving notice of termination or reduction in obligations to seek judicial review. The findings of fact by the Federal Regional Administrator will be affirmed if supported by substantial evidence.

Section 209—Multi-State Organizations.—Authorizes multi-state organizations to form in order to carry out the objectives of the Act. These organizations may approve State plans before submission to Federal Regional Administrators. Expenses may be paid from funds allocated to the States pursuant to this title, and participating States may pool their allocations for use in any State or States in the organization.

TITLE III—GENERAL PROVISIONS

Section 301—Functions And Duties of the President.—Permits functions of the President pursuant to titles II and III to be delegated by him to the Secretary of Commerce or any other person.

Section 302—Federal Regional Administrators.—Provides for the appointment by the President of Federal Regional Administrators for each Federal Region. These Administrators have full responsibility for administering the obligation of funds and reviewing their use.

Section 303—Federal Regions.—Establishes Federal Regions which shall conform with the Standard Federal Regions.

Section 304—Regulations.—Authorizes the President to establish rules and regulations.

Section 305—Nondiscrimination.—Prohibits discrimination under the Act based on race, color, religion, national origin, sex or age.

Section 306—Labor Standards.—Requires laborers working on projects pursuant to title II to be paid wages in accordance with the Davis-Bacon Act.

Section 307—Report.—Requires a report by the President to Congress 4½ years after enactment of the Act concerning the effectiveness of title II's programs.

Section 308—Authorization of Administrative Expenses.—Authorizes appropriations for Federal administrative expenses.

By Mr. PROXMIRE:

S. 3042. A bill to require the Securities and Exchange Commission and certain independent agencies which regulate banking and thrift institutions to transmit certain reports and other information to the Congress. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. PROXMIRE. Mr. President, I introduce a bill designed to restore to the independent agencies which regulate banking and thrift and financial institutions some of the autonomy and integrity which Congress intended them to have and which the executive branch has attempted to take from them. The bill applies to the Securities and Exchange Commission, the Federal Reserve Board, the Federal Home Loan Bank Board, the Federal Deposit Insurance Corporation, and the National Credit Union Administration. It provides that whenever one of these agencies submits a budget estimate or request to the President of the Office of Management and Budget, a copy of the estimate or request shall also be transmitted to the Congress. The bill also provides that any testimony or comment on legislative matters which is submitted to the President or to OMB is to be simultaneously submitted to the Congress, and forbids the requirement of prior approval by the executive branch before any such material is submitted to Congress. These provisions have already been enacted with respect to the Consumer Product Safety Commission.

The evil which this bill is designed to correct has become well known to the Congress in recent years. If the Watergate scandals have taught us anything, it is the danger of the misuse of administrative agencies for purely political ends. One aspect of this misuse has been the destruction of the power of the independent regulatory agencies to render to Congress a nonpolitical, informed judgment on legislative and budgetary matters in the areas of their expertise.

Censorship by OMB of agency budget requests results in a kind of impoundment before the fact, since Congress is deprived of the opportunity to learn from the agency itself what resources are needed to enable the agency to carry out the mission which Congress has set for it. Similarly, the public interest will be better served if legislative recommendations and comments are presented directly to the Congress, without regard to whether they conform to the official administration "line" of the moment.

Because Congress delegated its own legislative power to these independent agencies, it is particularly important to prevent executive usurpation of their powers. If these agencies are to be effective in their vital role of preserving the integrity of our financial institutions, it is essential that each of their administrators must be capable of informing Congress, directly and without outside interference, exactly what he and his agency believe to be the facts about the matters before it.

I urge the passage of this legislation in order to insure the independence of these important agencies and to preserve the ability of Congress to make informed legislative and budgetary decisions.

By Mr. NELSON:

S. 3043. A bill to amend the statutes to create a Federal Citizens Appeal

Board, to provide grants to States for the establishment of citizen appeal processes, and for other purposes. Referred to the Committee on the Judiciary.

Mr. NELSON. Mr. President, I am introducing legislation today which I believe will take a significant step toward closing the confidence gap between the American people and the Government which is intended to serve them.

The bill, entitled the "Federal Citizens Appeal Act of 1974," will establish a broad program of assistance to citizens in their dealings with the Government agencies, and provide a simple procedure whereby they can register their complaints with the Government, and get a fair and speedy hearing by an impartial board of mediators.

The role of the Federal Government in the affairs of the individual has expanded so greatly in the past two decades that it is now involved in almost every aspect of our lives. We are affected daily by agency regulations designed to protect health and welfare, and to assure that our rights as citizens are maintained and strengthened. In every area of concern—social security, medicare, small business, health, and now in the regulation and distribution of gasoline and other fuels—decisions are made which affect the lives of millions of Americans. That reality dictates that we pay as much attention to the administration of the laws as we do to their creation.

The size of the Federal Government has increased threefold in only 35 years. In 1935, there were just over 900,000 people employed by the U.S. Government. By the end of 1973, that total had reached more than 2.7 million employees.

The number of Federal agencies and subagencies has also increased greatly over the years. With the programs of the Great Society, the creation of the Office of Economic Opportunity, and the Departments of Transportation and Housing and Urban Development, we have seen the growth of a class of Government officials—mostly middle-level bureaucrats—which has an inordinate amount of power over people, and yet very little control by the Congress or their parent bureaus.

This growth has made us realize that the U.S. Government has become a vast impersonal bureaucracy which is often insensitive to the needs of the people.

Any citizen of the United States attempting to persuade the Federal Government to reconsider an official action is bound up in endless redtape, legal delay, and, frequently, inconsiderate bureaucrats. There is little recourse for the average American to break through this Government morass.

In contrast, big business and powerful special interest groups have an easy time getting the ear of the Government with their complaints. They have the funds and resources to hire large teams of attorneys and lobbyists, and to file detailed objections to regulations and initiate court action, if necessary. They also have the political influence to make the agency bigwigs listen.

In the 12 years I have served in the Senate, my office has handled literally thousands of complaints from constituents who feel they were treated unfairly by Federal agencies, and yet could not get any assistance from the Government in hearing their complaints. Elderly citizens have been denied social security and medicare checks, small businessmen have been inconvenienced because of SBA regulations, and valid citizen complaints are totally ignored by Government agencies.

Two cases in particular are worth noting. Last year, the son of an Eau Claire, Wis., dentist was kidnaped, and held for $50,000 ransom. The dentist, Dr. Donald J. Alm, was a man of modest means, and in order to pay the ransom, had to take out a loan for the $50,000 from a local bank. Following payment of the ransom and the safe return of Dr. Alm's son, one of the kidnapers showed up in the local office of the FHA and used $20,000 of the ransom money to pay off an outstanding FHA loan. Of course, the kidnaper was apprehended, convicted, and sentenced to prison. However, the FHA refused to return the money used to pay off the loan—money admittedly obtained illegally from a ransom note—to Dr. Alm.

Eventually, after I introduced a resolution which directed the case to the Court of Claims and the court reached an agreement between the parties, the ransom money was returned. But it was fully 2 years between the time that Dr. Alm began his efforts to obtain the return of the money, and the date that the funds were finally restored to the doctor.

In another instance, a meat packing plant in Chippewa Falls was informed one day that a meat inspection official in Chicago had arbitrarily decided that he would inspect only 25 head of cattle per hour, while this particular plant required the processing of at least 30 head of cattle to just break even. Because of this agency decision, and because of the bureaucrat's refusal to consider the complaints that the meat packer had expressed, the Chippewa Falls plant was forced to close its doors. Again, it was only through the intercession of Congressman DAVID OBEY and myself that the Agriculture Department rescinded the decision, and the plant was reopened.

In both of these cases, as well as in countless other situations of similar nature, had the decision of a Government bureaucrat been allowed to stand, unreasonable and unfair harm would have been caused simply because of the practical inability of an American citizen to question the decision of a Government agency.

With the onset of the energy crisis, we have seen additional evidence of the extent to which the U.S. Government is inconsiderate of the everyday needs of the American people.

As the Nation proceeds into mandatory allocation, price regulation by the Cost of Living Council, and regulation of the energy-consuming activities of the people, the opportunities for callous disregard for the plight of the average citizen expand greatly.

Already, just 2 months in 1974, the evidence of such disregard for human needs has been brought to our attention.

Recent news broadcasts have told the story of a California truckstop owner who was forced by the Cost of Living Council to lower his gasoline prices by 2 cents, to correspond with the prices he was charging on May 15, 1973, which is the base date for the determination of gasoline prices. However, it just so happens that this gas station owner was running a sale on that day, to increase his patronage, and had lowered his prices below the profit line. To force this individual to lower his present prices to a level where he suffers a monetary loss is clearly unfair and arbitrary.

A recent column by Jack Anderson reported on the lack of attention being given to letters from citizens who are suffering undue hardship because of the energy crisis, and are concerned about conducting a normal life. One case which Anderson reported on was of an Indiana man who needed to travel to Chicago to receive medical and prosthetic aid because of a recently amputated leg. His letter went into the bin and will be responded to with a post card.

The average citizen, Mr. President, is virtually helpless to affect materially any administrative decision of a Federal agency. There is little or no opportunity to communicate with the agency prior to the handing down of an agency action, nor are there the resources available to most Americans to be able to have a say in Government policy. Legal costs are high, and if one is an elderly, handicapped, or generally on a fixed income, it is impossible to hire an attorney who will spend the needed time to prepare an adequate case.

There exists currently a great disparity—and injustice—in the manner in which Government decisions are affected by outside interests, while the people are unable to have their voices heard.

What is clearly needed—more than ever before—is a guarantee of the right of free access to the Government by the people. We must assume that a citizen has the right to object to a Government regulation which will materially affect his or her economic or social well-being. The Government has an obligation to restore the balance between individuals and special interests; to underwrite, as Thomas Jefferson said, the principle that "the care of human life and happiness, not their destruction is the first and only legitimate object of good government."

This legislation would go a long way toward meeting that goal, by establishing a procedure for citizen appeal of Government decisions, which will reaffirm the rights of Americans to have access to the decisionmaking process of the Federal Government. It would further dictate to the Federal agencies and the Government bureaucrats that their responsibilities include an obligation of responsiveness to the public and fair

treatment of all, and not preferential treatment of the rich and powerful.

Through this legislation, 10 regional Federal citizens appeals boards would be established, in the standard Federal regions. These boards would each have the authority to investigate, conduct hearings on, and rule on the legitimacy of complaints filed against Federal agencies. The boards would be comprised of five members each, representative of labor, business, State government, and the public, who would be appointed by the President and confirmed by the Senate. Board members would serve 5-year terms.

Citizens who believed that they were the victims of unfair Government agency actions would be able to file complaints with a regional appeals board only after they had exhausted the appeal procedures within that particular agency.

Once an appeal was accepted by a regional appeals board, the staff would conduct a thorough investigation, making use of all available documents and taking statements from both the citizen and the Federal agency. Once the initial investigation was complete, the full appeals board would meet, conduct a hearing, and render a decision. The hearing conducted under this legislation would not be an adversary proceeding. Questioning and administrative procedures would be handled by the board.

In order to assure that this process does not simply add on more time to the already length of time it takes to question the Federal Government, a 25-day limitation is placed on the full appeal procedure. In addition, to provide relief in the case of emergency matters which require immediate relief action, an appeals board is authorized to render an emergency decision upon a preliminary investigation, subject to full compliance with hearing procedures.

A citizens appeal board could rule in any number of ways on an agency decision. It could: First, uphold the decision; second, render the decision invalid in total or in part, or third, direct the agency to conduct further proceedings toward making a new decision.

In all instances, the final decision of a citizens appeals board would be appealable of a Federal district court.

As noted before, one of the major causes of inequity between big business and the people is that large corporations can afford the expenses of court battle with the Government, while most citizens do not have the vast financial resources for such actions. Under the Federal Citizens Appeals Act, however, should an appeals board rule in favor of a citizen against a Government agency, and should that agency either refuse to obey the board's order or appeal the order to a district court, the board is authorized to provide legal representation to the complainant at no cost.

The basic working principle under which this proposal is predicated is that whether or not an appeals board rules in favor of a citizen complainant, that citizen should be fully confident that there has been a fair hearing, taking into account all available information, and decided upon the merits of the case, rather than the power of the Government versus the weaknesses of one individual.

The legislative history for this type of proposal is sparse. In 1968, the late Senator Edward Long of Missouri proposed the establishment of 2-year pilot program for an Office of Administrative Ombudsman, but that bill was not reported out of the Senate Judiciary Committee.

Since that time, numerous Members of Congress, notably Senator VANCE HARTKE of Indiana and Congressman HENRY REUSS of Wisconsin, have introduced legislation which would expand the concept of the congressional caseworker, providing assistance to Members of Congress specifically.

But the basic difficulty with relying totally on the congressional casework function to meet the needs of citizens having difficulty with the Government is that caseworkers rarely have the time or the resources to conduct adequate investigations into each and every case which is referred to a congressional office. Most offices have only two or three caseworkers, and a backlog of cases which makes close attention almost impossible.

More fundamental, caseworkers operate only in advisory or "influence" capacities, and have no arbitration or decision-making authority. Thus, it is possible to resolve those disputes which suffer simply from a lack of communication, but in cases of real agency intransigence, little can be done.

The need for an independent, nonpartisan problem-solving citizens' board in the Federal Government with the power and authority to overrule or uphold an action by a Federal Government agency is of the utmost importance. The application of this legislation, with particular attention to assuring public access to the appeals process, should serve to benefit all parts of American society, without prejudice and without preference for one class.

For every citizen who is affected by administrative decisions of Federal agencies, this legislation will provide a mechanism through which they can make their rights as citizens felt strongly and decisively.

We face in the coming years the awesome task of congressional action to restore the faith of the people in the institutions of government. There exists, today, a deep questioning of the ability of our system to be sensitive to the aspirations of the American people.

That task must be met with strength, not acquiescense to the power of the executive. The Congress, intended to be a coequal branch of this National Government, must recognize that above all, its responsibility is to the people.

Mr. President, I ask unanimous consent that the January 13, 1974, article by Jack Anderson, a summary of the Federal Citizens Appeal Act of 1974, and a copy of the bill as introduced be inserted in the RECORD at this point.

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

S. 3043

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 "Federal Citizens Appeal Act of 1974."

SEC. 101. The Congress declares it a policy of the United States of America to guarantee citizen access to the operations of the federal government, and to provide assistance to citizens who have complaints against the government for agency actions which they feel are arbitrary, capricious, contrary to law, in excess of authority, or harmful to person or livelihood. Further, the government is obligated to provide to the American citizens a method through which they can appeal decisions of Federal agencies without resorting to legal motions, and without entering into adversary proceedings, but while still guaranteeing swift hearing and decision, and maintaining the option of judicial review.

TITLE II. RIGHT OF CITIZEN APPEAL

SEC. 201. (a) This chapter applies, according to the provisions thereof, except to the extent that—

(1) statutes preclude citizen appeal

(2) agency action is committed to agency discretion by law.

(b) For the purpose of this chapter—

(1) "agency" means each authority of the Government of the United States, whether or not it is within or subject to review by another agency, but does not include—

(A) the Congress;

(B) the courts of the United States;

(C) the governments of the territories or possessions of the United States;

(D) the government of the District of Columbia;

(E) agencies composed of representatives of the parties or of representatives of organizations of the parties to the disputes determined by them;

(F) courts martial and military commissions;

(G) military authority exercised in the field of time of war or in occupied territory; or

(H) functions conferred by sections 1738, 1739, 1743, and 1744 of title 12; chapter 2 of title 41; or sections 1622, 1884, 1891–1902, and former section 1641(b)(2) of title 50, appendix; and

(2) "person", "rule", "Order", "license", "sanction", "relief", and "agency action" have the meanings given them by section 551 of Chapter 5, United States Code.

(3) "citizen review" means review by the Federal Citizen Appeal Board, under procedures established by that board.

(4) "board" means the Federal Citizens Appeal Board, as created under Sec. 301 of this Act.

(5) "agency action" includes any action, omission, decision, recommendation, practice, or procedure.

SEC. 202. Right of Review. A person suffering legal wrong because of agency action, or adversely affected, or aggrieved by agency action within the meaning of a relevant statute, is entitled to citizen review thereof.

SEC. 203. Requests for citizen review shall be in a form determined under this Act, and shall be heard by the Federal Citizens Appeal Board, created under Title III of this Act, according to procedures determined under this Act.

SEC. 204. Actions reviewable. Agency action made reviewable by statute and final agency action for which there is no other adequate remedy are subject for citizen review. A preliminary, procedural or intermediate agency

action or ruling not directly reviewable is subject to citizen review on the review of the final agency action. Except as otherwise expressly required by statute, agency action otherwise final is final for the purposes of this section whether or not there has been presented or determined an application for a declaratory order, for any form of reconsideration, or, unless the agency otherwise requires by rule and provides that the action meanwhile is inoperative, for an appeal to a superior agency authority.

SEC. 205. Relief pending review. When an agency finds that justice so requires, it may postpone the effective date of action taken by it, pending citizen review. On such conditions as may be required and to the extent necessary to prevent irreparable injury, the reviewing board, may issue all necessary and appropriate process to postpone the effective date of an agency action or to preserve status or rights pending conclusion of the review proceedings.

SEC. 206. Scope of citizen review. To the extent necessary to decision and when presented, the reviewing board shall decide all relevant questions of fact and determine the meaning or applicability of the terms of an agency action. The reviewing board may—

(1) compel agency action otherwise withheld or unreasonably delayed; and

(2) set aside agency action, findings and conclusions found to be—

(A) contrary to law or regulation;

(B) unreasonable, unfair, or oppressive;

(C) based wholly or partly on a mistake of law or fact;

(D) based on improper or irrelevant grounds;

(E) unaccompanied by an adequate statement of reasons;

(F) performed in an inefficient manner;

(G) otherwise erroneous; or

(H) subject to unreasonable delay by an agency.

In making the foregoing determinations, the board shall review the whole record or those parts of it cited by a party, and due account shall be taken of the rule or prejudicial error.

TITLE III. ESTABLISHMENT OF FEDERAL CITIZENS APPEAL BOARD

SEC. 301. 1. There is hereby established, in each of ten federal districts as described in S. 325, as independent establishments of the executive branch of the government of the United States, a board to be known as the Federal Citizens Appeal Board, hereafter referred to as the "Board."

SEC. 302. 2. Each Board shall be composed of five members who shall be appointed by the President by and with the advice and consent of the Senate. Of the five members—

a. one shall be chosen from individuals recommended by the governors of the states within each district

b. one shall be chosen from among individuals representing a state labor council

c. one shall be chosen from among individuals representing a state organization of businessmen

d. one shall be chosen from among individuals representing public interests.

SEC. 303. Members of each Board shall serve for terms of five years, except that, of the members first appointed—

a. one of the members appointed under sec. 2 shall be appointed for a term ending one year thereafter,

b. one of the members appointed shall be appointed for a term ending two years thereafter,

c. one of the members appointed shall be appointed for a term ending three years thereafter,

d. one of the members appointed shall be appointed for a term ending four years thereafter,

e. one of the members appointed shall be appointed for a term ending five years thereafter;

SEC. 304. Members shall be chosen on the basis of their maturity, experience, integrity, impartiality, and good judgment. A member may be appointed to the Board only once.

SEC. 305. An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the members he succeeds. Any vacancy occurring in the office of a member of the Board shall be filled in the manner in which that office was originally filled.

SEC. 306. Each Board shall be composed of additional Associate Members, who shall be appointed by the President by and with the advice and consent of the Senate. Of the Associate Members—

a. There shall be one appointed from the recommendation of each of the Governors of the States within the District.

b. There shall be one appointed from the recommendation of each of the Secretaries of Agriculture, Commerce, Defense, HEW, HUD, The Interior, Justice, Labor, State, Transportation, and the Treasury.

SEC. 307. Associate Members of the Board shall serve for terms of three years.

SEC. 308. Associate Members of the Board shall serve in advisory positions only, and shall not have voting power or authority in any decision made by the Board.

SEC. 309. Each Board shall elect a Chairman and a Vice-Chairman from among its members for a term of two years. The Vice-Chairman shall act as Chairman in the absence or disability of the Chairman, or in the event of a vacancy in that office.

SEC. 310. A vacancy in a Board shall not impair the right of the remaining members to exercise all the powers of the Board, and four members thereof shall constitute a quorum, except that upon the notification to the President of a vacancy, the President shall submit to the Senate a recommendation for an appointment to fill that vacancy within thirty days of the initial notification of the vacancy.

SEC. 311. Each Board shall have an official seal which shall be judicially noticed.

SEC. 312. The Advisory Council shall, at the close of each fiscal year report to the Congress and to the President concerning the actions it and each regional board has taken; the names, salaries, and duties of all individuals in its employ and the money it has disbursed; and shall make further such reports on the matters within its jurisdiction and such recommendations for further legislation as may appear desirable.

SEC. 313. Each Board shall appoint a General Counsel and an Executive Director to serve at the pleasure of the Board. The General Counsel shall be the chief legal officer of each Board. The Executive Director shall be responsible for the administrative operations of the Board and shall perform such other duties as may be delegated or assigned to him from time to time by regulations or orders of the Board. However, the Board shall not delegate the making of rulings regarding citizen appeals to the Executive Director.

SEC. 314. The Chairman of each Board shall appoint and fix the compensation of such personnel as may be necessary to fulfill the duties of the Board in accordance with the provisions of Title 5, United States Code.

SEC. 315. Each Board may obtain the services of experts in accordance with section 3109 of Title 5, United States Code.

SEC. 316. In carrying out its responsibilities under this title, each Board shall, to the fullest extent practicable, avail itself of the assistance, including personnel and facilities, of the General Accounting Office and the Department of Justice. The Comptroller General, the Attorney General, and the heads of each and every Federal executive or independent agency are authorized to make available to the Boards such assistance as the Board may request.

SEC. 317. The provisions of section 7324 of title 5, United States Code, shall apply to members of a Board notwithstanding the provisions of subsection (d)(3) of such section.

SEC. 318. Whenever a Board submits any budget estimate or request to the President or the Office of Management and Budget, it shall concurrently transmit a copy of that estimate or request to the Congress.

SEC. 319. Powers of Appeals Boards.

Each Board shall have the power—

a. to require, by special or general orders, any person to submit in writing such reports and answers to questions as the Board may prescribe, and such submission shall be made within such reasonable period and under oath or otherwise as the Board may determine;

b. to administer oaths;

c. to require by subpoena, signed by the chairman or the vice chairman, the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

d. in any proceeding or investigation to order testimony to be taken by deposition before any person who is designated by the Board and has the power to administer oaths, and in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (e) of this subsection;

e. to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States;

f. to delegate any of its functions or powers, other than the power to issue subpenas under paragraph (c) and other than the authority to hand down decisions under Section 206 to any office or employee of the Board.

SEC. 320. Any United States district court within the jurisdiction of which any inquiry is carried on, may, upon petition by the Board, in case of refusal to obey a subpena or order of the Board issued under subsection 19 of this section, issue an order requiring compliance therewith; and any failure to obey the order of the court may be punished by the court as a contempt thereof.

SEC. 321. No person shall be subject to civil liability to any person (other than the Board or the United States) for disclosing information at the request of the Board.

SEC. 322. Any person who violates any provision of this title may be assessed a civil penalty by the Board under paragraph (20) of this subsection of not more than $2,000 for each violation. Each occurrence of a violation of this title and each day of noncompliance with a requirements of this title or an order of the Board issued under this title shall constitute a separate offense. In determining the amount of the penalty the Board shall consider the person's history of previous violations, the appropriateness of such penalty to the financial resources of the person charged, the gravity of the violation and the demonstrated good faith of the person charged in attempting to achieve rapid compliance after notification of a violation.

SEC. 323. A civil penalty shall be assessed by the Board by order only after the person charged with a violation has been given an opportunity for a hearing and the Board has determined, by decision incorporating its findings of fact therein, that a violation did occur, and the amount of the penalty. Any hearing under this section shall be of record and shall be held in accordance with section 554 of title 5, United States Code.

SEC. 324. If the person against whom a

civil penalty is assessed fails to pay the penalty, the Board shall file a petition for enforcement of its order in any appropriate district court of the United States. The petition shall designate the person against whom the order is sought to be enforced as a respondent. A copy of the petition shall forthwith be sent by registered or certified mail to the respondent and his attorney of record, and there upon the Commission shall certify and file in such court the record upon which such order sought to be enforced was issued. The court shall have jurisdiction to enter a judgment enforcing, modifying, and enforcing, as so modified, or setting aside in whole or in part the order and decision of the Board or it may remand the proceedings to the Board for such further action as it may direct.

The court may consider and determine de novo all relevant issues of law but the Board's findings of fact shall become final thirty days after issuance of its decision order incorporating such findings of fact and shall not thereafter be subject to judicial review.

SEC. 325. The following states shall comprise the Federal districts in which a Federal Citizens Review Board shall be established, according to Sec. 301 of this Act.

(1) District I shall be comprised of the States of Maine, Vermont, New Hampshire, Massachusetts, Connecticut.

(2) District II shall be comprised of the States of New York, New Jersey, the Virgin Islands, and Puerto Rico.

(3) District III shall be comprised of the States of Pennsylvania, Maryland, Delaware, West Virginia, and Virginia.

(4) District IV shall be comprised of the States of Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Florida, Alabama, and Mississippi.

(5) District V shall be comprised of the States of Minnesota, Wisconsin, Michigan, Illinois, Indiana and Ohio.

(6) District VI shall be comprised of the States of New Mexico, Oklahoma, Texas, Arkansas, and Louisiana.

(7) District VII shall be comprised of the States of Nebraska, Iowa, Kansas, and Missouri.

(8) District VIII shall be comprised of the States of Montana, North Dakota, South Dakota, Wyoming, Colorado, and Utah.

(9) District IX shall be comprised of the States of California, Nevada, Arizona, Hawaii, and Guam.

(10) District X shall be comprised of the States of Washington, Oregon, Idaho, and Alaska.

TITLE IV. ADVISORY COUNCIL ON CITIZEN APPEAL

SEC. 401. There is hereby established a Council to be known as the Advisory Council on Citizen Appeal, hereafter referred to as "Council."

SEC. 402. The Council shall be composed of twenty members, two of which who shall be appointed by each of the ten Federal Citizen Appeal Boards.

SEC. 403. Members of the Council shall serve for terms of five years.

SEC. 404. Members shall be chosen on the basis of their maturity, experience, integrity, impartiality, and good judgment. A member may be reappointed to the Council only once.

SEC. 405. An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed by the Board which the former member represented and only for the unexpired term of the member he succeeds. Any vacancy occuring in the office of a member of the Council shall be filled in the manner in which that office was originally filled.

SEC. 406. The Council shall elect a Chairman and a Vice-Chairman from among its members for a term of two years. The Vice-Chairman shall act as Chairman in the absence or disability of the Chairman, or in the event of a vacancy in that office.

SEC. 407. A vacancy in the Council shall not impair the right of the remaining members to exercise all powers of the Council, and thirteen members thereof shall constitute a quorum, except that upon the notification to the President of a vacancy, the President shall submit to the Senate a recommendation for an appointment to fill that vacancy within thirty days of the initial notification of the vacancy.

SEC. 408. The Council shall have an official seal which shall be judicially noticed.

SEC. 409. The Council shall, at the close of each fiscal year, report to the Congress and to the President concerning the actions it and each of the Regional Federal Citizens Appeal Boards have taken; the names, salaries, and duties of all individuals in its employ and the money it has disbursed; and shall make such further reports on the matters within its jurisdiction and such recommendations for further legislation as may appear desirable.

SEC. 410. The Council shall appoint a General Counsel to serve at the pleasure of the Council, who shall be the chief legal officer of the Council.

SEC. 411. The Council shall be responsible for establishing regulations regarding the procedures of each Federal Citizen Review Board, including, although not limited to, procedures for:

(A) filing requests for citizen review,

(B) conducting preliminary and prehearing investigations;

(C) conducting hearings to determine facts and to mediate disputes, and

(D) all other activities of the Boards.

SEC. 412. The Council shall make its headquarters in the District of Columbia, and shall meet not less than once every 120 days.

TITLE V. PROCEDURES FOR CITIZEN REVIEW

SEC. 501. Upon receipt of a request for citizen review as determined under this Act, the Board shall conduct a preliminary investigation to determine:

(A) the prior fulfillment of agency appeal procedures as determined under the appropriate statutes;

(B) the ability of the Board to render a decision based upon available facts and upon appropriate jurisdiction;

(C) whether complainant has a sufficient personal interest in the subject matter of the complaint;

(D) whether the complaint, is trivial, frivilous, vexatious, or not made in good faith.

SEC. 502. (A) Upon preliminary investigation, should the Board determine that the complainant has not fulfilled applicable agency appeal procedures, or that the appeal may not be accepted by the Board due to a lack of jurisdiction, assistance in meeting those requirements shall be offered by the Board or its employees to the complainant.

(B) If, with respect to any complaint the Board decides not to investigate, it shall inform the complainant of that decision and the reasons therefor; except that it shall not be required to divulge matters which would invade the privacy of any individual, or interfere with legitimate governmental activities. In the event the Board decides to investigate, it shall notify the complainant and the agency concerned in writing of that fact.

SEC. 503. Preliminary investigations shall be conducted under procedures determined by the Board, except that—

(A) they shall be completed within ten days of the initial request for citizen review; and

(B) they shall not preclude judicial review of agency action.

SEC. 504. If, upon completion of a preliminary investigation, the Board determines that a request for citizen review is within the jurisdiction of the Board, and that the citizen has fulfilled all prior agency requirements, the Board shall conduct a full hearing of all facts and individuals involving the request for review.

SEC. 505. Prior to the calling of a hearing, the Board or employees thereof shall conduct an investigation to compile all available information regarding the request for citizen review. Such investigation shall include, but not be limited to, personal visits to the site of the alleged agency wrong, and interviews conducted with all individuals and agency officials involved.

SEC. 506. Investigations conducted pursuant to section 506 shall be completed no later than twenty days following their initiation.

SEC. 507. The Board may issue emergency rulings compelling or setting aside agency action, subject to subsequent investigations and hearings conducted within ten days of the emergency ruling. Emergency rulings may be made only in the case of just cause and following the presentation of evidence by an aggrieved party that any delay in Board action pursuant to established time periods in this Act will result in irreparable harm to person or livelihood. Emergency rulings must be made upon the approval of at least two members, and may be overturned upon the concurrence of three members of the Board. Emergency rulings shall be subject to regulations established by the Advisory Council on Citizen Appeal.

TITLE VI. HEARING PROCEDURES

SEC. 601. Dates for hearings shall be set by the Executive Director, except that—

(1) it shall be held within forty-five days of the initial filing of the citizen complaints, and

(2) it shall be held in a location convenient to the complainant.

SEC. 602. There shall preside at the hearing—

(1) the board

(2) one or more members of the body which comprises the board; or

(3) one or more investigators appointed under this Act.

SEC. 603. Subject to published rules of the Board and within its powers, employees presiding at hearings may—

(1) administer oaths and affirmations

(2) issue subpoenas authorized by law

(3) rule on offers of proof and receive relevant evidence

(4) take depositions or have depositions taken when the ends of justice would be served

(5) regulate the course of the hearings

(6) hold conferences for the settlement or simplification of the issues by consent of the parties

(7) dispose of procedural requests or similar matters

(8) recommend decisions in accordance with section 206.

(9) take other action authorized by Board rule consistent with this subchapter.

SEC. 604. The transcript of testimony and exhibits, together with all papers and requests filed in the proceeding, constitutes the exclusive record for decision and; shall be made available without charge to the parties. When an agency decision rests on official notice of a material fact not appearing in the evidence in the record, a party is entitled, on timely request, to an opportunity to show the contrary.

SEC. 605. Before a recommended, initial, or tentative decision is made, the parties are entitled to a reasonable opportunity to submit for the consideration of the board

(1) proposed findings and conclusions; or
(2) exceptions to the decisions or recommended decisions; or
(3) supporting reasons for the exceptions or proposed findings or conclusions.

SEC. 606. The record shall show the ruling on each finding, conclusion, or exception presented. All decisions, including initial, recommended, and tentative decisions, are a part of the record and shall include a statement of—

(1) findings and conclusions, and the reasons or basis therefor, on all the material issues of fact, law, or discretion, presented on the record, and

(2) the appropriate rule, order, sanction, relief, or denial thereof.

SEC. 607. Final rulings of the Board must be approved by a majority of members, and must be announced within fifteen days of the date of the hearing.

SEC. 608. If, in carrying out its duties under this Act, the Board determines that any employee or officer of any agency has been guilty of a breach of duty or misconduct in connection with his duties as an employee or officer of such agency, the Board shall make note of such breach of duty or misconduct in the official record, and copies of the record shall be made available to the appropriate agency, the Department of Justice, and the Civil Service Commission. The Board, however, may not initiate action for administrative or legal sanctions.

SEC. 609. The Board is empowered and instructed to file the appropriate motions in the proper federal district court and to represent a complainant in action brought against a federal agency which fails to comply with a Board ruling. The Board is further empowered and instructed to provide adequate representation, without cost, to complainants in a court proceeding initiated by a federal agency appealing a ruling of the Board.

SEC. 610. All rulings of the Board shall be subject to judicial review.

TITLE VII. GRANTS FOR CITIZENS APPEALS BOARD

SEC. 701. The Advisory Council on Citizen Appeal is authorized to make grants to any State or political subdivision thereof for the purpose of establishing citizens appeal boards, to ease conflicts between the citizens and the various agencies of government.

SEC. 702. A grant made under this title may be up to 50 per centum of the fair and reasonable cost, as determined by the Council, of establishing and carrying out such a program.

SEC. 703. Except as otherwise specifically provided, grants authorized by this section may be made to States, political subdivisions, or combinations thereof. Such grants may be made only upon application to the Council at such time or times and containing such information as the Council may prescribe. The Council shall provide an explanation of the grant programs authorized by this title to State or local election officials, and shall offer to prepare, upon request, applications for such grants. No application shall be approved unless it—

(a) sets forth the authority for the grant under this title

(b) provides such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of an accounting for Federal funds paid to the applicant under this title, and provides for making available to the Council, books, documents, papers and records related to any funds received under this title; and

(c) provides for making such reports, in such form and containing such information, as the Council may reasonably require to carry out its functions under this title, for keeping such records, and for affording such access thereto as the Commission may find necessary to assure the correctness and verification of such reports.

SEC. 704. The Council is authorized to issue such rules and regulations as may be necessary or appropriate to carry out the provisions of this title.

SEC. 705. For the purpose of carrying out the provisions of this title, there is authorized to be appropriated, for the fiscal year ending June 30, 1975, and for the two succeeding fiscal years, the sum of $5,000,000 each year.

Title VIII. For the purpose of carrying out the provisions of Titles II, III, IV, V, and VI, there is authorized to be appropriated for the fiscal year ending June 30, 1975, and for the two succeeding fiscal years, the sum of $15,000,000 each year.

ENERGY'S HUMAN PINCH

(By Jack Anderson)

Behind the headlines about fuel prices, profits and scarcities, there is a human side of the oil pinch. It is the gnawing story of an old woman unable to buy fuel oil and too sick to cut wood, an amputee worried about his 200-mile trips to the doctor, a landlord with freezing tenants.

Tens of thousands of Americans, with special hardships, have appealed to President Nixon or energy adviser William Simon. Most would have done better to spend their eight cents on gasoline increases and to use their writing paper to kindle hearth fires.

Characteristically, the administration has set up a giant room a few blocks from the White House and has lined it with bins where the pathetic letters are dumped. There, also, are neat stacks of postcards, imprinted with impersonal form replies.

The messy makeshift office is staffed by recruits from unrelated federal agencies. We have gained access to this dreary operation, which is supposed to give the appearance of, caring, without really caring at all.

Among the letters that have come in, for example, is one from a plucky quadraplegic named Charles Bills of Walworth, N.Y. Injured years ago in a diving accident, he might easily have surrendered a thousand times to paralysis. Instead he found work as a newspaper correspondent and learned tax counseling. Now, he supports his family as a full-time remedial reading teacher. He is taken to work each day by a friend in a special wheelchair van. Bills himself has no license, so under the projected rationing plan, he would get no gasoline.

In a lawyerly letter, Bills asked what he should do. All he wanted, he told us later, was "a little specific reassurance." Instead his letter was quickly read and tossed into a bin. Likely, he will get a form postcard beginning: "Thank you for your recent letter concerning the energy situation."

Similarly, Russ Reece, a former real estate man from South Bend, Ind., had a leg amputated not long ago. He wanted to be sure there would be gasoline for his 200-mile trips to Chicago for medical and prosthetic aid. He wrote succinctly to the government for an answer. His note went to the bin. He, too, probably will get a postcard.

The workers in the sorting room prepare for their task of reassuring anxious citizens by reading a memo. This tell them how to select the appropriate reply from among the available postcards. For example, one form response should be sent, the memo instructs, "to those who write with . . . general jawing about the energy crisis." Another form, with a more inspiring message, goes to those who address their sorrows directy to President Nixon.

Equally meaningless cards are ready to mail to fishermen worried about boat gasoline; farmers concerned about fuel for their tractors; churches and schools that bus children; and taxicab operators anxious about their livelihood. Each gets a routine "thank you" and a vague promise that "every consideration will be given to the consumer."

Mayors, governors, congressmen and other bigwigs get full-dress letters instead of postcards. But these are also pre-packaged. With gush befitting a congressman, the form letter going to Capitol Hill begins: "We are grateful to have the benefit of constructive suggestions and innovative solutions . . . such as those submitted by your constituent." There are also 21 congressional replies to choose from instead of the half-dozen for ordinary Americans.

Two kinds of letters get special attention. One is from inventors, whose proposals are shipped to the Atomic Energy Commission, no matter how bizarre they may be. One budding Edison, for instance, sent in a plan for rigging ocean floats to pumps so that the rise and fall of the waves would pump water through a turbine to generate electricity.

The most prompt attention is given to letters that threaten the President or others. These are forwarded with uncharacteristic haste to the Secret Service and FBI for investigation.

Oddly one of the fullest bins contains letters from owners of motorboats, campers, snowmobiles, vacation homes and mobile homes. They too get a yes-but-no canned reply: "Some sacrifices must be expected," but "our position will remain one of flexibility."

Some letters cry out for special attention, but they are given the same indifferent processing as the others. Here are a few, selected at random:

A New York woman, whose husband has had ulcers, a heart attack, emphysema, arthritis and five strokes, needs more fuel because her husband cannot survive at 65 degrees. She got a meaningless form letter.

A Vietnam vet and his wife run a small independent gas station. They have had no gas deliveries in two months. The touchingly scrawled letter asks simply for advice on how they can keep operating. They are getting a "thank-you-for-your-concern" card.

A 66-year-old woman in West Virginia has turned off her TV and lights to save energy, but her efforts to get heating oil have been fruitless despite three trips to the distributor. She says she is cold; it has been raining for days; and she can't chop wood. She, too, got a form postcard.

A concerned landlord in a rent control apartment sent bills showing his heating oil costs had gone up from $345 to $506 for the same amount of oil. He says he doesn't want his tenants to freeze. The landlord got a form "thank you."

When we asked Simon's office about the depersonalized responses, a deputy at first insisted that the letters were being referred to specific agencies for individual attention. Later, he admitted the system was wrong and promised: "We're going to give some concern about it from now on."

Footnote: One large batch of letters, for which no form has been composed, complain of a public statement by one of Simon's deputies that foreign dignitaries may get more gasoline because they don't speak English and can't form car pools. Another batch getting warm, precise form letters are those congratulating Simon on his appointment as energy chief.

STEPS FOR CITIZEN APPEAL

Following is an outline of the steps necessary for completion of the process contained in the Federal Citizens Appeal Act of 1974:

1. Citizen has difficulty with agency; check not sent, regulation established which will cause harm, etc.

2. Citizen files—by mail, phone or in person—complaint with regional Federal Citizens Appeal Board. Board employee takes all necessary information by phone or contacts citizen immediately upon receipt of written complaint.

3. Board conducts preliminary investigation to determine whether it has jurisdiction and whether other requirements have been fulfilled. Preliminary investigation would consist of phone calls made to citizen, to agency and other involved parties, and must be completed within ten days.

(a) If preliminary investigation determines that the citizen had not fulfilled the appeal procedures within agency, the Board would contact agency and make arrangements to have such procedures explained fully to citizen and to expedite internal agency consideration of complaint.

(b) If preliminary investigation determines that the matter involves a state or local governmental agency, the Board would contact that agency to encourage expeditious handling of the complaint, and would refer citizen to appropriate state representative.

(c) If preliminary investigation determines that a federal agency has been causing undue delay in the consideration of the citizen complaint, the Board can either initiate the pre-hearing investigation or can take efforts to get the agency to speed up the process within.

4. Upon completion of the preliminary investigation and aceptance of the citizen's complaint, the Board would initiate a pre-hearing investigation. Pre-hearing investigation would consist of interviews with the citizen, agency officials, taking of documents and testimony from involved individuals; visits to the site of the alleged agency wrongdoing, etc. Pre-hearing investigation must be completed within twenty-days of its initiation.

5. Upon completion of pre-hearing investigation, the Board prepares a report listing the findings of the investigation, and sets a hearing date, which must be held within fifteen days of the completion of the pre-hearing investigation. The location of the hearing must be convenient to the complainant.

(a) Between the time of the completion of the pre-hearing investigation and the date of the hearing, Board investigators may conduct negotiating sessions between the agency and the citizen, in efforts to either settle the case without a hearing; or to settle disputed facts.

6. At the hearing, Board investigators may question—in a non-trial format—all parties involved in the dispute. Hearing is not intended to be a courtroom proceeding, but of course, all parties are allowed the right to counsel. The hearing is conducted in the format of compulsory arbitration.

7. Following the holding of the hearing and the compilation of all relevant documents and information, the Board will meet within fifteen days and render a decision as to the actions, if any, to be taken. Within that fifteen days, all parties have the right to submit additional material for consideration by the Board.

8. Following the rendering of the decision, the official record of the proceeding, along with the formal copy of the decision is provided to all parties involved.

9. Should the agency refuse to obey the Board decision, or appeal the decision to a federal district court, the Board will provide the citizen with cost-free legal counsel,

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OUTLINE OF THE FEDERAL CITIZENS APPEAL ACT OF 1974

Title I. Purpose: to provide American citizens with a method through which they can appeal decisions of federal agencies which they feel may cause legal wrong or unwarranted harm to person or livelihood.

Title II: Right of Citizen Appeal.

a. This title establishes the right of "citizen appeal" against decisions of federal agencies, not including the Congress, the courts, state government, the military.

b. "A person suffering legal wrong because of agency action, or adversely affected, or aggrieved by agency action within the meaning of a relevant statute, is entitled to citizen review thereof."

c. Citizen review decisions can involve compelling agency action otherwise denied or delayed, setting aside agency action found to be arbitrary, capricious, or taken without following appropriate procedures, unsupported by evidence, or unwarranted by the facts.

Title III: Establishment of Federal Citizens Appeal Board.

a. In each of ten federal districts, a Federal Citizens Appeal Board is established.

b. Each board is comprised of five members, appointed for five year terms, initially appointed for graduated terms of one to five years. The appointments, which must be approved by the Senate, and are made by the President, must include individuals which represent the Governors, state labor councils, businesses, and public interests.

c. There shall be additional non-voting associate members of each board, which shall include individuals appointed to represent each of the state governors in the district, and individuals representing the eleven executive agencies. The purpose of these associate members is to provide assistance to each board in contacting the appropriate agencies and facilitating action within those agencies.

d. Associate members serve for three year terms.

e. Each board has an elected chairman and vice-chairman.

f. Each board, through the Advisory Council in Title IV, shall report to the Congress at the close of each fiscal year.

g. Each Board has a general counsel and executive director, and appropriate staff.

h. Whenever a board submits any budget estimate to O.M.B., it shall concurrently transmit a copy of that estimate or request to the Congress.

i. Each Board shall have the power to: require the submission of written reports or testimony, administer oaths, require by subpoena attendance or testimony, take testimony, delegate functions (other than issue subpoenas and make rulings) to appropriate employees of the board, issue final rulings on disputes filed with the Board.

j. All board rulings are enforceable and appealable through a federal district court.

k. The districts are composed of the following states:

District One: Maine, Vermont, New Hampshire, Massachusetts, Connecticut, New Jersey.

District Two: New York, New Jersey, Virgin Islands, Puerto Rico.

District Three: Pennsylvania, Maryland, Delaware, West Virginia, Virginia.

District Four: North Carolina, Kentucky, Tennessee, South Carolina, Georgia, Florida, Alabama, Mississippi.

District Five: Minnesota, Wisconsin, Michigan, Illinois, Indiana, Ohio.

District Six: New Mexico, Oklahoma, Texas, Arkansas, Louisiana.

District Seven: Nebraska, Iowa, Kansas, Missouri.

District Eight: Montana, North Dakota, South Dakota, Wyoming, Colorado, Utah.

District Nine: California, Nevada, Arizona, Hawaii, Guam.

District Ten: Washington, Oregon, Idaho, Alaska.

Title IV: Advisory Council on Citizen Appeal.

a. The Advisory Council on Citizen Appeal is established, headquartered in Washington. The council consists of 20 members, 2 each appointed by each of the ten Appeals Boards, who shall serve for terms of five years.

b. The Council shall have an elected Chairman and Vice-Chairman, who shall serve for terms of two years.

c. The Council shall report to the Congress and the President at the close of each fiscal year on the activities of the Council and each of the ten Appeals Boards.

d. The Council shall be responsible for establishing regulations regarding all of the procedures for each Appeals Board, and for filing the yearly request for appropriations for all of the Boards.

e. The Council shall also be responsible for distributing the grants to state and local units of government for establishing local citizens appeals boards.

f. The Council shall meet not less than once very 120 days.

Title V: Procedures for Citizen Review.

a. Upon request for citizen review, the Board shall conduct a preliminary investigation to determine whether it has the jurisdiction to rule, and whether the individual has fulfilled all prior agency appeal requirements.

b. If the individual has not fulfilled agency appeal procedures, or is concerned about a matter not under the jurisdiction of the Appeals Board, the Board shall render assistance in directing the individual to the appropriate agency.

c. Preliminary investigations must be completed within ten days of filing, and shall not preclude judicial review.

d. If the individuals request is accepted following preliminary investigation, a pre-hearing investigation shall be conducted by the Board and shall include, but not be limited to, personal visits to the site of the alleged agency wrong, interviews conducted with all involved, and anything else deemed necessary for a complete report. The pre-hearing investigation must be completed within twenty-days of its initiation.

Title VI: Procedures for Hearings.

a. Hearings must be called within fifteen days following the completion of the pre-hearing report (forty-five days from the date of the initial filing of the complaint) and must be held in a location convenient to the complainant.

b. Either the board or staff members may preside at hearings.

c. Employees presiding have authority to undertake all administrative functions necessary to conduct the hearings. They may also hold conferences to facilitate the "settlement or simplification of the issues by consent of the parties."

d. The official record for decision includes the transcript of all testimony and exhibits, along with all papers and requests filed in the proceeding. The official record must be made available to the parties free of charge.

e. Before a decision is handed down, the parties are entitled to a reasonable opportunity to submit further material bearing on any final decision.

f. The record of a decision shall show the full decision, all findings and conclusions and material issues of fact, law or discretion.

g. Final rulings must be approved by a majority of members of the board.

h. If, in carrying out its duties, the Board determines that any federal employee acted in breach of conduct or law, the Board shall make note of such violation in the final report, and provide copies thereof to the Civil

Service Commission, and the Department of Justice. A Board may not, however, initiate action for administrative or legal sanctions.

i. The Board is empowered and instructed to represent a complainant in action pursuant to an agency refusal to obey a Board order or an agency appeal of a Board order.

j. All rulings of the Board are subject to judicial review.

k. Emergency rulings may be handed down upon the agreement of two members of the Board, in cases where the delay involved in normal appeal procedures would cause undue harm or economic damage. Such emergency rulings may be overruled by three members of the Board. Under any circumstances, proper investigations and hearings must be conducted following handing down of emergency orders.

Title VII. Grants for Citizens Appeals Boards.

The Advisory Council is authorized to make grants, up to 50% of the cost, for the purpose of establishing local citizens appeals boards. There is a $5 million authorization for such grants for each of years 1975, 1976 and 1977.

Title VIII. Three is an authorization of $15 million for each of 75, 76 and 77 for the rest of the Act, not including Title VII.

By Mr. HARRY F. BYRD, JR.:

S.J. Res. 189. Joint resolution to restore posthumously full rights of citizenship to Gen. R. E. Lee. Referred to the Committee on the Judiciary.

(The remarks of Mr. HARRY F. BYRD, JR., and the joint resolution, when he introduced the same, together with the ensuing discussion, are printed later in the RECORD).

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 1541

At the request of Mr. ROBERT C. BYRD, his name, the Senator from Nevada (Mr. CANNON), the Senator from Rhode Island (Mr. PELL), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Kentucky (Mr. COOK), the Senator from Pennsylvania (Mr. HUGH SCOTT), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of S. 1541, to provide for the reform of congressional procedures with respect to the enactment of fiscal measures; to provide ceilings on Federal expenditures and the national debt; to create a budget committee in each House; to create a congressional office of the budget; and for other purposes (Rept. No. 93-688).

S. 1708

At the request of Mr. CRANSTON, the Senator from Tennessee (Mr. BROCK), was added as a cosponsor of S. 1708, a bill to amend title X of the Public Health Service Act to extend appropriations authorizations for three fiscal years and to revise and improve authorities in such title for family planning services programs, planning, training and public information activities, and population research.

S. 2786

At the request of Mr. PERCY, the Senator from California (Mr. TUNNEY) was added as a cosponsor of S. 2786, to amend chapter 34 of title 38, United States Code, to increase from 36 to 48 months the maximum period of educational assistance to which an eligible veteran may become entitled under such chapter, and to extend from 8 to 15 years the period within which an eligible veteran must complete his program of education under such chapter after his discharge from military service.

S. 2832

At the request of Mr. TAFT, the Senator from Montana (Mr. METCALF) was added as a cosponsor of S. 2832, the Earned Immunity Act of 1974.

S. 2854

At the request of Mr. CRANSTON, the Senator from Tennessee (Mr. BAKER) and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of S. 2854, to amend the Public Health Service Act to expand the authority of the National Institute of Arthritis, Metabolic and Digestive Diseases in order to advance a national attack on arthritis.

S. 2893

Mr. DOMENICI. Mr. President, in the past, Members of Congress have worked hard to legislate into concrete terms the Nation's profound desire to work toward the conquest of cancer. The cancer program established by the National Cancer Act of 1971 is progressing well and has provided the United States, as well as international research agencies, with advances toward an understanding and hopefully eventual prevention of the diseases under the rubric of cancer. I believe this established program merits continuation. In fact, I believe continued support to be imperative. The opportunity is now at hand.

It is because of my strong conviction that this program should be continued that I enthusiastically become a cosponsor of S. 2893, the National Cancer Act Amendment of 1974. This bill provides for the continuation of the authorizations that expire in June of this year. It authorized appropriations of $750 million for fiscal year 1975, $830 million for 1976, and $985 million for fiscal year 1977. Also, on the basis of the program's 2 years of experience, S. 2983 provides for some expansion in the provisions of the National Cancer Act of 1971.

Cancer is the second major cause of death in the United States. About 975 persons die each day of cancer—that is 1 every 1½ minutes. If progress is not made toward preventing cancer and the incidence rate remains at its present level, one in four Americans now living will eventually have cancer.

Comparative death rates, however, provide encouragement as to the present progress that current and new cancer treatment and control programs provide. Except for cancers of certain problem organs, age-adjusted cancer death rates in general are leveling out and in many instances dropping off.

Although the fundamental knowledge of the causes and cures for cancer still elude us, through recent research and cooperative exchange of research findings, we have made progress in the fight against this dread disease.

For example, treatment for childhood leukemia has now progressed to the point where we are optimistic enough to use the word "cure." Today half of the children with acute lymphocytic leukemia—a cancer of the blood—are alive 5 years after the disease was detected. Twenty years ago this disease took the lives of these young victims within a few months. Advances have also been made in the treatment of Hodgkin's disease, cancer that particularly strikes young adults. The 5-year survival rate for patients who have had radiotherapy treatment for the early stages of Hodgkin's disease is more than 90 percent—this rate was 68 percent 5 years ago. Even in cases where Hodgkin's disease has reached advanced stages before diagnosis, a four-drug combination treatment gives a 65 percent survival rate after 5 years. Five years ago this survival rate was less than 10 percent.

In the area of diagnosis, great strides have been made with wider application of the Pap test to detect cervical cancer in women. New tests are being developed as screening devices for colon and breast cancer. Breast cancer is the cause of death to more women than any other type of cancer.

Obviously, we have made progress. Our gains are solid but we still have a long way to go toward researching all of our goals to conquer this disease. This will take new moneys and renewed commitments.

With the recent release of the President's proposals for the fiscal year 1975 budget expenditures, economics is in all of our minds. However, we must also keep in mind that care of cancer patients is costing the United States a great deal in addition to the "cost" of lives of friends and family of each of us. At a June 1972 American Cancer Society National Conference on Human Values and Cancer, an American Hospital Association director estimated that the annual cost of cancer is $3 billion. That figure is regarded as conservative by other medical personnel. In my State of New Mexico alone it is estimated over 1,200 persons will die in 1974 from cancer. New Mexico has a population of a little more than 1,000,000 persons. One thousand and two hundred is too high a human price for our State—let alone straight economic costs to individual families.

It is obvious that on this issue the legislative and executive branches of the Government both are committed to continuing this program. President Nixon's strong interest in this area was manifested on January 29, 1974, when he said:

I remain just as committed to the attack on cancer as I was when I signed the original legislation on December 23, 1971.

I also am committed to this program and I urge my colleagues' support of S. 2893 to insure the continuation and intensification of our national commitment against cancer.

S. 2932

At the request of Mr. MONTOYA, the Senator from Minnesota (Mr. HUMPHREY), the Senator from Pennsylvania (Mr. HUGH SCOTT), the Senator from Montana (Mr. METCALF), the Senator from North Dakota (Mr. YOUNG), the Senator from Wyoming (Mr. MCGEE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Illinois (Mr. STEVENSON), the Senator from Arkansas (Mr. FULBRIGHT), and the Senator from Maryland (Mr. BEALL) were added as cosponsors of S. 2932, to amend title 38 of the United States Code to provide that veterans' pension and compensation will not be reduced as a result of certain increases in monthly social security benefits.

Mr. FULBRIGHT. Mr. President, I am pleased to become a cosponsor of legislation (S. 2932) introduced by the Senator from New Mexico (Mr. MONTOYA) to provide that veterans' pensions will not be reduced again as a result of social security increases this year.

A number of veterans in Arkansas have written or spoken to me about the need for this legislation.

Without this legislation many veterans and widows will face a reduction in pensions because of social security increases.

As Senator MONTOYA has pointed out, pensions paid to a veteran in any calendar year are based on the actual income earned by that veteran in the preceding calendar year. A veteran's 1974 pension payment is based on the actual income, including social security, he received in 1973, and the payment he receives next year will be based on this year's income. This method of calculating benefits is unfair to veterans because it effectively denies them the increase in social security benefits granted to all other social security recipients. While other incomes rise, veterans' incomes remain the same.

As an 80-year-old veteran of World War I from El Dorado, Ark., recently wrote me:

This seems a cruel thing to do to us, as the Social Security raise is for the cost of living raise. So you see, Mr. Senator, we don't have a supplement, as we are cut back each time.

I am 80 years old and my wife is older too. We both have to have medication from the pharmacy. The prices are going higher all the time—gas and electricity too, so you see Mr. Senator, I know that all the World War I veterans are just as needy as we are. We were heroes but now we are old and have become liabilities to the nation we fought for . . . I'm asking you Mr. Senator to please use your influence to undo this law . . . which so unfairly marks us old veterans as targets for cuts.

I worked at odd jobs here and there to get Social Security to have a fill in for my pension that we might be able to live in more comfort and I was not physically able to work but I did. Now we are the ones to bear the burden of a constant cut each time Social Security responds with a little bit.

Another Arkansas veteran, in Plumerville, Ark., wrote to me:

When I started to get my Social Security they started to cut down on my pension. The VA man we had in Morrilton told me that the Social Security wouldn't affect my pension, but every time we get a raise in social security they take off $5.00 . . . If it does affect my pension I don't see any use giving me a raise in my social security. Paying $60.00 a month rent you can't live with what is left.

Mr. President, these two letters from among many I have received, point out the inequity of existing law and the hardship which results for many retired veterans and widows of veterans. I, therefore, believe it is important that we approve the legislation which I have joined Senator MONTOYA in sponsoring.

S. 2981

At the request of Mr. BELLMON, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 2981, to postpone certain regulations relating to utilization review requirements under titles XVIII and XIX of the Social Security Act.

S. 3026

At the request of Mr. DOMENICI, the Senator from Mississippi (Mr. STENNIS) and the Senator from Arkansas (Mr. FULBRIGHT) were added as cosponsors of S. 3026, to exempt certain categories of crude oil from price controls.

SENATE JOINT RESOLUTION 187

At the request of Mr. CURTIS, the Senator from Nebraska (Mr. HRUSKA) was added as a cosponsor of Senate Joint Resolution 187, to express the sense of Congress for the extension of citizenship to Alexander Solzhenitsyn and his family.

SENATE CONCURRENT RESOLUTION 68—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO AMERICANS MISSING IN ACTION IN INDOCHINA

(Referred to the Committee on Foreign Relations.)

THE MISSING IN ACTION: A YEAR LATER

Mr. JAVITS. Mr. President, I submit for appropriate reference a Senate concurrent resolution concerning the unaccounted for Americans missing in action in Indochina.

The U.S. Government is committed to seeking the fullest accounting possible of MIA's. President Nixon reiterated this commitment in his state of the Union message on January 30, and Secretary of State Kissinger has often repeated his determination to seek full implementation of the provisions of the Peace Agreement. This resolution which I am introducing today would put the Congress on record as reaffirming that commitment. It is the Communists' refusal to allow U.S. inspection teams to conduct searches in contested areas that has severely impaired an accounting of the missing in action.

The resolution recognizes that more than a year has passed since the Agreement on Ending the War and Restoring the Peace in Vietnam was signed in Paris on January 27, 1973, and still we have had not satisfactory accounting of Americans missing in action, as was provided for in article 8(b) of that agreement. In addition, a full year has passed since the signing on February 21, 1973, of an agreement between the Lao Patriotic Front and the Government of Laos, which also provides for an accounting of the missing in action from the conflict in that country. The resolution recognizes the fact that the various signatories to these agreements—the Democratic Republic of Vietnam, the Provisional Revolutionary Government of Vietnam and the Lao Patriotic Front—have not complied with the provisions of these agreements respecting an accounting of the missing in action. My resolution calls on them to honor their agreements in this regard.

The resolution calls for the administration to demonstrate by its actions that our role in the continuation of the Thieu regime cannot be more important to us than implementation of the provisions of the Peace Agreement, and especially an accounting for the Americans missing in action. The families and loved ones of the missing in action deserve no less than our utmost efforts directed to that single purpose.

Finally, the resolution expresses the staunch support of the U.S. Congress for the families and loved ones of the missing in action. These Americans have suffered cruelly. They continue to be torn by anguish and doubt. Some have been waiting for many years to learn the fate of their loved ones.

The Pentagon's current total of those classified as "missing in action" is 1,138. Only approximately 200 missing in action have been accounted for to the extent that they have been reclassified as "killed," based on "presumptive findings of death." Approximately 320 of the missing in action were lost in Laos, but only nine American prisoners of war have returned from that country since the signing of the Vietnam Peace Agreement. To hold out false hope to the families of the missing in action would be cruel. There has been speculation that some of these men may still be alive, although I am not aware of any hard evidence.

It has been said that the administration could do more to secure North Vietnamese and Vietcong compliance with the provisions of the Vietnam Peace Agreement concerning the missing in action. A Washington Post editorial of February 1, 1974, speaks to this point, stating that the administration has given higher priority to the continued survival of the Thieu regime in South Vietnam than to exhausting every possible means to secure implementation of the Peace Agreement and an accounting for the missing in action.

Even though implementation of article 8(b) of the agreement respecting an accounting of the missing in action is not conditioned upon implementation of any other provision of the agreement, the Communist negotiators in the Four Party Joint Military Team talks in Saigon have conditioned their compliance with this provision on the Thieu regime's compliance with article 8(c) and other unrelated matters concerning detained or captured civilians in South Vietnam,

which is a matter to be negotiated separately by the Vietnamese parties.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks the text of the concurrent resolution that I am introducing today, the Washington Post editorial of February 1 and the provisions of the various agreements and protocols respecting an accounting for the Americans missing in action in Indochina.

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

S. CON. RES. 68

Resolved by the Senate (the House of Representatives concurring),

Whereas, more than a year has passed since the signing in Paris on January 27, 1973 of the Agreement on Ending the War and Restoring the Peace in Vietnam, which calls on the signatories to ". . . help each other to get information about those military personnel and foreign civilians of the parties missing in action, to determine the location and take care of the graves so as to facilitate the exhumation and repatriation of the remains, and to take any such other measures as may be required to get information about those still considered missing in action," and there has been no adequate accounting of the missing in action in North Vietnam and South Vietnam, and there has been no full implementation of the Agreement, and

Whereas, an Agreement of February 21, 1973 and a Protocol of September 14, 1973, both providing for an accounting of the missing in action, have been signed by the Lao Patriotic Front and the Government of Laos, and there has been no accounting of the missing in action in Laos, and there has been no full implementation of the Agreement and the Protocol:

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that it abhors and condemns the cruel and insensitive refusal of the Democratic Republic of Vietnam, the Provisional Revolutionary Government of Vietnam and the Lao Patriotic Front to comply with the provisions of those agreements to which they are signatories and which call for an accounting of the missing in action, and calls on those parties to respect and comply with those agreements, and

that the United States should use every effort to bring about such reciprocal actions by the parties to the peace agreements, including the Government of the Republic of Vietnam and the Royal Lao Government, as will be most likely to bring an end to the abhorrent conduct of the Democratic Republic of Vietnam, the Provisional Revolutionary Government of Vietnam and the Lao Patriotic Front regarding the missing in action, and

Further resolved by the Senate (the House of Representatives concurring), That the Congress declares its staunch support to the families and loved ones of the Americans missing in action, who have suffered such deep human anguish for so long due to the undisclosed fate of the missing in action.

SEC. 2. Upon agreement to this resolution by both Houses of the Congress, the Secretary of the Senate shall transmit a copy of such resolution to the President of the United States.

[From the Washington Post, Feb. 1, 1974]

VIETNAM MIA'S: A CYNICAL AFFAIR

President Nixon says there are still 1,300 Americans missing in action and unaccounted for in Southeast Asia, and 1,100 American casualties whose bodies have not been recovered—a "wrenching sacrifice" for their families, he adds. Surely all Americans wish with him and Senator Fulbright, whose Foreign Relations Committee has just held hearings on the MIAs, that Hanoi and the Provisional Revolutionary Government (Vietcong) would facilitate an accounting of the missing in action and would repatriate the remains of the dead. The Communist side pledged to do so in the Vietnam cease-fire agreement, signed a year ago. But it has done nothing. It is cruel of the Communists to deny the families the comfort owed them. As Mr. Fulbright said, "Their agreement to cooperate in this unfinished business would indeed be recognized through the world as a mark of humanity and good faith."

The further fact is, however, that the MIA situation is like the earlier POW situation. In both, Hanoi has used an issue with a sharp humanitarian edge as a political lever. Washington, rather than pay the demanded political price, has sought to characterize the issue as strictly humanitarian and to put on Hanoi the entire onus for not offering satisfaction on it. As before, it is hard to see which of the two countries is the more cynical.

For instance, North Vietnam and the PRG have linked their performance on MIAs under Article 8(b) of the cease-fire agreement to Saigon's performance on releasing civilian prisoners under Article 8(c)—the two are "unrelated," the Pentagon tells Mr. Fulbright. In the small unit set up to execute Article 8(b), the Communist side has proposed to build cemeteries for its dead in Saigon controlled areas—"contentious and extraneous," says the Pentagon. The Communist side insists that Vietnamese next-of-kin be allowed to visit graves prior to or instead of repatriation of remains—"irrelevant," in the Pentagon's view. Hanoi and the PRG have used sessions of the MIA unit to complain about alleged ceasefire violations by Saigon and the United States—"propaganda speeches, boycotts, walkouts and general stalling tactics," says the Pentagon. On the one occasion when the United States sent a search team into a PRG-claimed area, without getting the requisite PRG permission, guerrillas opened fire on the unarmed search party and killed two men, one American, one South Vietnamese.

If this is business as usual for Vietnam, it is exploitation as usual for the affected families. The administration tells them that "we are really on the same side" and that it is doing all it can to gain Hanoi's compliance with the MIA article. But the administration and the families are not on "the same side": the administration puts support of Saigon ahead of relief for the families. Nor is it doing all it can to gain Hanoi's compliance: it is doing much less than it could if its primary goal were relief for the families. The families are being encouraged to believe that the answer lies in bringing world opinion to bear on Hanoi and the PRG.

Since world opinion failed to sway Hanoi on the POWs, however, it can hardly make much impact on the much less emotional and politically volatile issue of the MIAs. The American public at large wishes to keep the MIAs out of mind, just as the American government wishes to prevent them from undercutting its basic policy of supporting President Thieu. There is scant reason to expect that Hanoi and the Vietcong will break the cease-fire agreements into separate parts, accommodating Washington in a part of special American interest but waiving Washington's cooperation in parts of its own special interest. It is cynical, not to say cruel, to conceal this underlying reality from the families of the MIAs, as Mr. Nixon did in his State of the Union address by saying, "We will press for full compliance with the peace accords . . . particularly a provision that promised the fullest possible accounting for those Americans who are missing in action."

AGREEMENT ON ENDING THE WAR AND RESTORING THE PEACE IN VIETNAM

CHAPTER III.—*The return of captured military personnel and foreign civilians, and captured and detained Vietnamese civilian personnel*

Article 8

JANUARY 27, 1973.

(a) The return of captured military personnel and foreign civilians of the parties shall be carried out simultaneously with and completed not later than the same day as the troop withdrawal mentioned in Article 5. The parties shall exchange complete lists of the above-mentioned captured military personnel and foreign civilians on the day of the signing of this Agreement.

(b) The parties shall help each other to get information about those military personnel and foreign civilians of the parties missing in action, to determine the location and take care of the graves of the dead so as to facilitate the exhumation and repatriation of the remains, and to take any such other measures as may be required to get information about those still considered missing in action.

(c) The question of the return of Vietnamese civilian personnel captured and detained in South Vietnam will be resolved by the two South Vietnamese parties on the basis of the principles of Article 21(b) of the Agreement on the Cessation of Hostilities in Vietnam of July 20, 1954. The two South Vietnamese parties will do so in a spirit of national reconciliation and concord, with a view to ending hatred and enmity, in order to ease suffering and to reunite families. The two South Vietnamese parties will do their utmost to resolve this question within ninety days after the cease-fire comes into effect.

JOINT COMMUNIQUE OF JUNE 13, 1973

8. In conformity with Article 8 of the Agreement:

(a) Any captured personnel covered by Article 8(a) of the Agreement who have not yet been returned shall be returned without delay, and in any event within no more than thirty days from the date of signature of this Joint Communique.

(b) All the provisions of the Agreement and the Protocol on the Return of Captured Personnel shall be scrupulously implemented. All Vietnamese civilian personnel covered by Article 8(c) of the Agreement and Article 7 of the Protocol on the Return of Captured Personnel shall be returned as soon as possible. The two South Vietnamese parties shall do their utmost to accomplish this within forty-five days from the date of signature of this Joint Communique.

(c) In conformity with Article 8 of the Protocol on the Return of Captured Personnel, all captured and detained personnel covered by that Protocol shall be treated humanely at all times. The two South Vietnamese parties shall immediately implement Article 9 of that Protocol and, within fifteen days from the date of signature of this Joint Communique, allow National Red Cross Societies they have agreed upon to visit all places where these personnel are held.

(d) The two South Vietnamese parties shall cooperate in obtaining information about missing persons and in determining the location of and in taking care of the graves of the dead.

(e) In conformity with Article 8(b) of the Agreement, the parties shall help each other to get information about those military personnel and foreign civilians of the parties missing in action, to determine the location and take care of the graves of the dead so as to facilitate the exhumation and repatriation of the remains, and to take any such other measures as may be required to get information about those still considered missing in action. For this purpose, frequent and regular liaison flights shall be made between Saigon and Hanoi.

ARTICLE 5 OF THE AGREEMENT BETWEEN THE LAO PATRIOTIC FRONT AND THE GOVERNMENT OF LAOS, FEBRUARY 21, 1973

Both sides will return to each other all persons regardless of nationality that were captured during the war, including those imprisoned for cooperating with the other side. Their return will be carried out according to the procedures set up by the two sides, and, at the latest, must be completed within 60 days following the establishment of the Provisional Government of National Union and the Joint National Political Council.

After all those who were captured have been returned, each side has the duty to gather information on those missing during the war and report the information to the other side.

ARTICLE 18 OF THE PROTOCOL SIGNED BY THE LAO PATRIOTIC FRONT AND THE GOVERNMENT OF LAOS, SEPTEMBER 14, 1973

"A. The return of all persons regardless of nationality who were captured and imprisoned for cooperating with the other side during the war will be accomplished in three stages and completed at the same time as the withdrawal of foreign troops and military personnel.

"B. The return of prisoners at each stage from each side will be reported by number of persons, location, and time of the Joint Central Commission to Implement the Agreement (JCCIA) 48 hours in advance.

"C. Within 15 to 30 days, counting from the date of signing of this Protocol, each side will report the number of those captured and imprisoned to the JCCIA, indicating nationality and whether military or civilian, together with a list of names of those who died in captivity.

"D. After the return of the prisoners is completed, each side must report as quickly as possible to the JCCIA information it is able to obtain about persons missing during the war regardless of nationality.

"E. The return of those captured and imprisoned during the war and the gathering of information that each side will submit about the persons missing during the war is the responsibility of the JCCIA. When both sides in the JCCIA believe it necessary, they may request assistance from the International Control Commission.

SENATE CONCURRENT RESOLUTION 69—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO POSSIBLE USE OF FOREIGN CURRENCIES AND AGRICULTURAL COMMODITIES

(Referred to the Committee on Agriculture and Forestry.)

FOOD FOR PEACE, NOT WAR

Mr. HUMPHREY. Mr. President, on behalf of myself and Senator HUGHES, I submit a concurrent resolution expressing the sense of Congress that the Secretary of State and the Secretary of Agriculture should make an immediate investigation of the possible misuse of agricultural commodities under the food for peace program, or of foreign currencies generated from the sale of these commodities. The resolution calls for a report to Congress within 90 days, with recommendations on legislative action.

Mr. President, food for peace is a proven program. For almost 20 years, Public Law 480 shipments have provided the critical margin of nourishment which has meant the difference between life and death to hundreds of thousands of persons in the poorest countries of the world. And throughout the developed world the food for peace program has led international humanitarian assistance efforts, serving as a model for what aid programs can and should be.

However, now we see the administration turning this respected program into a travesty as administration officials search for ways to covertly support military operations in Southeast Asia. The Congress, having called a halt to U.S. involvement in military operations in Southeast Asia, now must contend with efforts by the executive branch to subvert this congressional directive.

During Senate consideration of foreign economic assistance legislation last fall, an amendment was adopted to prohibit agreements, without prior approval of Congress, that permit the use of foreign currencies generated by Public Law 480 food commodity sales, for military purposes. As finally enacted, the Foreign Assistance Act of 1973, Public Law 93-189, provides under section 40 that, effective July 1, 1974, congressional authorization shall be required for the disbursement of all foreign currencies. This general provision, replacing the earlier specific prohibition, may need to be strengthened to make the intent of Congress absolutely clear.

I am seriously concerned that the administration may intend to interpret the law as permitting it to continue agreements—presently limited to just two nations, Cambodia and South Vietnam—for the diversion of Public Law 480-generated currencies for military purposes. Congress must not permit the administration to find loopholes in the law to continue actions that undermine the humanitarian intent of the food assistance program.

If this continues, the administration will only weaken a program that has stood out as one of our most successful in the history of foreign assistance.

In the February 11, 1974, issue of the Washington Post, Jack Anderson described in his column continued abuses of the food for peace program. Mr. Anderson wrote:

The Food for Peace program established to feed the hungry of the world, has been perverted into a food for war program in Southeast Asia . . . In Cambodia, President Nixon gave the Lon Nol regime special permission to use up to 80 percent of the proceeds from the sale of American food for common defense and internal security. In South Vietnam, the Thieu regime is permitted to spend a full 100 percent of the food proceeds on military buildup.

Mr. Anderson claimed that in Phnom Penh, bags of Public Law 480 rice for refugees were being diverted directly for army rations.

Tables provided by the Agency for International Development indicate that within fiscal year 1974 alone, the estimate of the value of title I Public Law 480 shipments to Cambodia and South Vietnam has more than doubled. Forty-four percent—almost half—of all food for peace shipments from the United States throughout the world in fiscal year 1974 will go to these two nations. That works out to a major diversion of local currencies in these countries, through U.S. food assistance, for defense purposes—an indirect but nevertheless substantial addition to American military aid.

Meanwhile, commodity assistance for humanitarian programs by CARE and church-sponsored relief agencies have been cut back. It has been estimated that 20 million fewer people are being helped to avoid starvation than 2 years ago.

It is clear that Congress must take early action to prevent profoundly serious distortions of the food for peace program. I urge the Senate to consider the concurrent resolution being introduced today at the earliest possible convenience.

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

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

S. CON. RES. 69

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the Secretary of State and the Secretary of Agriculture should each conduct an immediate and thorough investigation to determine whether (1) foreign currencies generated from the sale of agricultural commodities under the Agricultural Trade Development and Assistance Act of 1954, and (2) agricultural commodities intended for use under such Act have been or are being utilized in violation of that or any other Act, particularly section 40 of the Foreign Assistance Act of 1973.

SEC. 2. It is further declared to be the sense of the Congress that the Secretary of State and the Secretary of Agriculture should report the results of their respective investigations to the Congress within 90 days after this resolution is agreed to by both Houses of Congress together with such recommendations for legislation as they may individually or jointly deem appropriate.

SEC. 3. The Secretary of the Senate shall transmit copies of this resolution to the Secretary of State and the Secretary of the Agriculture after it has been agreed to by both Houses of the Congress.

ADDITIONAL COSPONSORS OF A CONCURRENT RESOLUTION

SENATE CONCURRENT RESOLUTION 66

Mr. CASE. Mr. President, at this time of the year we are reminded of the lack

of freedom in Lithuania, Latvia and Estonia. For many years, I have supported the right of self-determination of these people, and I can only hope that the aspirations of the Baltic peoples will yet be realized.

I am cosponsoring, along with Senators PERCY, HART, HUMPHREY, JACKSON, STEVENSON, DOMINICK, GRIFFIN, TAFT, JAVITS, and BROCK, Senate Concurrent Resolution 66 to stimulate the release from prison of Simas Kudirka, the Lithuanian seaman. The United States has a special duty to act in this matter since Kudirka was returned to Soviet authority when he sought political asylum aboard the Coast Guard cutter *Vigilant* in U.S. territorial waters on November 23, 1970.

Mr. President, last year at this time the New York Times published an editorial marking the anniversary of Lithuanian independence. I believe this editorial is equally valid today and I ask unanimous consent that the editorial be printed in the RECORD.

THE BALTIC STATES

Free Lithuanians everywhere—and an unknown number of Lithuanians in the Soviet Union as well—will mark today the 55th anniversary of the modern Republic of Lithuania. It was on Feb. 16, 1918, that the *Lietuvos taryba* or Council of Lithuania met in Vilnius and declared the existence of an independent state free of ties to all other sovereignties.

Observance of this anniversary—like the marking of the corresponding dates by the peoples of Latvia and Estonia—may seem purely theoretical and even fanciful to the modern realists. The Baltic States were long ago occupied by the Red Army and involuntarily incorporated into the Soviet Union.

What today's "realists", ignore, however, is that the desire for freedom and independence still burns in all three of the Baltic states and among a considerable part of their inhabitants. In Lithuania alone there have been such recent manifestations as the self-immolation of Romas Kalanta, mass street demonstrations by thousands of young Lithuanians and the petition of 17,000 Lithuanian Roman Catholics directed to the Secretary General of the United Nations.

Obviously, the chances are not bright for the Baltic peoples to regain their independence. But the conquest and elimination of these once-free republics by the Soviet Union is one of those acts of injustice by a great power toward its small neighbors that the world can never forget.

Mr. WILLIAMS. Mr. President, I think it is appropriate at this time to advise my colleagues of my decision to cosponsor Senate Concurrent Resolution 66, which calls for the immediate release of Simas Kudirka, a Lithuanian seaman being held prisoner by the Soviet Union. It was Kudirka, you may recall, who had sought asylum aboard the U.S. Coast Guard cutter *Vigilant*, but was instead returned by the ship's captain to Soviet authorities. This tragic episode occurred on November 23, 1970. Kudirka has been held incommunicado ever since.

At the request of Mr. PERCY the Senator from Indiana (Mr. BAYH), the Senator from Massachusetts (Mr. BROOKE), the Senator from New Jersey (Mr. CASE), the Senator from Florida (Mr. GURNEY), the Senator from New York (Mr. BUCKLEY), and the Senator from Wyoming (Mr. HANSEN) were added as cosponsors of Senate Concurrent Resolution 66, to urge the release from prison of Simas Kudirka, the Lithuanian seaman.

ADDITIONAL COSPONSOR OF A RESOLUTION

SENATE RESOLUTION 257

At the request of Mr. PASTORE, the Senator from Colorado (Mr. DOMINICK) was added as a cosponsor of Senate Resolution 257, to amend the Standing Rules of the Senate to establish a procedure for requiring amendments to bills and resolutions to be germane.

MINIMUM WAGE BILL—AMENDMENT

AMENDMENT NO. 964

(Ordered to be printed, and referred to the Committee on Labor and Public Welfare.)

Mr. BUCKLEY. Mr. President, during the many months an adjustment in the minimum wage has been under consideration, a factor which could nullify all attempts to assist the workingman has been lurking in the background unnoticed. S. 2747 seeks to bring a better standard of living to millions of American workers by raising the minimum wage. The bill fails, however, to deal with a major obstacle to job security—wage and price controls. The time is overdue for us to level with the American workingman and admit that price controls do not work, and they cannot be made to work in a free economy. The longer we postpone the lifting of controls the greater is the gamble we take with the employment of the very workers that S. 2747 proposes to help by raising the minimum wage.

For this reason, I introduce, today, an amendment to repeal the Economic Stabilization Act thereby abolishing the existing system of wage and price controls. This is essential if the economy is to be allowed to adjust to increases in wage levels mandated by S. 2747. It is also essential if we are to reverse the loss of jobs now resulting from shortages created by economic controls.

To illustrate this point, I would like to cite the case of the Stevens and Thompson Paper Co., one of four such companies in New York facing imminent shutdowns if pulp cannot be obtained to continue operations. In past years, the Stevens and Thompson Co. could count on 25 to 30 suppliers. Price controls have taken the profit out of selling pulp, and now, the company cannot find one reliable supplier. Not only does Stevens and Thompson employ 200 workers, it is the one sustaining industry for the town of Greenwich, N.Y. If the paper operation shuts down after 105 years of continued operation, it will reduce Greenwich to a ghost town and obviate the principal means of livelihood for a population of 2,262 Americans.

Mr. President, I assume the mail of our colleagues contains many similar examples of economic dislocations and jobs lost as a direct result of wage and price controls. In recent weeks I have received urgent appeals from manufacturers of exhaust fans, medical supplies, industrial packaging, seals, electrical goods, plastics, paper, hosiery, housing, clothing, hardware, prestress concrete and dairy products, as well as from railroads, hospitals, farmers, employee groups, trade associations and meat packers, to name just a sampling. Running through all this mail is a common anguished call for relief from the impact of economic controls—relief for those writing the letters or relief for their suppliers. A number of New York firms, especially smaller ones, have already had to cut back or shut down. Many others write that they will have to close down in another few weeks unless they find some way around the shortages now crippling them. Moreover, they make it clear that the longer the present situation is allowed to continue, the more far reaching will be the dislocations in their own areas of business.

I assume, Mr. President, that the experiences I have described are not unique to New York State. As a matter of fact, a study just completed by the National Association of Manufacturers confirms the dislocations I have described are anything but localized. Let me cite some of the findings of the NAM study as reported in a recent issue of Human Events:

Nearly two out of three companies indicated that the scrapping of price controls would encourage them to increase their productive capacity. One out of every three has postponed or cancelled plant and equipment expenditures due to controls.

Three out of five small firms and four out of five large companies stated that controls adversely affected corporate earnings.

Some 84 percent of all firms said "no" when asked if controls had any beneficial effects on the conduct of their business.

Some 97 percent of the large companies and almost 92 percent of the small firms favored a quick end of controls.

Some 45 percent of the firms said controls are damaging the U.S. position in foreign trade.

More than 76 percent of the small firms and nearly 87 percent of the large companies said that consumers would end up paying more for products purchased because of controls.

The record, Mr. President, seems overwhelming. Our intervention into the workings of our complex economy has created shortages in goods that only recently were in good supply, it has inhibited investment in new facilities, and threatens to unleash large-scale unemployment. These serious dislocations are the devastating consequences of our attempt to control inflation by attacking the symptoms instead of the causes. I speak, of course, of the attempt to maintain consumer price stability through wage and price controls in the face of the universal experience here and abroad demonstrating that these measures will not relieve inflationary pressures any more than sealing off the safety valve will save an overheated

boiler from exploding. In fact, to the extent that we have diverted ourselves from attending to the causes of inflation—namely, an excessive expansion of the supply of money—to that extent have we allowed the pressure to continue to build until they burst out here and there with special violence, just as they have during the past year.

Since the Nixon administration took office in 1969 we have had an opportunity to test the utility of controls. Between December 1970 and August 1971, when the President invoked the powers granted him under the Economic Stabilization Act of 1970, the Consumer Price Index had grown at an annual rate of 3.8 percent. Since August 1971, the Nation has undergone the trauma of four phases of controls in various forms that have imposed extraordinary dislocations on an already strained economy, and to what end? Since August 1971, the Consumer Price Index has risen at an accelerated rate that for the 12-month period before the Arab boycott had reached a level of 7.3 percent.

The explanation is not difficult to find. In the 3-month period before controls, the Federal Reserve increased the money supply at an annual rate of only 5 percent. Since controls were imposed, the money supply has increased at an average annual rate of 9.1 percent. Economic controls simply could not hold the lid on an economy that was overheated by an attempt to cope with Federal deficits totaling more than $100 billion in a 5-year period.

It is bad enough that controls have failed so signally in achieving their objective of price stability. What is far more serious is that in the process of imposing them we have caused dislocations that will plague us far into the future. The extent of these dislocations, and the speed with which they are spreading, becomes more apparent every day. As I mentioned earlier, every bag of constituent mail I receive contains new examples of essential items in short supply.

What we must understand is that these shortages did not just "happen." They were caused. They are the predictable consequences of the imposition of controls on a free economy. When the market ceases to be free, when a willing buyer is not allowed to bargain with a willing seller, we destroy the signals that channel investment and production. If a producer is not allowed to sell a given item at a price commensurate with the cost and risk in its production, he will simply stop producing it. This simple lesson in economics was driven home to millions of Americans last summer as they watched on television the destruction of tens of thousands of day-old chicks because the price allowed farmers for the sale of their poultry was less than the cost of the feed required to bring those chicks to marketable size. And so it is with expanding production to meet increased demand. No one will invest in new plant and equipment if the goods to be produced are not permitted to be sold for a price that will allow a reasonable return on the investment.

Now I know that there are those who blame our shortages on exports; and it was, of course, to control these that the House adopted H.R. 8547, the Export Control Amendments of 1973, which the Senate was scheduled to debate last month. H.R. 8547 seeks to attack the problem of growing shortages by limiting the export of goods in short supply. The bill as reported out ignores, however, the reason why such goods are not being sold within the United States in the first place. Too often they are not being sold domestically because the prices at which the Cost of Living Council allows them to be sold do not justify the cost of their production.

While it is true that today many items in short supply are being exported from the United States for sale in free markets abroad, it does not follow that the prohibition of such exports will solve the problem of shortages facing domestic consumers. Aside from the fact that export restrictions could lead other countries to place restrictions on the export of goods we in the United States require, such laws are apt to be as futile as the attempt to fight inflation with wage and price controls. Commodities that are shipped abroad because they cannot be sold at a profit at home are apt not to be produced at all if they are denied access to free markets.

To illustrate this point, I would like to cite the case of steel rebars that are used to reinforce concrete foundations. Historically, steel rebars are produced by large steel mills when demand for more profitable steel products slackens. Small mills which have been able to reduce costs by using ferrous scrap, have in the past been able to maintain a more continuous flow of this inexpensive item. Because controls froze rebars at a low price, this item has been forced out of domestic markets by rising costs of production and spiraling demand for more profitable items. Even though the Commerce Department placed limits on the export of ferrous scrap, the domestic shortage of rebars has continued. Rebars will be produced for sale at a profit abroad. They will not be produced for sale at a loss at home. Prohibiting their export, therefore, will only mean that American mills, large and small, will stop producing them. The steel industry, incidentally, is not petitioning for the decontrol of rebars. The purchasers are.

Mr. President, there can no longer be any lingering doubts that the whole fabric of controls is harmful to our economy. The current shortages in more than 150 critical industrial commodities that have been caused by price controls will not be legislated out of existence by imposing still other controls on our economy. The time has come for us to recognize that price controls simply do not work. It is not merely a matter of devising a more effective regulatory machinery. Economic interrelationships are so subtle, so sensitive, that it is impossible for any body of regulators, however large, however wise, to anticipate how and where to mobilize the resources and set the prices so that our infinitely complex economy can work at maximum efficiency. The tragic consequences of recent governmental attempts to control prices and wages here and abroad provides persuasive evidence that there is no administrative or procedural reform that can improve them.

The time has come for us to recognize that wage and price controls not only do not work—they cannot be made to work in a free society. The legislative authority conferred by the Congress and invoked by the President has resulted in grave injury to every sector of our economy without achieving any significant offsetting benefits. In short, wage and price controls have been an unmitigated disaster for the United States, and should be abolished forthwith.

Two months ago, I introduced an amendment to the emergency energy bill that would have accomplished this objective by terminating the Economic Stabilization Act. As might be expected, I was met with objections that whereas wage and price controls were of course not desirable, the time was not opportune for restoring freedom to the economy. Arguments were made to the effect that because of the energy crises, and this or that other factor, an immediate lifting of controls would create chaos. Therefore, it was said, we would have to wait for a more appropriate moment when some degree of price stability had been achieved.

Mr. President, one thing that can be said with certainty is that the time will never be "just right" to return the direction of our economy to the decisions freely made on a daily basis between millions of buyers and sellers. What can be said with equal certainty is that the longer we wait, the longer we postpone the moment when we lift the albatross of controls from around our economic necks, the greater will be the immediate dislocations as prices are released to seek their natural level—and in the meantime, with glacial certainty, we will see the shortages continue to spread, causing more and more firms to close their doors for lack of essential supplies, adding their employees to the ranks of the unemployed.

Mr. President, I can think of no better way to summarize what it is I have tried to say in these few minutes than to quote excerpts from an editorial that appeared in the November 1973 issue of "Modern Plastics." Although it speaks of the conditions affecting just one industry, and the controls on that industry have recently been relaxed, the problems described and conclusions drawn are of very broad application today.

The simple fact is that current price controls have created an Alice-in-Wonderland scene of unreality where it is going to become increasingly difficult to operate. Resin suppliers, forced to sell at severely limited list prices (and without control over what their customers do with the resins), aren't exactly falling all over each other to build new capacities. Converters who have price commitments to their customers, but are

forced to pay twice the going rate, are starting to think about trading instead of manufacturing. End users, hearing a growing chorus of "shortage, shortage, shortage," are worrying whether or not to design in plastics.

And the whole industry is in malignant turmoil.

What to do.

Remove price controls. It was a free economy that brought resin prices down, let it be a free economy that will allow resin prices to move up to where economic forces will allow them to be. Free competition in a free market place has brought the plastics industry to its present prominence. Only a return to those conditions will assure its future growth.

Mr. President, the time to face the facts is now. The time to bite the bullet of decontrol is now.

For 2 weeks, the Subcommittee on Production and Stabilization held hearings to consider whether the Economic Stabilization Act of 1970 authorizing these controls should be extended beyound its current expiration date of April 30, 1974. Witness after witness confirmed the conclusion that the imposition of price and wage controls has been an unmitigated disaster. On this, such important and disparate groups as the AFL–CIO, the National Association of Manufacturers, and the National Farm Bureau are in complete agreement. The only way to prevent still greater short and long term damage to the economy and employment is to terminate the Economic Stabilization Act now, immediately.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS—AMENDMENT

AMENDMENT NO. 965

(Ordered to be printed, and referred to the Committee on Rules and Administration.)

Mr. RANDOLPH (for himself, Mr. BAKER, Mr. FULBRIGHT, Mr. JACKSON, Mr. MANSFIELD, Mr. INOUYE, Mr. ROBERT C. BYRD, Mr. WILLIAMS, Mr. MAGNUSON, Mr. STEVENS, Mr. JAVITS, Mr. LONG, Mr. ERVIN, and Mr. FANNIN) submitted an amendment, intended to be proposed by them, jointly, to Senate Resolution 245, authorizing additional expenditures by the Committee on Interior and Insular Affairs for inquiries and investigations.

ANNOUNCEMENT OF HEARINGS ON LONE PEAK WILDERNESS AREA, UTAH

Mr. JACKSON. Mr. President, I wish to announce a hearing by the Public Lands Subcommittee of the Interior and Insular Affairs Committee on S. 29, a bill to establish the Lone Peak Wilderness Area in the State of Utah; S. 110, a bill to designate certain lands in the Cleveland National Forest, Calif., as the Agua Tibia wilderness for inclusion in the wilderness preservation system; S. 111, a bill to designate certain lands in the Stanislaus National Forest, Calif., as the Emigrant Wilderness for inclusion in the national wilderness preservation system; S. 216, a bill to designate certain lands in the Cape Romain National Wildlife Refuge, S.C., as a wilderness area under the Wilderness Act; S. 331, a bill to establish the Chassahowitzka National Wilderness Area in the State of Florida; S. 332, a bill to establish the St. Marks National Wilderness Area in the State of Florida; S. 600, a bill to designate certain lands as wilderness; and S. 777, a bill to designate certain lands in the Brigantine National Wildlife Refuge, Atlantic, Burlington, Ocean Counties, N.J., as wilderness. In addition, two areas included in S. 601, a bill to designate certain areas in the United States as wilderness areas, are to be considered in this hearing. The two areas are Agua Tibia and Emigrant Basin, both in California.

The hearing will be held on March 19, 1974, at 10 a.m. in room 3110, Dirksen Senate Office Building. Those who wish to testify or submit a statement for inclusion in the hearing record should contact Steven P. Quarles, special counsel to the committee, at 225–2656.

NOTICE OF HEARING ON NOMINATIONS

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, February 27, 1974, at 10:30 a.m., in room 2228 Dirksen Office Building, on the following nominations:

Rober Firth, of California, to be a U.S. district judge for the central district of California, vice Charles H. Carr, retired.

Joseph L. McGlynn, Jr., of Pennsylvania, to be a U.S. district judge for the eastern district of Pennsylvania, vice Thomas A. Masterson, resigned.

Richard P. Matsch, of Colorado, to be a U.S. district judge for the district of Colorado, vice Olin H. Chilson, retired.

Thomas C. Platt, Jr., of New York, to be a U.S. district judge for the eastern district of New York, vice George Rosling, deceased.

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

The subcommittee consists of the Senator from Arkansas (Mr. MCCLELLAN); the Senator from Nebraska (Mr. HRUSKA) and myself as chairman.

NOTICE CONCERNING NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

W. Vincent Rakestraw, of Ohio, to be an Assistant Attorney General, vice James D. McKevitt, resigned.

Harry Connolly, of Oklahoma, to be U.S. marshal for the northern district of Oklahoma for the term of 4 years, (reappointment).

Robert E. Johnson, of Arkansas, to be U.S. attorney for the western district of Arkansas for the term of 4 years, vice Bethel B. Larey, resigned.

Sidney I. Lezak, of Oregon, to be U.S. attorney for the district of Oregon for the term of 4 years, (reappointment).

Robert D. Olson, Sr., of Alaska, to be U.S. marshal for the district of Alaska for the term of 4 years, (reappointment).

Stanley G. Pitkin, of Washington, to be U.S. attorney for the western district of Washington for the term of 4 years, (reappointment).

Emmet E. Shelby, of Florida, to be U.S. marshal for the northern district of Florida for the term of 4 years, (reappointment).

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Thursday, February 28, 1974, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

Mr. MCCLELLAN. Mr. President, on February 27 and 28, the Senate Appropriations Committee opens its hearings on the President's proposed budget for fiscal year 1975. Appearing on behalf of the administration will be Roy L. Ash, Director of the Office of Management and Budget; George P. Shultz, Secretary of the Treasury; and Herbert Stein, Chairman of the President's Council of Economic Advisers.

On March 19 and 20, the committee will hear from some of our most prominent economists, including Pierre Rinfret, Charles L. Schultze, Walter Heller, and Paul McCracken.

Then, on March 26 and 27, the full committee will hear from Members of the Senate, all of whom have been invited to participate in our hearings and submit their views and comments on the President's budget.

The committee will endeavor to hear from outside witnesses on March 21 and persons interested in testifying should contact the committee, room 1235 Dirksen Office Building, Washington, D.C.; telephone number 225–7293.

THE HILL-BURTON HOSPITAL CONSTRUCTION PROGRAM

Mr. FULBRIGHT. Mr. President, in its proposed budget for fiscal year 1975, the administration again plans to terminate the Hill-Burton hopsital construction program.

The President states that there is no need for further hospital construction in the Nation. That may be the case in some parts of the Nation, but in Arkansas, despite considerable progress, there is still significant need for hospital construction, expansion, and modernization.

The Arkansas State Department of Health has a backlog of requests for Hill-Burton funds totaling more than $40 million. Arkansas has a current need for

559 new beds and 501 replacement beds in general hospitals and 713 additional and 681 replacement beds for long-term care.

This program has been an example of good cooperation between the Federal and State governments and local communities, and has resulted in construction of more than 9,000 Arkansas hospital and nursing home beds, with a Federal share in excess of $80 million. Because of the continuing need for this program, I will oppose its elimination, as I did last year when the administration made a similar proposal.

A related problem is the need for more medical personnel in Arkansas. The shortage and maldistribution of health professionals points to a need for more funding for medical education and training, yet funding for these important programs would actually decline under the administration's budget proposal.

To illustrate this problem, the 16 counties in east Arkansas which are part of the Memphis regional medical program have a physician-to-population ratio of 1 to 2,093. This compares to a national ratio of 1 physician for every 675 people. Forty of the 75 counties in Arkansas have fewer than 1 doctor for every 2,000 inhabitants.

Mr. President, these figures make clear the need for ample funds for health facilities and for the training and education of health professionals. As an example of the problems facing Arkansas hospitals, I ask unanimous consent to have printed in the RECORD an article from the Osceola Times of February 14. The article by Phil Mullen reports on the critical need of the Osceola Memorial Hospital, which has been operating at 105 percent of capacity for the past 2 months.

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

DR. REGGIE CULLOM TELLS OF LOCAL HOSPITAL NEEDS

(By Phil Mullen)

The Osceola Memorial Hospital has been operating at 105 per cent of capacity for the past two months. How can that be? That can be by putting patients in beds in the hallways and in the chapel and in other places.

Dr. Reggie Cullom, chief of staff of the hospital, spoke to the Kiwanis Club on last Thursday and he apologized because his voice broke during the talk. He explained, "I cannot help but be emotional about this. I lost a patient, a very well loved 45 year old lady, this morning, possibly because there was no room for her in a cardiac care room."

Dr. Cullom, a young native son who has just returned here to practice, said, "Perhaps I am more upset about the hospital situation than most anyone because I was trained to practice general medicine in a hospital and I don't think I can paint you as bleak a picture as is the truth about he Osceola Memorial Hospial now."

He declared, "Your hospital is going to collapse if you do not renovate and expand it."

THE PLAN

Under the plan offered by the hospital consultants employed by the Quorum Court, the Osceola Hospital would receive much renovation and remodeling and would receive 10 new rooms.

Dr. Cullom said, "We hope to bring a general surgeon to Osceola. He would need more than 10 beds for his patients."

Dr. Cullom then explained that it would take more than a year to start construction on hospital expansion if the application were made now and every "red-tape" situation was met on schedule.

Dr. Cullom said, "I'm not a politician and the politicians now run our hospitals. We would have to go through an agency in Jonesboro and get approval, than an agency in Little Rock, and finally to Washington.

In explaining why the Osceola Memorial Hospital will "lose" as much as $80,000 next year, Dr. Cullom said, "HEW will not pay, for its Medi-Care patients, a fair fee for the use of our hospitals. They say they will pay our 'cost' but sometimes they won't do that so that means you people who pay cash or who pay through hospital insurance have to make up the difference."

All this is important in making up a financial statement to secure around a $2 million bond issue to expand the hospital. These would have to be the revenue bonds. Only one mill in county taxes go to the hospitals, for maintenance.

Dr. Cullom made a very appealing talk as he asked for the support of the Kiwanians, "as leading people of this community." He said, "It might be possible that the politicians and the bureaucrats could be reached to be made to understand the true small town hospital picture of the day."

He explained, "When the bureaucrats look at Osceola they see so many people in the census and they say we are entitled to so many hospital beds. They, for some reason, cannot be made to see that there are 30,000 more people in Osceola area that need this hospital also.

Without some immediate and strong action Dr. Cullom could see no optimism about the maintenance of health care in this community even at the level of recent years.

ESTONIAN INDEPENDENCE DAY

Mr. JAVITS. Mr. President, on February 24, people throughout the world—especially those of Estonian descent—observe the 56th anniversary of Estonian Independence Day; 1974 is also a year of special significance as it is the 100th anniversary of the birth of Konstantin Pats, the last President of an independent and free Estonia.

Proclaimed in 1918 but lasting only to 1940 when Josef Stalin, as a result of his infamous pact with Hitler, overran free Estonia and incorporated it into the U.S.S.R., the Republic of Estonia was shortlived as an independent political entity. However, the independence of the Estonian spirit and Estonian culture has not been extinguished.

A significant manifestation of the undying aspiration of the Estonian people for freedom and independence is the effort of the Estonian World Council to learn of the fate of the Republic of Estonia's last President, Konstantin Pats. Shortly after the Soviet invasion and occupation of Estonia in 1940, President Pats and his family were taken by the Soviet authorities and reportedly deported to the Soviet Union. Since that time there have been only rumors of the fate of this national hero, and his burial site is unknown. It is cruel and insensitive of the authorities in the Soviet Union to withhold any longer what happened to President Pats after his arrest in 1940. This is another indication that civil rights and human liberties continue to go unobserved by the Soviet regime.

Expressions of the Estonian desire for freedom and independence have not gone unnoticed in the free world. It would be tragic, indeed, if in our search for a basis of greater understanding with the Soviet Union, we abandoned our solidarity with those Estonians who still treasure independence. The sacrifices of Estonian men and women over the centuries in the search for freedom demand no less.

COSTLY INFORMATION

Mr. BROCK. Mr. President, we are asking industry to provide various Federal agencies with more and more information these days, and no doubt some of it is necessary. But we must remember that information has a cost and that the cost will be passed on to consumers in the form of higher prices. The Office of Management and Budget estimates that last year alone industry spent a total of 145 million man-hours answering Federal questionnaires.

As a recent editorial in the Wall Street Journal points out, the authority to request more information was granted last session to an even greater number of regulatory agencies. Somewhere we have got to draw the line if corporations are to be expected to do their share to keep up with rapidly shifting market conditions. For the information of my colleagues. I ask unanimous consent that this article be printed in the RECORD.

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

SOMETHING ELSE TO WORRY ABOUT

In the first months of World War II, Washington bureaucrats were dizzy with the idea that they had to run the economy and went beserk sending out questionnaires. Congress, realizing the war would never be won with businessmen filling out surveys, passed the Federal Reports Act of 1942. Thereafter, the Budget Bureau had to approve questionnaires, first checking for duplication and necessity. At the time, there were 4,629 different forms. There are now 5,567, most of the increase due to new federal programs.

While nobody was paying attention, Ralph Nader cranked up his lobby last November and got Senators Metcalf, Hart, Kennedy and all to gut the protections of the 1942 act through an innocent-looking amendment to the Alaska pipeline bill. Now law, the amendment shifts the coordinating authority out of the Executive Branch and into Congress' investigation-minded General Accounting Office. More to the point, each independent regulatory agency will be able to override the GAO and have the last word on whether it will send out a new form.

The National Association of Manufacturers and the U.S. Chamber of Commerce now are frantically trying to figure out how to recapture the terrain. For the Office of Management and Budget estimates that in 1973 industry spent a total of 145 billion man-hours answering federal questionnaires. This comes to $1.45 billion at $10 an hour. No doubt these figures will grow by leaps and bounds under the new procedure.

That's only the half of it. As in 1942, this thirst for information has developed among the bureaucrats and their cheerleaders on the sidelines who want to run the economy from Washington. The way now is clear for agencies that are already bent in this direction to engage in unimpeded harassment of busi-

ness and industry, using the data they force from corporations to engage in novel rule-making and antitrust adventures.

One only has to read the "statement of purpose" of the Federal Trade Commission's proposed "Line of Business Report Program" to see where the government is headed.

The gist of this FTC program, which surely would have been scotched under the old procedures, would require that the top 500 corporations break out cost and profit figures on every line of product each of them makes, as well as a breakdown for each product on assets, sales, advertising, promotion, research and development and intra-company transfers.

The FTC's rationale is that "free enterprise" is inefficient when corporations are permitted to keep secrets, and that under its disclosure program "it will be possible for a firm to compare the performance of each of its lines of business with the performance of lines of business of other firms which produce similar products."

It has something like this in mind: Suppose Acme Corp. makes widgets, gidgets, blivets and left-handed screwdrivers and has aggregate profits of $1 million. A potential competitor, not knowing Acme makes $1.5 million on the widgets, breaks even on blivets and gidgets, and loses $500,000 on the screwdrivers, might decide to make screwdrivers, which the FTC thinks would be a waste of national resources. Wouldn't it be better, the agency argues, if that potential competitor knew the widgets were the money-makers, so he could zero in on them? Maybe, but somehow American capitalism has flourished all these years without a chance to look at the other fellow's books.

But that's not what the FTC is really after anyway. The chief impetus for this program comes from its antitrust division, which has been breaking its pick lately trying to find trusts to bust. It figures if it can get inside industries, by forcing industries to turn themselves inside out, it will have better luck. More likely, they would only find support for imaginative rationales to try to fracture, atomize and restructure American industry. In other words, more work for lawyers.

Now, we are the last people who need to be told that corporations are often hypersensitive about releasing information. As a general rule, we think they would be better off to release more than they do, and we would certainly not take a hidebound stand against further line-of-business data. The Securities and Exchange Commission is thinking of expanding the requirements for such information in its 10-K reports and in shareholder reports. But there is such a thing as proprietary information, and somewhere a line has to be drawn.

The point is that the SEC, which has some experience with the equities involved, approaches this kind of requirement with a modicum of care. But given the power to interrogate business, the first thing the FTC wants to do is to fire off a questionnaire calling for every company to calculate a few dozen different kinds of statistics for every widget and gidget. Surely businessmen are not asking for much when they ask for some central agency to monitor such interrogations and provide some small protection against harrassment.

ANNIVERSARY OF LITHUANIAN INDEPENDENCE

Mr. BUCKLEY. Mr. President, it is fitting that we pause a moment to mark the anniversary of Lithuanian independence. Events of recent days have once again shown the world that the Soviet regime will go to great ends to suppress dissent within what the Soviet state determines to be its sphere of influence. Just as Solzhenitsyn suffers, so do the Lithuanian people who for decades have felt the heavy hand of Soviet domination. I submit that the United States must never acquiesce in the Soviet incorporation of Lithuania and the other Baltic States, and that we must once again reaffirm our resolve to make freedom for these nations an objective of American policy. This is especially important as we participate in an ongoing series of negotiations designed to lessen world tensions.

All of us remember the tragedy of Simas Kudirka, the Lithuanian seaman who attempted to defect to the United States. Today, we know that he is in prison, another victim of the intolerant Soviet regime. I am proud to join with a number of my colleagues in the Senate in sponsoring Senate Concurrent Resolution 66 which expresses the sense of the Congress—

That the President direct the Secretary of State to bring to the immediate attention of the Soviet government the deep and growing concern among citizens of the United States over the plight of Simas Kudirka and to urge his release from imprisonment and return to his family.

Through the Solzhenitsyns, the Kudirkas, the Panovs, and the Sakharovs, the attention of the world continues to focus on the plight of those who live under Communist rule. My prayers are with all of those people and with Americans of Lithuanian descent in the hope we all share for the eventual freedom from the realities of Communist doctrine.

RULES OF PROCEDURE OF COMMITTEE ON RULES AND ADMINISTRATION

Mr. CANNON. Mr. President, in accordance with section 133B of the Legislative Reorganization Act of 1946, as amended, which requires the rules of each committee to be published in the CONGRESSIONAL RECORD no later than March 1 of each year, I ask unanimous consent that the rules of the Committee on Rules and Administration be printed in the RECORD.

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

RULES OF PROCEDURE OF THE SENATE COMMITTEE ON RULES AND ADMINISTRATION

(Adopted February 4, 1971, pursuant to Section 133B of the Legislative Reorganization Act of 1946, as amended. Readopted without amendment January 17, 1973)

TITLE I—MEETINGS OF THE COMMITTEE

1. The regular meeting dates of the committee shall be the second and fourth Wednesdays of each month, at 10 a.m., in room 301, Russell Office Building. Additional meetings may be called by the chairman as he may deem necessary or pursuant to the provisions of sec. 133(a) of the Legislative Reorganization Act of 1946, as amended.

2. Meetings of the committee shall be open to the public except during executive sessions for marking up bills or for voting or when the committee by majority vote orders an executive session. (Sec. 133(b) of the Legislative Reorganization Act of 1946, as amended.)

3. Written notices of committee meetings will normally be sent by the committee's staff director to all members of the committee at least 3 days in advance. In addition, the committee staff will telephone reminders of committee meetings to all members of the committee or to the appropriate staff assistants in their offices.

4. A copy of the committee's intended agenda enumerating separate items of legislative business, committee business, and referrals will normally be sent to all members of the committee by the staff director at least 1 day in advance of all meetings. This does not preclude any members of the committee from raising appropriate nonagenda topics.

TITLE II—QUORUMS

1. Pursuant to sec. 133(d) 5 members of the committee shall constitute a quorum for the reporting of legislative measures.

2. Pursuant to rule XXV, sec. 5(a) of the Standing Rules of the Senate 3 members shall constitute a quorum for the transaction of routine business.

3. Pursuant to rule XXV, sec. 5(b) 3 members of the committee shall constitute a quorum for the purpose of taking testimony under oath; provided, however, that once a quorum is established, any one member can continue to take such testimony.

4. Subject to the provisions of rule XXV, sec. 5(a) and sec. 5(b), the subcommittees of this committee are authorized to fix their own quorums for the transaction of business and the taking of sworn testimony.

5. Under no circumstances, may proxies be considered for the establishment of a quorum.

TITLE III—VOTING

1. Voting in the committee on any issue will normally be by voice vote.

2. If a third of the members present so demand, a record vote will be taken on any question by rollcall.

3. The results of rollcall votes taken in any meeting upon any measure, or any amendment thereto, shall be stated in the committee report on that measure unless previously announced by the committee, and such report or announcement shall include a tabulation of the votes cast in favor of and the votes cast in opposition to each such measure and amendment by each member of the committee. (Secs. 133 (b) and (d) of the Legislative Reorganization Act of 1946, as amended.)

4. Proxy voting shall be allowed on all measures and matters before the committee. However, the vote of the committee to report a measure or matter shall require the concurrence of a majority of the members of the committee who are physically present at the time of the vote. Proxies will be allowed in such cases solely for the purpose of recording a member's position on the question and then only in those instances when the absentee committee member has been informed of the question and has affirmatively requested that he be recorded. (Sec. 133(d) of the Legislative Reorganization Act of 1946, as amended.)

TITLE IV—DELEGATION OF AUTHORITY TO COMMITTEE CHAIRMAN

1. The chairman is authorized to sign himself or by delegation all necessary vouchers and routine papers for which the committee's approval is required and to decide in the committee's behalf all routine business.

2. The chairman is authorized to engage commercial reporters for the preparation of transcripts of committee meetings and hearings.

3. The chairman is authorized to issue, in behalf of the committee, regulations normally promulgated by the committee at the beginning of each session, including the

senatorial long-distance telephone regulations and the senatorial telegram regulations.

TITLE V—HEARINGS

All hearings of the committee shall be conducted in conformity with the provisions of sec. 133A of the Legislative Reorganization Act of 1946, as amended. Since the committee is normally not engaged in typical investigatory proceedings involving significant factual controversies, additional implementory rules for hearing procedures are not presently promulgated.

TITLE VI—SUBCOMMITTEES

1. There shall be seven, three-member subcommittees of the committee as follows:
Standing Rules of the Senate
Privileges and Elections
Printing
Library
Smithsonian Institution
Restaurant
Computer Services

2. After consultation with the ranking minority member of the committee, the chairman will announce selections among the members of the committee to the various subcommittees (and to the Joint Committee on Printing and the Joint Committee on the Library) subject to committee confirmation.

3. Each subcommittee of the committee is authorized to establish meeting dates, fix quorums, and adopt rules not inconsistent with these rules.

4. Referrals of legislative measures and other items to subcommittees will be made by the chairman subject to approval by the committee members.

ALFRED DRAYTON—A SPIRIT OF THE WEST

Mr. HRUSKA. Mr. President, these are days when we hear the words environment, ecology, and reclamation very often. Perhaps a concern for the preservation of our environment is one of the qualities that will mark life in the 1970's. I think it is important to point out examples of just what is being done to make this country a better place in which to live.

There is such an example in my home State, and it gives me great pleasure to call it to the attention of my colleagues. It results in large measure to the interest and devotion of one man: Alfred Drayton.

Alfred Drayton, Holt County, Nebr., rancher, is living the tradition of the West. Not only is he a real rancher—a man of the range—but he is also a farmer, conservationist, naturalist, and ecologist. He owes these attributes to two very important parts of his life's work: First, his ranch and family; second, his interest in the O'Neill irrigation project.

This combination of talents is summed up in a recent article that appeared in the Omaha World Herald magazine of the Midlands. This interesting story is written by James Denney, who himself is an enthusiast and devotee of the expanse of Nebraska in all its aspects, both human and natural. This is in addition to being a photographer of noted quality.

The story and its subjects are living proof that no single element in our universe can claim monopoly or dominance over other elements in that universe. All elements of nature are an integral part of the whole. Each complements and supplements the others.

Blended into this entire setting, we then see the picture, the life and the tradition of the West for which Alfred Drayton stands, and which James Denney portrays so expressively.

Mr. President, in the article which I now ask unanimous consent to be printed in the RECORD, we see the composite of the farmer, naturalist, ecologist, and conservationist. Add to it the spirit of a poet and the firm clear vision of a brighter future.

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

HE LIKES BIRDS, BEES, AND BIRCH TREES

(By James Denney)

Agricultural interests in Holt County think he should be called "Mr. Niobrara River" but ecologists fear he's against the birds, bees and even birch trees.

That's the role that Alfred Drayton, big, friendly Holt County rancher, finds himself in as the O'Neill Irrigation Project moves closer to reality.

Drayton, 62, is fearful he'll never live long enough to see what he calls "the full benefits of the project, but my son and neighbors—the younger ones—should be more prosperous if this all comes about."

The $113,300,000 project was approved by Congress in 1972 and now the first expenditures ($200,000) toward detailed planning are under way.

To provide water for the O'Neill Project, a dam would be built on the Niobrara about two miles south of Norden, a village in Keya Paha County.

The earthfilled structure, rising 180 feet above the streambed, would create a lake 19 miles long on the Niobrara in Brown, Keya Paha and Cherry Counties.

Water from the reservoir would be used to irrigate 77,000 acres of land in the valley—68,000 of which would be in Holt County (fed by a 60-mile diversion canal). The other 9,000 irrigated acres would be in Keya Paha with the water pumped directly from the reservoir.

The Niobrara River Basin Development Association, of which Drayton is president, estimates that new business to the area would total $67,500,000 annually. It would come from increased crops, better recreation and new business in Valentine, Ainsworth, Atkinson and O'Neill.

The dam and lake, surprisingly, have received little opposition from landowners—the normal hangup in most irrigation work. One reason, perhaps, is the fact that only 11 landowners would be forced to sell. Drayton says most are ready to sell now.

Landowners along the 60-mile canal have not voiced any major opposition so it appears that the project has clear sailing once Congress approves the funds. But the ecologists have been heard and they are not happy.

One of the major environmental arguments is that the lake would ruin several miles of ideal canoeing, especially at one of the few "white water" spots in Nebraska, called Rocky Ford, which Drayton said was never a "ford" but a dam site for what was known as the Bruce Mill, 1891–1903. It is 25 miles east of Valentine.

"Actually," Drayton said, "most of my canoeing friends have been rather quiet after a young lady lost her life last summer in Rocky Ford. It is no place to go canoeing unless you know how to go through those rapids."

Another argument by the ecologists is that the lake will destroy some of the Niobrara's stately birch trees.

"I don't like losing trees any more than do the bird lovers," Drayton said. "I've planted trees on my ranch since the day I arrived in 1936. I love ecology as much as any man on this earth but, sometimes, man must sacrifice a few trees to gain what in my opinion will be an even greater gain for nature as well as ranchers and farmers.

"Much has been said about the birch trees but hundreds of elms have died along the river—the victims of the Dutch elm disease. This can't be blamed on a dam. Nature sometimes kills itself."

Among the benefits to nature are these, according to Drayton:

A 4,000-acre wildlife preserve. Nothing will be touched—birch, oak, elm (those still alive) or any other trees. Even abandoned farms will stay put.

Smith Falls. Probably one of Nebraska's most beautiful and natural sites. It will be made available for public inspection. It now is on private land.

A controlled river rather than one that frequently floods.

Drayton said that there still will be at least 12 miles of canoeing available on the Niobrara from the Cornell Dam (Nebraska Public Power District facility) at Valentine downstream via deep canyons past the Niobrara National Wildlife Refuge to the west edge of the new lake.

Drayton, while taking this writer on a tour of the lake site, pointed out that much of the Niobrara to be flooded is too shallow for canoes. "It is very similar to the Platte River. The only way you could move a canoe would be to push it over sand bars."

The big reason for the project, he said, is the declining water level brought on by high pump irrigation in the O'Neill-Atkinson area.

Drayton said he was forced to fight the argument that the nation was undergoing grain surpluses and more corn production was not needed.

"The picture has changed," he said. "We now are being asked to produce more. I think this project has a good chance of getting through the appropriations committees in the next two or three years."

Drayton says that irrigation along the Niobrara, probably Nebraska's most scenic river, is old hat. An irrigation canal was proposed in the O'Neill area back in 1894.

The only other water taken from the river, which starts its flow in Northeastern Wyoming, is the Mirage Flats Project in Box Butte County. The Ainsworth Irrigation Project, which takes its water from the Snake River, is part of the same basin.

Drayton lives 8½ miles north of O'Neill. He came to Holt County from Orchard in 1936. He is married and has a son, Dennis, who now lives on the ranch; and a daughter, Mrs. Joan Montgomery of Denver.

Drayton said he first became interested in the project 15 years ago. He has made 13 trips to Washington; has made speeches, given slide presentation and took a group of newsmen for a canoe ride on the Niobrara.

The canoe trip, about five years ago, was to prove that there will still be plenty of canoeing.

Drayton has personally contacted most of the ranchers who would become farmers if the project is approved. He often shows colored slides of corn fields, sunsets and even wildlife.

"Heck," he added, "I've got wildlife on my ranch. I want to keep them there. I like Nebraska birds and bees, too."

ME FIRST

Mr. BROCK. Mr. President, Journalist Alan Otten has written another remarkable article in the Wall Street Journal, one which should receive wide attention. I would like to share it with

my colleagues, so I ask unanimous consent that his article be printed in the RECORD.

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

ME FIRST

Fertilizers increase food production in one country, but the run-off from the fertilized farmland pollutes a neighboring nation's rivers. The Aswan Dam in Egypt has been destroying fish resources in the eastern Mediterranean. Cloud seeding may bring welcome rain to one country but unwelcome drought to another.

These examples underline an increasingly troublesome question: Can nations work out new approaches and new institutions to cope with a world of growing technological complexity and interdependence? The problems press in: energy shortages, food shortages, air and water pollution, solid waste disposal, weather control, drug abuse, development of ocean resources, and many other major matters. The past and current track record is hardly encouraging.

"The old belief that growing interdependence among nations would breed at least a sense of common purpose, and more hopefully a genuine community of values, has proven a weak reed at best," observes MIT political scientist Eugene Skolnikoff, a former White House technology expert who has spoken and written widely on the subject. "Unexpectedly rapid growth in the relations and dependencies across national borders hasn't reduced strife, but rather sharpened divisions and distinctions."

Agrees Harvard law professor Abram Chayes, one-time legal adviser of the State Department: "It's generally recognized that none of these problems can be solved on the national level, and yet all signs are of a continued fragmented national approach, based on short-term national self-interest. We've come a long way since the 1930s, but we're still far short of what one senses to be the need."

It usually isn't too hard to get general consensus that a particular problem exists, or that in a vague way, something ought to be done about it. Occasionally, there's elementary international cooperation on research or exchange of information, and from time to time even real operating collaboration—a program to eradicate disease or loft a global communications network.

As the stakes rise, however—as technological developments become politically and economically more important and as questions emerge on allocating resources or enforcing international standards—parochial national and private interests come into play. More countries insist on being considered, and more inteersts must be satisfied. Conflicts sharpen, positions harden, and stalemate results.

Non-Communist powers line up against the Communist bloc. Poorer nations serve demands on richer ones. Richer nations jockey with each other. All the while, the accelerating peace of technological innovation shortens the time available for solutions.

Nations have cooperated rather well, Mr. Skolnikoff says, in keeping track of weather developments. Soon, however, scientists' ability to control and modify weather will pose prickly new puzzles. The uneven effects of cloud seeding have already been mentioned. Moderating a storm in one area may deprive another area of needed rainfall. Weather control could be a vital weapon of military and economic warfare. Who's to decide what each country may or may not do in this entire area?

Earth resource satellites offer tremendous promise—to find new mineral resources, spot crop disease, predict harvest yields. But, Mr. Skolnikoff asks, who's going to say how many satellites are to be sent up, what problems they're to probe, which countries are to share in their findings?

Or consider the current effort to work out guidelines on ownership and control of the mineral resources in the ocean depths. Major industrial powers, less-developed nations with long coastlines, and landlocked nations all dig in for maximum advantage; agreement seems as remote as when the effort started four years ago.

Acute crisis may, of course, catalyze joint action, but even crisis has its limitations. Under the canny leadership of Canadian Maurice Strong, the United Nations Environment Program has capitalized on world-wide concern over pollution and taken several significant steps to improve the world environment. But even Mr. Strong and UNEP haven't yet tackled most of the truly tough problems, where vital national interests are more directly at stake.

Similarly, predictions of possible world famine produced an international agreement last November to set up a world food reserve, with each country holding in reserve an amount of food set by an international agency. Basic questions remain, however, such as just who determines when the reserve stocks are to be released for use, and at what price? Major producing countries, including the U.S., have shown little enthusiasm for surrendering their right to answer these questions themselves. The issue, says one observer, is whether political forces will ever let the agreement work.

The Nixon administration's forthcoming attempt to get oil-consuming nations to agree on some joint approaches will provide an even sharper test of the efficacy of crisis. So far, certainly, each industrial nation, including the U.S., has resolutely pursued a short-term view of self-interest. *Once again, rhetoric may far outrun performance.*

"I'm afraid we're unlikely to get any change in national attitudes without crisis," says Mr. Skolnikoff, "and the trouble with crisis is the patient sometimes dies on the operating table."

Despite all the difficulties and disappointments, however, he optimistically believes that the momentum of technological development will untimately force nations to take a longer view of self-interest, and to accept greater international control over their activities. The alternative, he argues, is chaos or authoritarian action.

"The larger self-interest of all nations today is inevitably merged in the inescapable web of interdependencies that characterizes the technological civilization," Mr. Strong said recently. "This requires a cooperative approach to managing the interacting relations between resources—their development, distribution and use; technology—its orientation and use; and the minimal needs for sustaining human life and protecting the environment on which that life depends.

"These interlocking subjects must move to the top of the world's agenda for thought and action."

ESTONIAN INDEPENDENCE DAY

Mr. PERCY. Mr. President, on February 24, friends of Estonia throughout the world will commemorate the 56th anniversary of Estonian independence. It will be a day of rededication to the legitimate aspirations of the people of Estonia for freedom and security.

It has been a long night since Estonia was forcibly occupied in 1940, but the Estonian people—to their eternal credit and honor—have bravely managed to keep faith with their heritage and national identity.

Their heritage is a brilliant one. Estonians have distinguished themselves in every category of the arts, humanities, and sciences. In technology and agriculture their accomplishments are outstanding. Of special interest today, when the world's energy shortage dominates the news, is the fact that Estonia began mining oil shale in 1918 for use as fuel for factories and railroad engines. By 1921, Estonians had put in use a unique cracking process which created the impetus for a major oil industry.

During Estonia's period of independence from 1918 to 1940, Estonia was a model democratic state with a libertarian constitution and a notable land reform.

On Estonian Independence Day, let us express our support for the people of Estonia and for the fine Estonian community in the United States.

THE ENERGY EMERGENCY BILL

Mr. HANSEN. Mr. President, when frustration and emotions are running high it is difficult to consider a serious problem objectively. Understandably, most Americans are concerned about rising prices. They are worried about inflation. They are desperately anxious about their jobs—and, well they should be.

Because I believe the Wall Street Journal has focused considerable light upon an emotionally charged issue, I ask unanimous consent that an editorial appearing in the February 21 issue be inserted in the RECORD.

I submit that its logic is irrefutable.

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

THE SENATE'S SLOW LEARNERS

If nothing else, the four months the Senate has spent thrashing around on the "emergency" energy bill should have resulted in the education of a few Senators. Alas, four months is not long enough. By a 67-to-32 vote, the Senate Tuesday finally coughed forth the fruits of its deliberations, one that qualifies at least 67 members for a course in remedial economics.

We say at least 67 because a number of those who voted against the package, Mr. Abourezk of South Dakota for one, believe nothing short of a government takeover of the oil industry can solve the energy crisis, a state of mind that remedial studies would not improve.

The slowest learner of the bunch, however, is Sen. Henry Jackson of Washington, still fixed with the notion that the United States can make itself independent of foreign oil producers by holding down the price of domestic oil. A barrel of foreign crude fetches about $10. So does a barrel of crude from new domestic fields or from stripper wells, those wells that had been abandoned in years past because the going price for crude was so low that it was uneconomic to pump them. Oil from these two sources has been exempt from price controls.

Mr. Jackson's contribution to the energy bill is a "rollback" of all domestic oil to the government-set price of $5.25 the barrel for "old oil." His measure would permit the President to raise this to $7.09, but no higher. In effect, it would take away authority the President now has to decontrol crude oil prices entirely.

For some time, Mr. Jackson has been arguing that freeing new wells from price controls has produced an "oil loophole"; that is, to take advantage of the higher prices of uncontrolled oil, an oilman can cleverly dig a new well next to a new well and presto, he has some more unregulated oil. Teams of Senators from the oil states took turns trying to explain to Mr. Jackson that if this were true it would be good, not bad, because oil theretofore not being produced would be produced, and eventually find its way into the gas pumps of Spokane, Flatbush and Elizabeth, N.J. But to no avail.

Nor was Senator Jackson moved by Senator Gravel's lucid argument that if world oil is at $10 and all U.S. oil is held to $5.25, U.S. producers will not be able to compete with the rest of the world in buying "anything they need to drill for oil. . . . are we talking about an embargo on steel pipe, or the technology, or an embargo on the cybernetics?" Mr. Jackson's retort is that $5.25 a barrel is plenty.

Meanwhile, the whole Northeast corridor is suddenly outraged to find there is plenty of foreign gasoline around, and legislators in New Jersey and Connecticut are running around the Federal Energy Office to broker shipments that run to 50 cents a gallon and up. This roughly translates into $20 a barrel. In other words, at the very moment U.S. Senators are attacking the crisis by voting to halve the price of new domestic crude, state politicans are attacking the crisis by going out and finding foreign-produced black-market oil at double the world price. Of course, if the Senate's energy bill became law, X number of domestic wells would shut down and more state legislators would have to get into the business of brokering foreign gasoline at speculative prices.

Fortunately it now appears the legislation will pass into oblivion. In its wisdom, the House Rules Committee yesterday reported the bill, but refused to waive points of order. The House thus has a chance to vote separately on the rollback provision as well as the title that authorizes gas rationing. If either provision is deleted, the bill will be dead. And if the House, too, has learned nothing about the law of supply and demand in the last four months, and agrees with the Senate, surely Mr. Nixon will veto the bill.

Before the Congress returns to its deliberations on "emergency" energy legislation, a process likely to take another four months, it would be nice if it took time out to adopt a simple measure energy czar William Simon has requested. Mr. Simon would like to eliminate the crude-allocation program, which Congress forced on him at the beginning of the emergency. The program is discouraging the importation of perhaps a million barrels of crude oil every day, an amount the folks in Spokane, Flatbush and Elizabeth, N.J. would be pleased to get their hands on. When it comes to learning things, Mr. Simon is well ahead of the folks in Capitol Hill.

RIO GRANDE YOUTH CARE PROGRAM

Mr. MONTOYA. Mr. President, last year, I was pleased to bring to the Senate's attention the southwest juvenile delinquency program, a guidance program for the youth of New Mexico.

After a year when seemingly every good precedent was diminished, I am proud to commend to the Senate another successful social project, the Rio Grande youth care program.

The Rio Grande project began in Los Lunas, N. Mex., on September 1, 1972. It sprang from the Governor's report which recommended investigations about such problems in the school system as drug and alcohol abuse, veneral disease, racial tension, and an overall lack of communication between parents and children, teachers and students.

The main purpose of the program is to assist the youth and parents of Los Lunas and the surrounding communities in dealing with drug education, vocational and training programs, schools, and law enforcement agencies.

The resutls of the Rio Grande youth program have been excellent. A boxing club developed at the program's youth center has attracted thousands to its events, and provided well-staffed activities for many young people; a group of parents, the Concerned Parents for Youth Development, has been formed to assist the youth center with local program; the Valencia County Commission has aided the youth program by keeping books; and the county's department of roads has graded the land for a new youth center.

Since its inception, the Rio Grande project has served hundreds of young people. Referrals from police, parents, and community drug and health programs have been encouraging.

Mr. President, much remains to be done, and it is through vision and coordinated activities such as may be seen in the Rio Grande youth program that new, satisfying progress begins.

My thanks go to all the parents, staff workers, community workers, and others, who have worked hard on this program. I commend the clients of the program for their attempt to make the Rio Grande project an effective outreach program. Without the first few brave, troubled young people, who try to improve and enrich themselves, the Rio Grande program would have faltered.

Finally, my special thanks go to each of the members of the board of directors of the Rio Grande youth and health care program: Mrs. Eva Chavez, representing Peralta; Roy Jaramillo, Robert Iverson, Arthur Castillo, Joe L. Acolla, Debra Carasco, and two youth representatives, David Perea and Patty McDevit.

I know that Senators will join me in praising this effort to help the youth of America.

UNITED MINE WORKERS

Mr. BROCK. Mr. President, a free society is not the easiest form of Government to establish or maintain among a people. Its advantages clearly lie in the benefits that accrue to its members when participation is open to all. It is in this regard that I would like to draw the attention of my colleagues to the difficulties being experienced by the United Mine Workers in their struggle to regain an operating democratic system of representation.

In its December constitutional convention, the first since new UMW President Arnold Miller took office, the union progressed toward more open decisionmaking and more aggressive representation of its members, wrote Bob Arnold in the Wall Street Journal January 31, 1973:

But the new rights bring with them difficult problems.

He added:

Among them, are the problems of educating members in the complexities of the bargaining process.

That may be so, but the advantages of a strong democratic representation in the long run will far outweigh these initial reorganizing pains. Moreover, there is a moral if not legal obligation for a bargaining agent to "represent" its members in the true sense of that word. Mr. Miller should be commended for his efforts, and I ask unanimous consent that this article be printed in the RECORD.

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

THE UMW TRIES A BIT OF DEMOCRACY

(By Bob Arnold)

PITTSBURGH.—Like an ingenue involved in her first love affair, the new reform administration of United Mine Workers President Arnold Miller went into its first constitutional convention here somewhat naive and a little reckless.

By the time the two-week long affair ended earlier this month, the Miller regime had lost much of its innocence. It had made some major mistakes and obviously has a lot of maturing to do before it challenges the coal operators in next year's negotiations.

But, with all that, the convention's achievements were considerable. After years of John L. Lewis' iron hand and Tony Boyle's machinations, the meeting undoubtedly was the most democratic in the UMW's history. Every delegate was given his say until the majority voted to close debate. Moreover, the union's constitution was completely rewritten, establishing the autonomy of district and local unions that previous UMW leaders had usurped. And controls were established to keep these bodies in line.

After long debate, the delegates also did away with the cause of much recent union corruption by sanctioning steps Mr. Miller already had taken to dilute the voting strength of the union's 81,000 pensioners, fully 40% of the UMW electorate. In past elections, under other administrations, retirees were alternately bribed and threatened with loss of their pensions unless they supported incumbent union officers.

The delegates also insured rank and file input into formulating bargaining demands. And they created a system for rank and file approval of industry-wide pacts, the first time in UMW history miners will have had that privilege.

On another front, Mr. Miller won the right to move the union's headquarters to a coalfield site somewhere between Charleston, W. Va. and Pittsburgh from Washington, where he said, "If you're heisted and don't have $40, they shoot you."

SOME MILLER FAILURES

But the Miller administration's failures also were notable and could have long-lasting effects. Mr. Miller was unable to push through a revision in the contract between the union and the coal industry which would have streamlined the procedure for settling work grievances and thus help stem the rising number of wildcat strikes. The union, in fact, had initiated talks on the revision and the industry had agreed to a compromise proposal last month. But the delegates voted it down.

And, except in District 20 which comprises

Alabama, Mr. Miller failed to dissipate blocks of opposition in many of the districts which voted for then-incumbent W. A. (Tony) Boyle in last year's court-ordered UMW election. Surprisingly, Mr. Miller found less than total support from areas that previously had backed him in the union election—western Pennsylvania and Ohio.

Moreover, in his zeal to demonstrate his administration's much publicized democracy, the UMW leader often demurred from speaking out on the floor for issues he favored. And his own followers, many attending their first convention and unschooled in open-meeting tactics, neglected to support such issues at opportune moments. Thus an administration-backed strike fund proposal failed by a handful of votes.

Complete freedom of speech reigned on the convention floor and when a delegate didn't understand a point he usually stepped to the nearest floor microphone to ask about it. The first day ended when a delegate shouted, "We fellas down here are getting awful thirsty watching you fellas up there drink water all day. We want some water." The next day there was water for the delegates as well as in pitchers on the rostrum. Disconcerted by the disorder, the convention's planners frequently held all-night sessions to rearrange the presentation of issues.

But while the internal politicking raged, three issues attracted near unanimity. The miners agreed to a one-year assessment of 10 cents a week each (or about $800,000 total) to support the UMW's recently formed coal miners political action committee, which will lobby for their interests. With barely a second thought, they approved a host of expensive bargaining goals emphasizing tougher safety guarantees and fringe benefits. And they sent to the coal industry and the government a message reflecting their recent frustrations. Unless we get sizeable gains, it went, there's going to be a strike next Nov. 12 (when the current contract expires).

The delegates, mindful of the dictatorial control of past UMW leaders, balked at first at a constitutional article empowering the international to suspend or limit the autonomy of districts and locals for specified transgressions. But after a heated debate, the measure passed by a narrow majority, and it seemed that Mr. Miller had unified the convention. But in the final four days of the convention, that facade crumbled.

The first important stumbling block came on a vote to approve an administration-backed dues increase of $4 per active member, to $9.75 monthly. The money was to be split one-third each to a man's local, his district and the international. But the delegates wanted more money for their locals and districts and on the UMW's first roll call vote since 1936 they voted down the administration's proposal. An open forum then was held at which it was determined that the delegates wanted $4 at the regional levels. So both sides compromised, keeping the percentage split and raising the total to $12, a figure that passed easily.

Each side claimed victory, but most observers felt the administration had come up shorthanded on two important counts. The increased money the locals and districts won likely will give them more freedom than the international wants them to have, at least until Mr. Miller can more firmly consolidate his support. And miners from some districts deluged their delegates with complaints on the larger-than-expected dues increase. This, in turn, helped scotch an administration-backed $1000 million strike fund proposal, which failed the next day.

THE BITTEREST ISSUE

Then came the bitterest issue of the whole convention—pensioner rights. The constitution committee proposed formally disbanding locals with fewer than 10 working members and transferring retirees in such "bogus" locals to nearby active groups. Mr. Miller's aim, he said, was to stop union corruption and the mistreatment and manipulation of elderly retirees by candidates for union office seeking their votes. But the issue became an emotional rallying point for the anti-Miller groups, whose loud protests sent the proposal back to committee.

On the next-to-last day of the convention, Mr. Miller's forces succeeded in reintroducing the "bogus locals" proposal and getting it passed unchanged.

But this victory turned into a stunning defeat the following day on what was to have been the convention's crowning touch—approval of the streamlined grievance procedures. Mr. Miller already had negotiated with the coal operators and his staff thought the measure would be approved easily. But the ingrained coal miner's distrust of big business and his own union's leadership, combined with the thirst of Mr. Miller's opponents to retaliate for his actions the day before, was enough to stymie what the delegates saw as last-minute sleight of hand.

The defeat was ironic. Mr. Miller was not bound by either the union's constitution or the contract to submit the proposal to the delegates. And it was voted down largely by Boyle supporters though Mr. Boyle himself had initiated talks towards such a revision back in 1971.

Taken as a whole, the convention moved the UMW toward more open decision-making and more aggressive representation of its members. But the new rights bring with them difficult problems.

Not only is the convention's collective bargaining report shocking in the size of the goals it lists, it's also specific. For instance, it includes a demand that royalty coal operators payments into the union's welfare and retirement fund be tripled from 80 cents a ton on UMW-mined coal to $2.40 over the course of a three-year contract dating from the expiration of the current contract next Nov. 12. The extra money would be used to raise pensions to $500 a month from $150 now, as well as create dental and optical care programs and other fringe benefits.

The demands also call for a cost-of-living wage escalator of about one cent an hour for each 0.35 percentage point rise in the Labor Department's Consumer Price Index. And it demands 30 days a year of paid sick leave compared with none now—a goal the delegates listed first in their voting on bargaining priorities—as well as four weeks' vacation a year compared to two now.

PUTTING IT ON PAPER

The trouble with publicizing such specific goals, one district president says, is that "when you put it on paper, a coal miner thinks he's going to get it." That, plus the failure of the revised grievance procedure, means that Mr. Miller's staff and the union's district officers have a formidable communication task to perform if rank and file contract ratification is to work.

Mr. Miller, in his first try, made a favorable impression on most of the delegates, much as he has with his industry counterparts. "He's honest, sincere . . . pick any good adjective and it applies to him," comments the chief executive of a large coal company.

Nevertheless, there were times during the convention when the UMW chief failed to display the assertive leadership role he'll have to assume if he is to sell a less than perfect contract to his own district leaders, who must, in turn, sell it to the rank and file. By convention's end, even some pro-Miller delegates were complaining, "We've got too much democracy in our union."

WYOMING CALLS FOR COMPLETION OF LYMAN PROJECT

Mr. HANSEN. Mr. President, the Wyoming State Legislature recently approved a joint resolution which I would like to call to the attention of the Members of the Senate. This resolution calls for the completion of the Lyman Irrigation Project in Wyoming. Not only does this project have the support of the State legislature, it has also been endorsed by the Governor and the Members of the Wyoming congressional delegation.

Because of the acute need to develop and maintain a strong and viable reclamation program, I commend the resolution to the Senate for its consideration and ask unanimous consent to have it printed in the RECORD. To further delay this project will not be in the best interests of our Nation and would impose a hardship on the people in Wyoming.

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

ENROLLED JOINT RESOLUTION NO. 2

A joint resolution requesting the United States Government to immediately complete its contractual obligation for the Lyman Project, now five years behind schedule.

Whereas, the Bridger Valley Water Conservancy District, a legal entity under the laws of the State of Wyoming, was organized specifically for the purpose of contracting with the United States Government for construction of the Lyman Project, an original participating project and Wyoming's entitlement under the Colorado River Storage Project Act of April 11, 1956 (70 Stat. 105); and

Whereas, said contract was executed in good faith on April 8, 1964; and

Whereas, the United States Government acting through the Bureau of Reclamation has completed approximately seventy percent (70%) of its obligation with the construction of the Meeks Cabin Dam and Reservoir on the Blacks Fork; and

Whereas, said contract called for completion of the total project in 1969, but construction of the second dam on the Smiths Fork has not commenced five years after it was to have been completed; and

Whereas, a tax disparity exists because the Smiths Fork subscribers are unable to benefit from stored water as are their neighbors on the Blacks Fork, making it impossible for the conservancy district to fulfill its obligation to the people of this State and the purpose for which it was organized; and

Whereas, now more than ever, water storage is vital if shortages in food commodities are to be overcome;

Now, therefore, be it resolved that the Legislature of the State of Wyoming, both Houses concurring therein, respectfully insist that the United States Government complete its obligation under said contract and requests immediate construction of the second dam on Smiths Fork, the unfulfilled thirty percent (30%) of said contract.

Be it further resolved that certified copies hereof be promptly transmitted to United States Senator Gale W. McGee, United States Senator Clifford P. Hansen, Congressman Teno Roncalio and Secretary of the Interior Rogers C. B. Morton.

THE FEDERAL BUDGET AND THE CITIES

Mr. JAVITS. Mr. President, I ask unanimous consent that a review of the President's budget entitled "The Federal

Budget and the Cities" prepared by the National League of Cities and the U.S. Conference of Mayors be printed in the RECORD.

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

THE FEDERAL BUDGET AND THE CITIES

PREFACE

The National League of Cities and the U.S. Conference of Mayors are the two organizations which jointly represent the nation's cities in Washington. With offices located in the nation's Capital for more than 40 years, the League and the Conference have developed what we believe is a highly professional staff.

The League, founded in 1924, and the Conference, founded in 1933, combined staffs in 1969, but remain separate entities, with each organization maintaining its own president, board of directors, policy committees and executive offices.

This study, "The Federal Budget And The Cities," is the third edition of an annual series. It is prepared by League and Conference staff under our direction in accordance with League and Conference policies adopted at annual meetings by locally elected officials.

The federal budget, submitted to the Congress on February 4, represents President Nixon's proposed financial plan for the Federal Government for the year beginning July 1, 1974. It not only takes into account economic and other factors, it also sets forth the priorities which he deems essential to carry out his plan.

The budget is a political document expressed in accounting terms. It is the single most important federal document published each year. It is the vehicle for the most important and comprehensive collection of priority decisions which our society makes in the course of a year.

All too often the public does not pay sufficient attention to the implications contained in the budget. The reasons for this public inattention are clear enough. The budget is not one document but four, ranging in size up to the 1,100-page budget appendix. It is highly complex and it abounds with numbers whose meaning are often elusive.

Although the budget reports the results of the hard decisions among competing priorities, the budget does not indicate which choices were the most difficult or what plausible alternatives were available.

This report, "The Federal Budget And The Cities," examines the budget from the urban perspective. The report contains 19 chapters. The first chapter offers a budget overview and explains the implications of the budget on cities. The 18 other chapters deal with specific topics.

ALLEN E. PRITCHARD,
Executive Vice President, National League of Cities.
JOHN J. GUNTHER,
Executive Director, U.S. Conference of Mayors.

OVERVIEW

The budget of every President is a statement of how his administration's priorities will be translated in terms of dollars, programs, and strategies in the coming year. Framed as a proposal for legislation and appropriations, it sets the tone of a dialogue with Congress and charts a direction for the country.

The budget is also an economic tool. It affects—and is affected by—the economic forces in play at home and abroad, and it signals how the Administration intends to deal with those forces.

City governments have a vital stake in the outcome of the federal budgetary process. Being at the end of the line of the intergovernmental system, they are greatly concerned about how many resources and responsibilities are allocated at the top, and how those allocations flow down to, through, or around the state governments to the municipalities and, ultimately, the people.

Both those who govern cities and those who live in them, in whose behalf the National League of Cities and the U.S. Conference of Mayors speak, therefore approach every Presidential budget with such questions as:

How do the President's priorities relate to our own priorities?

How do the resource allocations relate to our needs?

How do the responsibilities given to City governments match up with their powers and resources to deal with them?

How do federal social and economic policies affect us?

In the transfers of money and authority, who pays and who benefits?

What is happening in our cities and beyond them that requires revision in both national and local priorities and allocations?

THE NEW FEDERALISM

President Nixon's budget for the fiscal year ending June 30, 1975 is the largest in history. It asks Congress for $304.4 billion in outlays.

The budget projects both gains and losses for programs affecting the residents and governments of cities, which are dealt with in detail in this report. Inflation is cutting the gains and accentuating the losses.

The impact of general inflation and soaring fuel prices is best illustrated by the statistic that proposed federal grants-in-aid to state and local governments will increase by $2.5 billion next year, but they actually will need an increase of $3.1 billion just to maintain the same $44.1 billion purchasing power they have this year.

One remarkable feature of the FY 75 Budget is that despite the fact that U.S. military involvement in Vietnam has ended, the President advocates an unprecedented increase in defense spending. Thus, he asks for the highest peacetime military budget in U.S. history, higher even than during the Vietnam War. By contrast, the first peacetime budget after World War II was a fourth of the previous year's military spending, and the first post-Korean War defense budget was down 30 percent.

On the other hand, the League and the Conference are encouraged by the fact that the budget demonstrates President Nixon's firm commitment to the New Federalism. This means decentralizing the federal system, consolidating overly narrow categorical programs into block grants, and recognizing that the authority to manage local opportunities and problems is best left to those who have the responsibility to deal with them, namely municipal governments and their elected leaders.

The budget's major thrusts in the direction of New Federalism are in significant initiatives in community development, transportation, and education:

The President's Budget Message supports enactment of the Better Communities Act, which would provide $2.3 billion in block grants for community development. This legislation is nearing a critical stage in the Congress. The League and the Conference believe there is no higher priority than its enactment.

The Unified Transportation Assistance Program would give cities some choice in whether to use federal funds for highways or mass transit.

Consolidated education grants would decategorize many school funds. The budget proposes to double-up the FY 74 education appropriation so school districts thereafter would know how much to expect for the school year in which the money is to be used.

There are some other aspects of the President's strategy worth noting. As in the past, in the pursuit of his plan to put more money into the pockets of people and less into programs for people, the President's budget stresses ending such direct service programs as alcoholism treatment, and withdrawing federal support for institutions of higher learning, in favor of scholarships and loans to students. We favor direct aid to students and other individuals. We are concerned, however, that vital institutions that serve public purposes may not be able to survive on client payments alone.

The Administration also is holding the line on its intention to dismantle the Office of Economic Opportunity and end the Model Cities program as such and the Community Mental Health Centers program.

The new mood

If the budget shows the Administration's direction remains essentially unchanged, its tone is strikingly different. Last year it was "take it or leave it". This year the mood is one of conciliation and compromise.

At one of the innumerable briefings that occupied the weekend before the budget formally was transmitted to the Congress, Treasury Secretary George P. Schultz said, in keeping with the new mood, "I've given up on fighting" Public Service Employment.

Later, at a briefing on his department's budget, Health, Education and Welfare (HEW) Secretary Caspar W. Weinberger said, "For some programs that we proposed for termination last year, we have adopted a modified position . . . In a number of areas, where Congressional intent has been clearly indicated, we are prepared to continue in the indicated direction."

Gone now is the harsh budget language of a year ago that was peppered with the unsupported judgments that such urgently needed city programs as urban renewal were "not working", and the stern notice that the Congress must accept a budget ceiling.

Pluses and minuses

From the perspective of cities, the FY 75 Budget asks the Congress for less money next year than this year for education, environmental protection, public health services, mental health, drug and alcohol abuse, summer youth program, and the Economic Development Administration.

From the perspective of many people who live in cities, there are offsetting gains in the FY 75 Budget for medical payments, social insurance, food stamps, and higher education assistance. National Health Insurance is featured in the budget, but that has not been approved by Congress and it won't be available for three years at the earliest.

Among other programs that help local government operations, the budget recommends about the same level of spending for other manpower programs, social services, law enforcement assistance, and the Intergovernmental Personnel Act as in the current fiscal year. A level amount, however, represents a net loss to the cities because of inflation.

On the plus side, there is more money in the FY 75 Budget for the Department of Housing and Urban Development (HUD), but Congress has not yet authorized a key part of it—$2.3 billion for community development block grants.

Another major increase for cities is in transportation, but this is tempered by the facts that there is as yet no Congressional authorization and that some cities might lose urban highway funds.

There is also more money in the budget for public service employment and for veterans education and jobs.

General revenue sharing

For the second year in a row local officials under the General Revenue Sharing program are receiving funds from Washington on a predictable basis with a minimum of federal interference. Decisions about spending these funds are being made at the local level through the local political and governmental processes.

At the city level we have seen that General Revenue Sharing funds have been used to restore and improve basic city services, stabilize the spiraling local tax rate, create and expand innovative local programs, increase the involvement of local citizens in decision-making, and develop locally more effective and responsive planning and priority setting mechanisms.

As of last month, over $11.2 billion had been distributed to state and local governments.

We are encouraged that the Administration has again budgeted the full amount authorized by the State and Local Fiscal Assistance Act of 1972. However, we caution that two factors independent of the program and beyond the control of city hall could seriously undermine the objectives of the keystone of the New Federalism—inflation and the cutback in federal categorical programs.

We stress also that the continuity and dependability of General Revenue Sharing funds is imperative. Therefore, the National League of Cities and U.S. Conference of Mayors attach great importance to the full and continued funding of this program without being susceptible to the vicissitudes of the annual Congressional appropriations process.

Impoundments

One of the key controversies after release of last year's budget was the extensive use of executive impoundment to reduce federal expenditures as a curb to inflation and a means of reforming grant programs.

Throughout the year, the Administration pursued its impoundment policy in spite of stern Congressional opposition and more than 30 court decisions that ruled such action illegal. Although the exact extent of the impoundments is still in dispute, the figure surely will exceed $10 billion.

In this year's budget, the Administration has attempted to make the impoundment controversy inoperative. In the name of stimulating the lagging economy, the President removed the tough fiscal restraints that were his rationale for last year's impoundments. The Office of Management and Budget (OMB) introduced the terms "reserves" into the "Budget In Brief" glossary.

At last weekend's briefings, Frederic V. Malek, OMB's deputy director, announced that the Administration would limit other than "routine reservations" to $3 billion in FY 75 water pollution control construction grants and the Congressionally-sanctioned reservation of $400 million in FY 74 HEW appropriations.

In enacting the amendments to the Federal Water Pollution Control Act in 1972, the amount the Congress set aside for water pollution control construction grants through FY 75 was $18 billion. If the Administration's proposed $3 billion impoundment for FY 75 remains in effect, exactly half of the $18 billion authorized thus far will have been held back through the end of next fiscal year.

The impoundment of money intended for this purpose is an outstanding example of the Administration delegating responsibility to local governments while providing less money for them to meet it. Under the 1972 pollution control amendments, sewage treatment plants managed by municipal government are required to achieve secondary treatment of sewage by July 1, 1977, and to apply "the best practicable waste treatment technology" by July 1, 1983. Thus, municipalities are faced with both immutable federal deadlines and inadequate federal resources.

In analyzing the budget, however, the League and Conference staff identified a $375 million impoundment in urban highway funds. Mr. Malek explained that was merely a "routine" matter. Studying the budget, our staff also found confirmation of HUD decisions to increase the impoundment of community development funds to more than 60 percent of those supposed to be available for FY 74.

The Congressional appropriations committees require OMB to submit a list of impoundments by Feb. 19. Only by scrutinizing that list can we be sure that all of the other impoundments are indeed "routine."

After the Congress reacts to the Administration's calculus of "reservations", it will have to pay attention to reforming its own fragmented and undisciplined system of dealing with fiscal and budgetary issues. Only then will Congress be in a good position to establish a legal mechanism to prevent unilateral executive impoundments.

More power to the States?

The President's budget expresses a strong commitment to state and local government. Federal statistics do not separate the state from the local outlays; so it is not possible to track them separately nor to ascertain whether as much of the funds flow down to the local level as are both granted and needed.

The budget reflects both gains and losses in the state/local ledger:

A gain is the recently enacted Comprehensive Employment and Training Act (CETA), which will provide direct funding to city governments.

On the loss side are such items as the Administration's drive to increase, at the expense of local governments, the states' share of funds for drug abuse, comprehensive areawide planning (Housing Act Section 701), the Economic Development Administration, and some HEW programs.

Transition

In analyzing how this and previous Administration budgets relate to urban priorities and the New Federalism, a key issue is transition. The Administration's pattern has been to stop the flow of categoricals before compensatory block grants are even approved, let alone ready for distribution. The FY 75 Budget repeats the pattern in proposed funding for community development, housing, health and other programs.

The cities welcome the added flexibility of block grants, but they need full funding fully as much as the flexibility. Moreover, they cannot afford the loss of momentum while the system is changing gears.

We are compelled to reiterate what we said last year on this subject in our analysis of the FY 74 Budget:

The long-run support of city governments, and of their taxpayers, for the needed intergovernmental reforms will depend on how well the transition to the new grant system is managed and funded. Momentum has been building in the complex urban programs that are intended to deal with real human needs. If that momentum is lost, then money would be saved, it is true. But the viability of cities may be lost, as well. That would be too great a price to pay.

The budget and the economy

The budget is haunted by inflation, recession, and the energy shortage. Faced with a seven percent inflation rate, a mere one percent actual growth rate in the economy, and a 5.5 percent average unemployment rate, the Administration is precariously balanced between the possible inflationary push of public spending and the probable downward drag of a potential recession fueled by material shortages.

While the Administration calculated the increase in fuel costs to the Pentagon, in part to justify its highest-ever $85.8 billion defense budget the same factor was not cranked into the domestic budget. Herbert Stein, Chairman of the President's Council of Economic Advisers, admitted to state and local government representatives that inflation was not taken in account in setting funding levels for state and local government programs.

Our own conservative estimate is that inflation could wipe out at least $900 million of the $6.2 billion in General Revenue Sharing funds that were authorized in FY 73 for FY 75.

Moreover, despite rising prices, HUD's proposal for an initial funding level for community development block grants of $2.3 billion for for FY 75 is the same sum proposed for the same purpose last year, and the year before.

As for the budget's economic impact, OMB's Malek told representatives of state and local governments that "the President is going to bust this budget" if he has to stimulate the economy.

The Administration is buoying its spirits with a long look down the road to better days when all its strategies will have succeeded. Dr. Stein summed up the attitude in these words to state and local government representatives:

"A great deal of courage, discretion, and nerve will be required to manage the economy in this time. . . . We hope you will not stop with our forecasts for 1974. 1974 will pass, and it is the long run that counts."

The long run may count to some economists, but city government must deal with the short run, too. In the short run, they face a shortfall of federal funds magnified by inflation, and a much higher rate of unemployment among some part of the urban work force than the "average" rate that worries federal policy makers.

CONCLUSION

The budget requires analysis as both a governmental and an economic document. These two aspects of the budget merge in the discussion of funding levels for governmental programs.

From the point of view of city governments, then, this budget would give them less money and more responsibility.

As a governmental document, the President's budget shows a still strong commitment to greater flexibility for city governments in the use of federal funds. Of this we approve.

The difficulties lie in the budget's ordering of priorities, the sufficiency of resources, the gaps in the transition from the old to the New Federalism, in light of both inflation and urban needs, and the uncertainty of the flow of funds to the cities. These issues demand resolution.

As an economic document, the budget's impact on the economy can be characterized as moderately restrictive.

Taken as a whole, the budget embodies many of the attributes of the New Federalism. It advances the concept of flexible funding. It facilitates the shift of some responsibilities from the federal to the state and community levels of government. It contains some features that may tend to mitigate the effects of the predicted levels of unemployment.

On the other hand, the budget raises a set of questions, some of which could grow in urgency if economic conditions and trends do not conform to the Administration's predictions:

The budget plan is sparse when it comes to measures to deal with inflation.

It has limited ability to respond if unemployment rises beyond expectations.

It favors defense spending as a means of generating jobs over such alternatives as greater social and environmental protection expenditures.

It shifts responsibilities from the federal government to other levels without shifting a commensurate amount of Federal funds.

It does not adequately address the problems of transition from Federal to other levels of responsibility.

Apart from the foregoing, the plan of action embodied in the budget raises some troublesome issues of equity. Continuing inflation, shortages, and rising rates of unemployment are the results of government policies or the failure of government policies, predominantly at the federal level.

The question, then, is who should bear the costs of these policies or their failure; or how should the costs be spread so that reasonable equity is achieved?

Should the unemployed and the low income citizens bear the predominant burden; or does the plan of action in the budget permit an equitable sharing of these costs? This is what the independent truck drivers are asking today along with the others who are feeling the first impacts of the energy shortages and the increasing burdens of inflation.

This, too, is a good question for the cities on whose doorsteps collect the unemployed and the poor. At the same time, inflation adds great burdens to municipal costs.

In this and many other ways cities are victimized by the failures of public policy and the inadequacies of the federal budget.

The President has submitted his budget. Now it's up to the Congress.

BUDGET HIGHLIGHTS

Community development and housing

HUD funding would increase by $3.5 billion in FY 75, but most of that gain turns on enactment of $2.3 billion in community development block grants. More than $1 billion may well remain impounded, while old programs, such as urban renewal, try to survive on stretched out funds during the transition to the New Federalism. The Administration's emphasis on Section 23 leased housing for low income families will put some $640 million into a new approach to this successful assistance program, while the freeze continues in other housing programs.

Drug abuse and alcoholism

For the first time in six years of intensified effort to curb drug abuse, overall funding will be cut—by some $15 million. Drug prevention activities will lose $55 million, but spending for law enforcement, primarily for overseas agents, will go up $40 million. Alcohol abuse funds will be slashed from $218 million to $100 million.

Economic Development Administration

Budget authority for this agency's long-range economic development aid will be cut by almost a third, and the multi-stage regional commissions would lose $7 million.

Education

Major elementary and secondary education programs, including impact aid, will be consolidated—Congress willing—into a block grant. Major programs for school districts would lose nearly $500 million, more than half of that in emergency school aid. Assistance to students in higher education would nearly triple. The budget includes an FY 74 supplemental request for $2.8 billion in advance funding for school districts so they will hereafter know how much to expect in federal aid before a school year begins.

Energy

Emphasizing fuel supplies far more than conservation, the budget proposes $2 billion in obligations for energy research and development under a five-year program to achieve national self-sufficiency. A Federal Energy Administration (FEA) would be created to coordinate such activities.

Environment

Of the $7 billion authorized for water pollution control construction grants in FY 75, the Administration will impound $3 billion, bringing the total amount held back so far to one half of the $18 billion Congress intended to be spent. On the other hand, the budget asks for more money than last year for air pollution and noise abatement efforts. The program level for solid waste management and energy recovery will remain the same as last year.

Health

Squeezed between growing demands for individual medical assistance payments and commitments to research in heart disease and cancer, some traditional public health programs will be cut or ended. Among the casualties are Hill-Burton hospitals construction, mental health centers construction, maternal and child health programs, and aid to schools of public health. Block grants to state and local health departments will stay level at $90 million. The Administration proposes to create new health planning and regulatory agencies in place of state and local comprehensive health planning councils, regional medical programs, and Hill-Burton agencies.

Intergovernmental Personnel Act

The program level for this aid to state and local government personnel administration will remain at about last year's level, $14 million.

Law Enforcement Assistance Administration

The Justice Department's administrative portion of the LEAA budget will increase, but the state and local $733.1 million share will be at about the same level as this year.

Manpower

Of next year's Labor Department budget, $1.7 billion is slated for allocation to state and local manpower activities under the 1973 Comprehensive Employment and Training Act (CETA), a key feature of the President's block grants program. The budget also requests a supplemental appropriation of $250 million for public employment programs authorized under Title II of CETA in areas where unemployment is 6.5 percent or higher. Approximately $300 million, a decrease from this year, is sought for summer youth programs, with levels to be determined by prime sponsors. No funds are requested for public service employment for the elderly.

National defense

The President seeks a $6.9 billion increase in military budget authority next year, compared with recurring defense obligations this year. This first post-Vietnam War military budget is the highest in America's peacetime history and is unprecedented also in that defense budgets went sharply down after World War II and the Korean conflict.

Office of Economic Opportunity

OEO is being dismantled, and no funds are requested for the agency in FY 75. All the programs within OEO have been transferred to other agencies, with the exception of Community Action Operations, which are being discontinued. Other OEO programs are being assimilated into HEW, HUD and the Labor Department. Authorizations for certain R&D programs, the Native Americans Programs, and Headstart expire in June, 1974.

Rural development

USDA's Farmers Home Administration requests $1 billion in loans for water and waste disposal systems, community facilities and industrial development, an increase of $280 million over FY 74.

Transportation

The Department of Transportation's budget indicates a higher priority on mass transit than in previous years, an overall reduction in the commitment to urban highway programs and about the same level of funding for airport planning and construction as last year.

Veterans

The budget provides an 8 percent increase or $17 per month more to GI Bill users, which is less than a cost-of-living increase (cost-of-living is up 12.8 percent since the last GI Bill increase).

Welfare and income security

The budget request for income security programs is $15 billion higher than the amount spent in FY 74, largely because of a $10 billion increase in social security payments, a $2.6 billion rise in Supplemental Security Income payments, and a nearly $1 billion jump in food stamp payments.

NATIONAL ECONOMIC IMPACTS AND TRENDS

The federal expenditures and receipts presented in the FY 75 Budget are more than a composite of specific policies, programs, and taxes which the federal government plans to pursue in the fiscal year July 1, 1974 to June 30, 1975. Expenditures and receipts included in the budget, as a whole and for specific types of programs, are likely to have a significant impact on national economic activity—production, employment, and prices.

In addition, the budget incorporates many specific assumptions that the President's Council of Economic Advisers has made about how the national economy will perform during 1974 and 1975. These assumptions need to be understood to comprehend the significance of the budget itself.

This chapter is concerned with the question of national economic impact and national trends associated with the FY 75 Budget. In the first part of this section, analysis of the budget as a whole is presented. In the second part, attention is devoted to the implications of specific types of expenditures contained in the budget, insofar as they relate to the level and composition of national economic activity, employment, and prices.

Budget statistics in this chapter are based on definitions used in preparing the National Income Accounts (NIA). These definitions differ in some respects from those used in compiling the Federal Budget. Accordingly, the numbers presented here may be slightly different from those shown in other sections of this analysis. NIA statistics are used to measure the level and composition of national spending and production, or Gross National Product (GNP), presented in periodic National Income Accounts published by the U. S. Department of Commerce. They are the best statistics available for analyzing the relationships between the FY 75 Budget and employment, inflation, and production characteristics of future national economic activity for 1974 and 1975.

IMPACTS OF THE BUDGET AS A WHOLE

In National Income Accounting terms, federal expenditures for FY 75 are expected to be about $313.4 billion, a rise of $28.2 billion over FY 74. This represents a slight rise in federal spending as a percentage of national production (GNP), from 21.3 percent in FY 74 to 21.5 percent in FY 75, which is part of a trend that began shortly after World War II. More detailed information on the trend from 1964 to 1975 is shown in Table ECO–1. This trend indicates that federal spending and taxing policies have been gaining an increasing influence over national economic activity since World War II and specifically over the FY 64 to FY 75 period shown in Table ECO–1.

TABLE ECO-1.—FEDERAL BUDGET EXPENDITURES AND THE GROSS NATIONAL PRODUCT FOR SELECTED YEARS FROM FISCAL YEAR 1964 THROUGH FISCAL YEAR 1975

[In billions of dollars]

Description	Estimate		Actual			
	1975	1974	1973	1970	1967	1964
Gross national product (GNP)	1,455.0	1,340.0	1,220.0	954.6	769.8	612.2
Federal expenditures:						
In current dollars [1]	313.4	285.2	255.1	195.9	154.5	116.9
As a percent of GNP	21.5	21.3	20.9	20.5	20.1	19.1

[1] Computations based on national income accounting definitions.

Source: Fiscal year 1975 budget, "Special Analysis," pp. 19 and 36.

Economists characterize the FY 75 Budget as "moderately restrictive" because the expenditures and tax policies incorporated in the budget would be expected to show a slight surplus of federal receipts over expenditures, if the national economy were performing at full employment (4 percent unemployment) over the FY 75 period. The policy choice implicit in such a "full employment budget surplus" is a preference for a generally restrictive budget designed to curb inflationary pressures over a more expansionary one designed to create more jobs.

In fact, the economic impact of the FY 75 Budget will depend on the actual economic performance of the national economy over the fiscal year covered, from July, 1974, to June, 1975. The "automatic stabilizers" in the federal budget, particularly the payments for unemployment insurance and the progressive income tax, will result in a budget deficit (that is, an excess of expenditures over receipts) if national unemployment is relatively high and income tax receipts are relatively low, and a higher surplus of receipts over expenditures if the unemployment rate is relatively low and income tax receipts are relatively high. Because the President's Council of Economic Advisers expects the economy to perform at considerably less than full employment over calendar year 1974, the actual FY 75 Budget, contrasted with the theoretical "full employment budget," is expected to show an $8.6 billion deficit for FY 75. More detailed receipt and expenditure figures used in calculating this deficit, as well as similar figures for FY 73 and FY 74 are shown in Table ECO–2.

Specific assumptions about changes in national economic activity from calendar year 1973 to calendar year 1974, which are incorporated in FY 74 and FY 75 Budget estimates in Table ECO–2, are:

An increase in the average unemployment rate from 4.9 percent in 1973 to 5.5 percent in 1974.

A decrease in the real rate of growth in national production (GNP) from 6 percent in 1973 to 1 percent in 1974.

An increase in the rate of inflation (GNP deflator) from 5.3 percent in 1973 to 7 percent in 1974.

The President's advisers' estimates of national economic performance are much more optimistic than those of many other economic forecasters. They are based on the assumption that production cutbacks in automobiles and other industries linked to rising fuel and food costs, as well as a reduction in housing starts associated with high interest rates, will taper off after the first half of calendar 1974. If they don't, the economic situation by the beginning of FY 75 could be much worse. To prepare for that contingency, the Administration has said that it is preparing a supplemental set of federal expenditures, specifically designed to create short-term jobs quickly, apart from the regular expenditures shown in the FY 75 Budget.

TABLE ECO-2.—FEDERAL RECEIPTS AND EXPENDITURES IN THE NATIONAL INCOME ACCOUNTS

[In billions of dollars]

Description	1973 actual	1974 estimate	1975 estimate	Change 1973–75
Receipts:				
Personal tax and nontax receipts	107.2	123.7	135.3	28.1
Corporate profits tax accruals	43.8	50.3	50.2	6.4
Indirect business tax and nontax accruals	20.9	23.3	27.5	6.6
Contributions for social insurance	71.4	83.2	91.8	20.4
Total receipts	243.3	280.5	304.8	61.5
Expenditures:				
Purchases of goods and services	104.5	111.5	121.6	17.1
Defense	(73.9)	(75.3)	(82.0)	(8.1)
Nondefense	(30.6)	(36.2)	(39.6)	(9.0)
Transfer payments	89.4	107.2	123.5	34.1
Domestic (to persons)	(86.8)	(102.5)	(120.7)	(33.9)
Foreign	(2.6)	(4.7)	(2.8)	(6.2)
Grants-in-aid to State and local governments	40.4	44.1	46.6	6.2
Net interest paid	14.4	18.2	19.6	5.2
Subsidies less current surplus of Government enterprises	6.4	4.2	2.1	−4.3
Total expenditures	255.1	285.2	313.4	58.3
Surplus or deficit (−)	−11.8	−4.7	−8.6	3.2

Source: Fiscal year 1975 budget, "Special Analysis," p. 8.

Because much of the inflationary pressure our country is currently experiencing is the result of reduced supplies of such commodities as fuel and food, rather than the high spending levels with which national monetary and fiscal (budgetary) policies traditionally have been concerned, many economists believe that measures in addition to monetary and fiscal policies will be required to deal with contemporary economic problems. If economic conditions consistent with the President's Council's relatively optimistic forecast do occur in 1974, a rise in the average unemployment rate from 4.9 percent in 1973 to 5.5 percent in 1974 will mean that some 550,000 more people will be out of work.

A few programs in the FY 75 Budget are specifically addressed to unemployment problems of particular areas, such as the Economic Adjustment Assistance program in the Department of Commerce and the Rural Development program in the Department of Agriculture, but these are relatively small programs that cannot be expected to have a very great effect on the national economy if severe unemployment problems develop in 1975. Funds from the Comprehensive Employment and Training Act of 1973, Title II, should provide approximately 40,000 public service jobs in FY 74. However, this is still a small percentage of the total unemployed which at 5.5 percent would be 4.9 million unemployed.

The current program of wage and price controls expires on April 30, and it is not clear what anti-inflationary measures will be followed after then. The President's own advisers have forecast a higher rate of inflation for 1974 than occurred in 1973.

Impact of categories of expenditures

In the National Income Accounts, national economic activity (GNP) is divided into four major sectors:

Personal consumption expenditures.

Government purchases of goods and services.

Net private domestic investment.

Net export of goods and services.

National spending and production are divided into these four sectors, and analyzed separately, because they are expected to be influenced by different factors. For example, investment spending is anticipated to be influenced by profit expectations, while government purchases are expected to be affected by the public's recognition of the needs for certain types of government services and its willingness to pay taxes to support those services.

Federal expenditures included in the FY 75 Budget can be expected to influence directly two of the four sectors listed above—government purchases of goods and services and personal consumption expenditures. A more extensive analysis of budget influences than this one would also have to consider other budget influences, such as the effects of the types of taxes, including the new emergency windfall profits tax, on investment spending.

Historical trends in the types of federal expenditures expected to influence spending in the government and consumption sectors are shown in Table ECO–3. As noted in the footnote to this table, all federal expenditures except "Net Interest," "Transfer Payments to Foreigners," and "Subsidies Less Current Surplus of Government Enterprises" are included in this table, and represent approximately 92 percent of total federal expenditures for FY 75.

Given the fact that total federal spending has shown only a modest rise relative to total national spending (GNP) over the 1964 to 1975 period shown in this table (see Table ECO–1 for the exact percentage changes), the most dramatic change in federal spending over this 12-year-period has been the increase in the proportion of federal spending going to transfer payments to persons. This proportion has risen steadily from 23.3 percent of federal expenditures in FY 64 to 38.5 percent in FY 75. Since most of these payments are financed out of social insurance

premium payments made by other persons, they represent a shift in consumption spending from one group of persons to another. However, to the extent that these payments represent transfers to lower income groups, they are likely to generate more spending and employment than otherwise would have occurred, since lower income persons spend a greater share of their incomes (and save less). Accompanying this increase in transfer payments over the FY 64 to FY 75 period has been a decline in the proportion of federal spending going to defense purchases, and a rise in the proportion going to grants-in-aid to state and local governments.

Contrasted with the long-term trends from 1964 to 1975 described in the preceding paragraph, the statistics for FY 73, FY 74, and FY 75 show a more stable pattern, with only a slight rise in the share going to transfer payments and a slight decline in the share for grants-in-aid occurring over the 1973 to 1975 period.

The impact on State and local governments

Table ECO–4 presents only statistics on federal expenditures for grants-in-aid to state and local governments. It should be noted that a decline in the proportion of federal spending going to state and local governments in grants-in-aid is occurring for FY 75, at the same time that the Administration is calling on state and local governments to assume increasing responsibilities for law enforcement, rural development, health, education, community and economic development, and transportation under New Federalism.

If state and local government costs in FY 75 rise at a rate approximately equal to the 7 percent inflation rate predicted for the total economy by the President's advisers (the GNP deflator), the proposed $2.5 billion increase in grants-in-aid will not be enough to pay for the $3.1 billion increase which would be required to give state and local governments the same $44 billion in purchasing power they have in FY 74.

TABLE ECO–3.—FEDERAL TRANSACTIONS IN THE NATIONAL INCOME ACCOUNTS, FOR SELECTED YEARS FROM FISCAL YEAR 1694 THROUGH FISCAL YEAR 1975

[In billions of dollars]

	Estimate				Actual							
	Fiscal year 1975		Fiscal year 1974		Fiscal year 1973		Fiscal year 1970		Fiscal year 1967		Fiscal year 1964	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Expenditures expected to influence Government purchase of goods and services:												
Federal defense purchases	82.0	26.2	75.3	26.4	73.9	29.0	77.0	39.3	67.7	43.8	50.9	43.5
Federal nondefense purchases	39.6	12.6	36.2	12.7	30.6	12.0	21.0	10.7	17.6	11.5	14.7	12.6
Grants-in-aid for education and manpower, transportation, community development, housing and other	26.0	8.3	24.6	8.6	23.2	9.1	12.8	6.5	9.5	6.1	6.0	5.1
Expenditures expected to influence personal consumption spending:												
Domestic transfer payments	120.7	38.5	102.5	[2] 35.9	86.8	[2] 34.0	54.8	28.0	37.2	24.1	27.3	23.3
Grants-in-aid for income security and health [3]	20.6	6.6	19.5	[2] 6.8	17.2	[2] 6.7	9.8	5.0	5.3	3.4	3.8	3.3
Total Federal expenditures [1]	313.4		285.2		255.1		195.9		154.5		116.9	

[1] The specific types of expenditures shown in this table include approximately 92 percent of Federal National Income Accounts transactions for fiscal year 1975. Not included are foreign transfer payments, net interest paid, and net subsidy payments to Government enterprises.

[2] The Federal supplemental security program replaced some grant programs for assistance to some needy people (particlarly the elderly and handicapped) beginning Jan. 1, 1974.

[3] "The income security and health grants are largely, but not exclusively, devoted to providing assistance to low income persons." (Special Analaysis, p. 14.) They are therefore included in this table as influences on consumption spending.

Source: Fiscal year 1975 Budget, "Special Analysis," pp. 19 and 14.

TABLE ECO–4.—FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS FOR SELECTED YEARS FROM FISCAL YEAR 1964 THROUGH FISCAL YEAR 1975

[In billions of dollars]

	Estimate		Actual			
	1975	1974	1973	1970	1967	1964
Total Federal grants-in-aid to State and local governments	$46.6	[1] $44.1	[1] $40.4	$22.6	$14.8	$9.8
Percent of total Federal transactions	(14.9)	[1] (15.5)	[1] (15.8)	(11.5)	(9.6)	(8.4)

[1] The Federal supplemental security program replaced some grant programs for assistance to some needy people (particularly the elderly and handicapped) beginning Jan. 1, 1974.

Source: Fiscal Year 75 budget, "Special Analysis," p. 14.

COMMUNITY DEVELOPMENT AND HOUSING

The Administration's FY 75 budget for the Department of Housing and Urban Development again proposes new and reformed approaches to the nation's housing and community development programs.

The President is requesting $5.1 billion in new appropriations for the department's programs, up from the current fiscal year's actual level of $3.5 billion. Most of this increase is premised upon Congressional enactment and funding of the proposed new community development block grant program.

During FY 74, impounded funds will constitute approximately 24 percent ($1.1 billion) of the department's total available budget authority. In FY 75, impoundments are projected to equal 19 percent ($1.2 billion, depending upon Congressional appropriation acts) of total HUD funds available for new commitments.

In the area of housing, the budget continues to reflect the Administration's decision announced a year ago, to terminate all except a revised leased housing program financed through public housing. Also, as proposed one year ago, the bulk of funds to be appropriated for the Section 701 Comprehensive Planning Program would be channeled through the states, rather than have portions flow directly to cities and areawide organizations as has been the case in past years. Finally, HUD's research and technology budget would continue to increase.

The following analysis of HUD's FY 75 budget is divided into three groups of programs—those being proposed for consolidation into the community development block grant; planning and research activities; and housing.

COMMUNITY DEVELOPMENT (TABLE HUD–I)

For the fourth successive year, the proposed budget sets forth the Administration's support for legislation which would consolidate HUD's major community development categoricals into a single community development block grant (this year called "The Better Communities Act" by the President). Seven existing programs are proposed for inclusion in the block grant—urban renewal, model cities, neighborhood facilities, basic water and sewer facilities, open space land, rehabilitation loans, and public facilities loans. For the third year in a row, the Administration is proposing an initial funding level of $2.3 billion for the block grant which is projected by the President to begin July 1, 1974.

The budget confirms Administration decisions made within the past few months to increase the impoundment of Congressionally-approved funds for the various existing community development programs to over 60 percent of the total CD funds available in FY 74. Since the Administration presumes the enactment of the successor block grant legislation prior to July 1, 1974, the budget reflects the ongoing efforts by HUD to terminate all of the existing community development categoricals by June 30, 1974.

Planning and research (Table HUD–II)

Section 701 Comprehensive Planning—One year ago, the President proposed an increase in the funding level for the 701 program to $110 million, a rise of $10 million. Congress not only did not agree to the increase, it cut the program to $75 million. This year, the President again proposes a $110 million level. Last October, the President sent the Congress his "Responsive Governments Act" calling for a new approach to the 701 program. The budget urges Congress to approve this legislation quickly. In the meantime, HUD has acted administratively to shift the focus of and control over the 701 program to state governments as much as possible under the existing statute. Presented by HUD with the option of taking over the 701 funding system in FY 74 or 75, nearly 40 states have chosen to take control during the current FY 74.

Research and technology—The budget recommends that HUD's research and technology funding be raised from $65 million to $70 million. Of this amount, over $17 million would be allocated to the department's "direct cash assistance" or housing allowance experiments, up from just over $15 million in FY 74.

Housing (Table HUD–III)

In September, 1973, the President announced the completion of a nine-month long HUD study which he characterized as

supporting the Administration's contention that the existing federally-assisted housing programs had "failed." The President set forth an interim program of moderate production levels through a revised Public Housing Section 23 leasing program and through a limited lifting of the freeze on FHA's Section 236 multi-family rental program during the balance of FY 74. The long-range program for the Administration would be a direct cash assistance (sometimes referred to as a housing allowance) program which the department is now studying further.

The budget shows the complete reinstitution of the freeze on the existing programs, including Section 236, by June 30. After July 1, all production would be carried on under the revised Section 23 leasing program. No units have yet been processed or constructed under this revised program. Regulations setting up the revised procedures have only just been released by HUD for comment. The budget projects this new program to produce 118,000 units of housing before the end of FY 74 and 300,000 units in FY 75 (see Table HUD–IV).

For the existing inventory of public housing units (new over 1.1 million), the budget shows an increase in operating subsidy funds from $350 million to $400 million.

Impoundments (Table HUD–V)

For the fourth successive year, HUD's budget will be subject to substantial fund holdbacks or impoundments. Since FY 71, when the present practice of impounding urban funds began, at least 17 percent of HUD's available budget authority has been frozen each year. In FY 74, the figure is projected at 24 percent. For FY 75, the proportion would depend in large measure upon whether a new community development block grant program funded at $2.3 billion is enacted as envisioned by the budget.

Comment

The President's FY 75 Budget for the Department of Housing and Urban Development contains both good news and bad news for cities. To begin with the good, this year's budget contains a minimum amount of "failure" rhetoric relative to last year's presentation regarding HUD's existing housing and community development programs. City support for reforms and consolidations in HUD's system of grants to urban areas has been based on a desire to improve on the successes of past and present efforts. Cities believe that a similar positive approach by the Administration would help appreciably in the task of selling the needed improvements to the Congress.

The President is to be commended for his continued support for the principle of a community development block grant program. Unfortunately, the Administration's approach to the funding of the existing community development categorical programs during the interim promises some rough times ahead for cities. The budget—and HUD's specific funding instructions to their field offices—presume the availability of an operational block grant program by July 1, 1974. With this goal in mind, HUD is now in the process of terminating all activities under the existing programs by June 30. However, all indications on the legislative side are that Congress will not be able to make that deadline. Thus, there is the prospect of considerable confusion and frustration, not to mention lost local capacity and momentum, during the transition to a new program when it does finally become available. It should also be noted that the Administration's proposal for an initial funding level for the block grant of $2.3 billion has not changed over the past three years, seemingly ignoring the toll which inflation has taken during that time.

On the housing side, the President's decision to support production levels for subsidized housing of about 300,000 units for both FY 74 and 75 is welcome, even though these moderate levels are about one-half of the peak level attained in FY 72. The concern, however, is that a large portion of the projected production in FY 74 and *all* of the production for FY 75 is scheduled to occur under a revised Section 23 leasing program which has yet to be tested. It can only be hoped that the widespread opposition which has greeted the department's recently released new regulations for Section 23 does not portend a substantial shortfall below even these moderate production levels.

The President's support for increased funding of Section 701 Comprehensive Planning programs is gratifying. However, the department's actions in bringing nearly all of the states into a posture of controlling the flow of 701 funds to cities and areawide agencies is already causing considerable difficulties around the country. Considering the fact that the Senate Committee with jurisdiction over the "Responsive Governments Act" rejected it almost in toto last December, it would appear to cities to be particularly irresponsible for HUD to proceed with its plans for a state-run 701 program.

TABLE HUD–I.—COMMUNITY DEVELOPMENT PROGRAMS

[In millions of dollars]

Community development programs [1]	Fiscal year 1974			Fiscal year 1975		
	Appropriation (actual)	Estimated obligations	Carryover appropriations	Appropriation (request)	Estimated obligations	Carryover appropriations
Urban renewal	600	323	281	0	0	281
Model Cities	150	75	75	0	0	75
Water and sewer	[2] 402	0	402	0	0	402
Open space	[3] 55	0	55	0	0	55
Neighborhood facilities	0	0	0	0	0	0
Rehabilitation loans	[4] 82	60	[5] 37	37	0	[6] 56
Public facility loans	40	7	33	33	0	33
Subtotal	1,329	465	883	70	0	902
Community development block grants	(7)	(7)	(7)	2,300	2,300	0

[1] All 7 existing categorical community development programs are proposed to be consolidated into single community development block grant program to begin July 1, 1974 (fiscal year 1975). The block grant is projected to begin at $2,300,000,000.
[2] $400,000,000 carryover; program administratively frozen Jan. 5, 1973.
[3] $50,000,000 carryover and $25,000,000 new appropriations; program administratively frozen Jan. 5, 1973.
[4] $60,000,000 carryover plus $22,000,000 in repayments to revolving fund.
[5] Includes additional $15,000,000 in repayments to revolving fund.
[6] Includes additional $19,000,000 in repayments to revolving fund.
[7] Not applicable.

TABLE HUD–II.—OTHER COMMUNITY DEVELOPMENT, PLANNING, AND RESEARCH PROGRAMS

[In millions of dollars]

Other community development, planning, and research programs	Fiscal year 1974		Fiscal year 1975	
	Appropriation (actual)	Estimated obligations	Appropriation requested	Estimated obligations
S. 701, comprehensive planning	75	75	110	110
Research and technology	65	65	70	70

TABLE HUD–III.—HOUSING

[In millions of dollars]

Housing	Fiscal year 1974			Fiscal year 1975		
	Contract authority available	Estimated obligations	Carryover authorizations	Contract authority available	Estimated obligations	Carryover authorizations
S. 235, homeownership	250	35	220	0	0	220
S 236, rental	04	166	52	0	0	59
Rent supplements	50	39	13	0	0	14
Public housing: Producton (S. 23, leasing)	260	235	0	640	640	0
Public Housing: Production (all other)	70	94	0	0	0	0
Public housing:						
Management:						
Operating subsidies	350	350	0	400	400	0
Modernizaton	20	20	0	20	20	0

TABLE HUD-IV.—ANNUAL NEW COMMITMENT LEVELS

[In thousands of units]

	Fiscal year—					
	1970	1971	1972	1973	1974	1975
S. 235, homeownership	143	142	152	22	18	0
S. 236, rental	132	159	158	51	107	0
Rent supplements	40	30	42	18	27	0
Public housing	102	89	101	39	[1] 173	300
Total	417	420	453	130	325	300

[1] Includes a projection of 118,000 units under revised sec. 23 leased housing program which is not yet operational.

TABLE HUD-V.—IMPOUNDMENTS

[In millions of dollars]

Impoundments (unused balances)	Fiscal year—				
	1971	1972	1973	1974	1975[1]
Urban renewal	215		4	281	[3] 281
Model Cities					[2] 75
Water and sewer	200	500	401	401	[3] 401
Rehabilitation loan		50	22	37	[2] 56
Open space			50	55	[2] 55
Public facility loan			20	33	[2] 33
Public housing	164	78			
25	[3] 35	83	221	220	220
236	[3] 30	88	171	52	59
Rent supplements	[3] 26	27	39	13	14
Totals	670	826	928	1,092	1,194
Total as percent of available budget authority	19	20	17	24	19

[1] Ultimate fiscal year 1974 impoundment figures subject to action by congressional appropriations committees.

[2] Budget proposes these programs to be terminated on June 30, 1974, with similar activities to be subsumed under $2.3 billion community development block grant program on July 1, 1974.

[3] Cumulative figure through June 30, 1973.

DRUG ABUSE

The requested budget authority of $745.1 million for federal drug abuse efforts for FY 75 is a cut of $14.9 million below FY 74, the first in six years of intensified effort in this area.

TABLE DA-1.—DRUG ABUSE

[In millions of dollars]

	Fiscal year—					
	1970 obligations	1971 obligations	1972 obligations	1973 budget authority	1974 budget authority	1975 budget authority
rug abuse prevention	76.4	137.7	366.3	523.9	505.3	450.5
rug law enforcement	52.6	81.6	164.1	200.0	254.7	294.5
Total	129.0	219.3	530.4	723.9	760.0	745.0

Source: Special Action Office for Drug Abuse Prevention.

The requested decrease in prevention funds totals $54.7 million, with corresponding decreases at the community level. However, increased budget authority of $40.2 million is requested for drug law enforcement, mostly for activities overseas.

Reorganization

Throughout FY 74 the Special Action Office for Drug Abuse Prevention (SAODAP) has implemented its recommendation to consolidate federal drug abuse efforts. Thus, drug law enforcement is administered primarily by the Drug Enforcement Administration within the Justice Department and prevention efforts are to be administered by the newly formed National Institute for Drug Abuse (NIDA) within the Alcohol, Drug Abuse and Mental Health Administration of the Department of Health, Education and Welfare. NIDA is in the process of absorbing prevention programs administered by both SAODAP and the National Institute of Mental Health (NIMH). The Department of Defense, Veterans Administration and Bureau of Prisons will continue to administer prevention activities within their respective jurisdictions.

Prevention

$345.5 million is requested for prevention efforts in directed programs and $99.7 million for prevention support within larger federal programs. NIDA will administer the major portion of the directed funds with a requested budget authority of $216.6 million with $157 million to be available for community programs, a total cut of $19 million below FY 74. However, since the budget seeks an increase for the states, there is an actual decrease of $39 million for grants and contracts. The breakdown is as follows:

TABLE DA-2.—BUDGET AUTHORITY

[In millions of dollars]

	Fiscal year—	
	1974	1975
Project grants and contracts	161	122
New starts		4.5
Grants to States	15	35
New starts		20
Total	176	157

Source: Special Action Office for Drug Abuse Prevention.

Requests for the categories of Education/Information, Training, Research, Evaluation and Planning/Direction Support make up the remainder of the $216 million, with the FY 74 and FY 75 levels for each approximately the same.

The $157 million budget authority requested is to provide a capacity to treat 95,000 persons at any given time. The number of persons to be treated during a 12-month period is estimated to be 161,000.

As for preventive education, the Administration's request for FY 74 and FY 75 is identical, $6.6 million. However, a bill for the extension of the Drug Abuse Education Act has passed the House of Representatives and similar legislation is under consideration in the Senate. $26 million would be authorized for FY 74, $30 million for FY 75 and $34 million for FY 76.

Law enforcement

Of the total enforcement budget authority of $294.5 million, $140.8 million is requested for the Drug Enforcement Administration (DEA), with $41.2 million for Law Enforcement Assistance Administration (LEAA), $42.5 for Agency for International Development and $40.9 to Bureau of Customs. Within DEA, criminal enforcement would receive the largest share of the proposed $40.2 million increase; $104 million is requested for FY 74 compared to $80 million for FY 75, an increase of $24 million. Much of this increase will be used for overseas personnel, particularly in Latin America.

State and local assistance will be increased slightly with a requested budget authority of $10.6 million for FY 75, a gain of $1.2 million over FY 74. However, DEA is not a funding agency, and the $41.2 million requested for LEAA would be primarily to fund training and task force operations at the local and state levels.

The Treatment Alternatives to Street crime (TASC) program is proposed to remain at approximately the same level this

year, $7.2 million. LEAA will administer this program, including those TASC projects presently sponsored by SAODAP through its special fund.

Comment

The decrease of funds for project grants and contracts and the increased amount to be available to the states reflects the Administration's strategy to delegate quickly to the states, through block grants, full program decision and management responsibilities, as well as funds, to carry out federal drug abuse activities. It has been indicated that the rate at which this strategy will be implemented will depend upon the competence of the individual states.

Most states started developing their comprehensive plans for drug abuse prevention last spring. To date the great majority are still under review. A minimum requirement for awarding block grants to a state should be an approved state plan.

In addition, some government attorneys question whether such a strategy is consistent with the authorizing legislation (P.L. 92–255). Section 410, (c)(1) stipulates that in disbursing funds no precedence shall be given to any unit of government or group.

As indicated, the new NIDA will assume the drug abuse prevention functions of both SAODAP and NIMH. SAODAP will continue from the Executive Office of the White House to coordinate federal drug abuse efforts but its authorizing legislation, P.L. 92–255, expires June 30, 1975. NIDA, as an agency within the Department of Health, Education and Welfare (DHEW) and lacking legislative mandate to coordinate federal activities, will not be in a position to assume SAODAP's function of broad scale coordination of federal drug abuse efforts.

Alcohol abuse

The requested budget authority for FY 75 for the National Institute on Alcohol Abuse and Alcoholism (NIAAA) is $99.9 million. This is less than half the $218.3 million made available in FY 74 through Congressional appropriations and released FY 73 impounded funds.

Cities will feel the greatest impact of the proposed decrease, with $32 million requested for project grants, as compared to $72 million made available in FY 74.

TABLE AL–1.—ALCOHOL ABUSE

[In millions of dollars]

	Fiscal year 1973 actual outlay	Fiscal year 1974 (estimate) outlay		Fiscal year 1975 authority
Research	6.0	[1] 13.1	(4.7)	10.4
Training	4.2	12.2	(5.4)	1.9
Community programs:				
Project grants and contracts	19.0	[2] 106.3	(39.3)	32.1
Grants to States	20.3	75.6	(30.0)	45.6
Management and information	8.1	11.1	(1.2)	9.9
Total	57.6	218.3	(80.6)	99.9

[1] Figures in parentheses represent fiscal year 1973 released impounded funds included in fiscal year 1974 outlays.

[2] Although $106.3 appears in the budget under project grants and contracts, more recent HEW budget summaries cite the fiscal year 1974 figure as $113,000,000 with appropriations as $72,000,000.

Source: Fiscal year 1975 budget appendix, p. 410.

This money will be allocated for demonstration projects to test different types of treatment. While funds for community programs decrease $40 million in FY 75 to $32 million, grants to states remain at the same level as the FY 74 budget appropriation, or $45.6 million. The appropriation for research in FY 74 was $8.5 million; it is increased in the FY 75 request to $10.4 million. Training has been cut from $6.8 million in the FY 74 appropriation to $1.9 million in the FY 75 Budget. Management and information costs remain at essentially the same level as appropriations for FY 74.

Comment

By proposing a substantial decrease in the FY 75 alcohol budget from last year's operating level, it is clear that the Administration is ignoring an issue which has consistently been documented as a major problem in our society, particularly in our cities. There are approximately 5 to 9 million alcoholics in the United States. The National Commission on Marihuana and Drug Abuse concluded that alcohol dependence is the most serious drug problem. More individuals use alcohol than any other drug and many are dependent upon its uses. In many cases, the use of alcohol is intermixed with other types of drugs, especially stimulants and sedatives.

The FY 75 Budget will not assist cities to develop programs which meet the growing alcohol abuse problems in their communities. The cut in the overall budget request from last year's appropriations, particularly in community programs, means that cities which begin to undertake programs in the first half of 1974 (the appropriations were not approved until December 1973) will have to alter or terminate their efforts with the beginning of FY 75.

A recent report issued by the Committee on Government Operations, U.S. House of Representatives, states that a total drug strategy must include alcohol. Some cities have already begun to recognize the necessity for the joint administration of alcohol and drug programs, and are interested in implementing substance abuse programs. However, the administration of drug and alcohol programs is separated at the federal level, and cities must go through two completely different funding mechanisms to obtain money. The amount of funds available for alcohol programs under the National Institute on Alcohol Abuse and Alcoholism does not begin to match that available for drugs through the National Institute of Drug Abuse, nor does it sufficiently meet the needs in our communities.

ECONOMIC DEVELOPMENT ASSISTANCE

Economic Development Administration

The Economic Development Administration was established in 1965 to assist in the long-range economic development of areas with severe unemployment and low family income problems. The public works and related programs of EDA and the Regional Action Planning Commission programs will be continued at a reduced funding level in 1975 to permit a transition into a new economic adjustment assistance program to be proposed by the Administration. The new program is to facilitate flexible state and community response to problems of economic change and unemployment.

The Public Works and Economic Development Act will be extended for one year to June 30, 1975, with limited authorizations for appropriations. EDA related appropriations are budgeted for FY 75 at significantly reduced rates compared to 1974:

APPROPRIATION REQUESTS

[Dollar amounts in millions]

	1974	1975
EDA	$240.5	$170
Regional commissions	42	35

Source: The Budget for fiscal year 1975, p. 180.

The features of the new economic adjustment program are not clear at this point. Preliminary information suggests that it will focus on economic adjustments to the impact of dislocations as well as overall economic development strategies. It is said to be a "flexible" program with the available funds delivered to state governments on a formula basis to support any economic adjustment or development programs the state deems desirable.

Title V Regional Action Planning Commissions and the Appalachian Regional Commission will be eligible for funding from the economic adjustment program. The continuation of regional commissions (and the funding thereof) will be a matter of decision for state governments.

A $100 million supplemental appropriation for the economic adjustment program is contemplated during FY 75. These funds, together with the appropriations requested for the EDA and related programs, will support all these activities during FY 75 at a level comparable to 1974 (Source: FY 75 Budget, *The Budget*, p. 179).

COMMENT

The proposed changes may be significant for the following reasons:

Much of the EDA funding went for projects sponsored by cities. Under the new arrangement the state would be the beneficiary of the federal funding, although a pass-through to cities is possible. While the focus of the new program on economic disruption may be relevant to the economic problems related to energy shortages and the slowing of the economy anticipated during FY 75, it is unlikely that either EDA, under the planned phase-out, or the new economic adjustment assistance program, will be able to have much impact on these unemployment problems during 1975.

EDUCATION

The FY 75 Budget request for the Office of Education sets forth the Administration's continued support for consolidating major elementary and secondary education programs, expanding educational research and development, and increasing basic opportunity grants for post secondary education.

The President is requesting $6.1 billion for OE programs in FY 75. The HEW Labor Appropriations bill recently signed by the President appropriated $6.2 billion for FY 74. Additionally, the Administration plans to submit to the Congress a $2.8 billion supplemental appropriation for "advanced funding" of the 1974–75 programs for elementary and secondary education.

For the third successive year, consolidation of the major elementary and secondary educational programs is proposed as a priority. Numerous categorical programs will be grouped into four broad priority areas: disadvantaged, handicapped, support services, and innovation. The education grants consolidation as advocated by the Administration appears to embody many of the principles contained in last year's Better Schools Act. The FY 75 request for these programs totals $2.262 billion, or $17 million more than requested in FY 74 (including the supplemental appropriation). The major portion of this increase is reflected in the $15 million additional aid requested for the Disadvantaged Aid program ($1.8 billion FY 74 to $1.9 billion FY 75).

Forward funding

To contrast the FY 74 and FY 75 Budgets, it is necessary to examine the Administration's concept of "forward funding" and its accompanying appropriation and understand its relationship to the 1974–75 school year. The President, in his education message to the Congress, cited the frustrations resulting from the uncertainty and delay in the HEW appropriations process which have plagued school boards. He proposed to transmit to the Congress a supplemental appropriation that could be acted upon as soon as Congressional committees complete action on authorizing legislation for elementary and secondary education programs.

The FY 74 supplemental appropriation would enable school districts to know during the spring of 1974 what monies to ex-

pect for the school year beginning in September and subsequent appropriations will provide school districts in future years with sufficient lead time to maintain continuous planning and spending cycles.

Forward funding will also be requested for vocational and adult education programs. New legislation authorizing each of the respective programs is expected from the Administration with consolidation of numerous programs in each category given high priority. The proposed $2.8 billion FY 74 supplemental would include $544 million for vocational education, an increase of $11 million over the 1974 operating level, and $63 million for adult education, the FY 74 operating level. The FY 75 Budget requests $550 million for vocational education and no increase for adult education programs.

OTHER EDUCATION CHANGE

Unlike last year, the FY 75 Budget proposal contains no request for the emergency school assistance program for assisting desegregating school districts ($234 million was requested in 74). Similarly, the Impacted Aid program is being substantially reduced by the virtual elimination of the "B" program resulting in a proposed reduction from $307 million in FY 74 to a $40 million request in the FY 75 Budget.

To cushion the impact of the withdrawal of this support, a hardship provision is included in the budget. No school district would suffer a loss of more than 5 percent in its total operating budget due to the elimination of "B" payment support.

Other programs being reduced include bilingual education from $50 million in FY 74 to $35 million in FY 75 and educational broadcasting projects from $19 million to $14 million in FY 75. Follow Through, expected to be phased out over the next several years, will be reduced from $41 million in FY 74 to $35 million. Though the Teacher Corps will remain constant at $38 million in FY 75, other educational personnel development programs in the area of elementary and secondary vocational and higher education will not be funded in 1975 at the same level as FY 74. Consequently, the $46 million FY 75 Budget request is a $51 million reduction from FY 74 as the Administration cites an apparent surplus of trained teachers as its justification for reducing teacher development programs.

Few programs can boast of having substantially increased in the proposed FY 75 OE budget. Most notable of the exceptions is the basic opportunity grants for higher education. BOG are to be increased from $475 million in FY 74 to $1.3 billion in FY 75. Additionally, $10 million is requested for grants to state education agencies for career education demonstration and development assistance activities.

Comment

The consolidation of numerous categorical programs for elementary and secondary education could have serious consequences on the already troubled educational institutions of the nation's cities.

The FY 75 Budget request reflects an apparent insensitivity to the problems of the larger cities, who have been the repositories of the most glaring education deficiencies. The proposed reductions in the impacted aid and special programs, for example, will have a deleterious effect on urban education.

Similarly, those 1,200 to 1,500 localities that have relied upon federal assistance to erase the inequality of educational systems due to defacto and dejure segregation are now faced with the decision to use local funds for this purpose. This will place an additional burden on the tax revenues of most municipalities at a time when the federal commitment to capital improvements, teacher training, library services, drug abuse education, bilingual education, and other essential programs appear on the decline.

TABLE ED-1.—EDUCATION

[Budget authority in millions]

Program	1974 budget request	Fiscal year 1974 appropriations	Proposed advanced funding supplement[1]	1975 budget request
A. Consolidated education grants:[2]				
1. ESEA I (educationally deprived)	$1,585.0	$1,810.0	$1,885	$1,900
2. Vocational education programs (less vocational research)	475.0	533.0	544	550
3. Adult education	61.0	63.0	63	63
4. School assistance in federally affected areas (impact aid)	273.0	575.0	0	320
5. Support services (ESEA title II, NDEA title III, ESEA title V)	0	158.0	158	158
6. Innovation (supplemental services, dropout prevention, nutrition and health, environmental education)	0	154.0	154	154
7. Education for the handicapped (grants to States)	37.0	48.0	48	50
B. Other elementary and secondary education programs:				
1. Education development (total)	$70.0	$97.0	----	$46
(a) Teacher Corps	38.0	38.0	----	38
(b) Other education professions	32.0	59.0	----	8
2. Emergency school aid	234.0	258.0	----	0
3. Right to read	12.0	12.0	----	12
4. Bilingual education	44.0	50.0	----	35
5. Follow Through	41.0	41.0	----	35
6. Drug abuse education	3.0	5.7	----	0
C. Higher education:				
1. Student assistance (basic opportunity grants)	959.0	475.0	----	1,300
2. Special programs for the disadvantaged	70.0	70.0	----	70
D. National Institute of Education	[3] 90.0	75.0	----	117
E. Office of Education	5.2	[4] 6,023.0	$8,991	6,153

[1] A fiscal year 1974 supplemental appropriation totaling $2,800,000,000 is proposed by the administration to "forward fund" certain programs.

[2] New authorizing legislation to consolidate elementary and secondary education programs will be proposed.

[3] Includes a proposed supplemental of $25,000,000.

[4] Though the HEW/Labor appropriations bill signed in December of 1973 appropriates $6,200,000,000, a key amendment included in the bill allows the President to withhold up to $400,000,000 though no single program can be cut by more than 5 percent.

Sources: Labor/HEW appropriations (Public Law 93-192); National Education Journal, fiscal year 1974 budget estimates; fiscal year 1975 budget.

ENERGY

Fuel shortages, now in the forefront of national attention, have a prominent place in the 1975 Budget, which offers two major energy proposals.

The first is the establishment of a Federal Energy Administration (FEA), which consolidates energy responsibilities presently distributed across a wide range of federal agencies, including the Federal Energy Office. Figures for program expenditures are presently contained within the budget of parent agencies. Upon enactment of pending legislation, the operating programs will be transferred to the FEA. The program will include:

Data analysis and strategic planning, including conservation activities. $15 million is asked for FY 75, including projects for localities.

Policy, planning and regulation, having responsibility for allocation, cost of living, and rationing regulations or proposals.

Operations and compliance, including the Petroleum Allocation Program. $70 million is sought for FY 75 in the allocation program, directed toward "Cooperation with petroleum and natural gas industries and state and local authorities in the production, processing, and utilization of petroleum and its products, and natural gas." [1]

International policy and programs

Energy resource development

Energy research and development

The second major proposal is to meet the research and development commitments of Project Independence, a five-year program aimed at national self-sufficiency in energy resources. In all, the budget asks obligations of approximately $2 billion for energy research and developments by four agencies, coordinated by FEA. The Atomic Energy Commission would receive almost half, and the Interior Department, Environmental Protection Agency, and National Science Foundation would have most of the rest.

A report to the President, *The Nation's Energy Future*,[2] focuses on five research and development efforts for the next five years. The President asks budget authority in FY 75 for these efforts as follows:

1. Conservation—$164 million to reduce consumption and increase efficiency of energy products—up from $89 million in FY 74.

2. Oil and gas—$54 million, primarily to Interior Department for development of shale resources—up from $25 million in FY 74.

3. Coal—$566 million for surface and deep mining, liquefaction, and gasification projects, constituting the largest incremental increase, and including environmental assessment of the impact of such development.

4. Nuclear—$732 million to develop nuclear fission, along with EPA research and development in safety and $168 million to explore nuclear fusion.

5. Other energy resources—$100 million for geothermal solar solid waste recovery, etc.

In the pursuit of new energy resources, the budget reflects a commitment to environmental protection. Approximately one-tenth of the research and development funds would be earmarked for environmental control ($186 million) and environmental and health effects research ($133 million, shared by EPA with others).

Comment

A domestic priority of the FY 74 Budget was quest for "adequate, reasonably priced, clean energy." Since then, events have taken

[1] FY 75 Budget, Appendix, p. 573.

[2] *Nation's Energy Future*, a report to President Richard M. Nixon, submitted by Dr. Dixie Lee Ray, Chairman of Atomic Energy Commission, December 1, 1973.

both supply and price of energy beyond the control of national policy alone. Project Independence is intended to restore that control by achieving self-sufficiency. The Federal Energy Agency is proposed to deal with current shortages, and all federal agencies involved with energy development have received budget priorities to expedite development of additional resources. Along the way to a resolution, several considerations emerge.

First, the motion of the budget is most definitely toward an increase in the number of future options for energy provision, with coal (particularly coal strip mined on federal lands) advancing to the center of energy policy. Shale oil also is given great emphasis in the budget, as are pushing ahead with leases of federal lands and development of offshore resources. Clearly, the budgetary emphasis is on expanding the energy supply. Far less research money is made available to deal with demand by promoting a sound conservation ethic. City governments realize inherently that multiple use of resources, compactness, and concentration cut consumption and save energy. A policy to cut demand is not reflected in the 1975 Budget. The onus is put on the consumer individually to conserve, in the face of higher prices and uneven distribution of fuel.

Second, as the search for energy turns increasingly toward nuclear power, coal, and shale, and offshore oil, the products from which self-sufficiency will arise themselves raise a whole new set of environmental challenge. Rather than maximizing clean fuel production, efforts are devoted to reducing the pollution from dirty fuels. The budget obligates a fair portion of funds to address this challenge; the enormity of the challenge requires that environmental considerations proceed hand in hand with energy development.

Finally, in its rush to increase supply, the budget provides a great number of incentives to the suppliers of energy to explore and to cooperate with a government program of research. Yet until energy again becomes abundant, higher fuel prices will cause hardship, unemployment, and increased inflation. The impact will rebound throughout the economy as will the massive redistribution of resources aligning themselves to the new locations of energy development. Throughout this shortage, the federal government has a responsibility to assure that the producer has as much incentive to conserve as does the consumer.

ENVIRONMENT

Water pollution

The Environmental Protection Agency (EPA) has been ordered by the President to allot $4 billion of the $7 billion authorized by Congress for construction of water pollution control facilities in FY 75. Only $5 billion of the $11 billion authorized for FY 73 and 74 was made available. The problems created by the impoundment of the remaining half of the pollution control grants are discussed below under "Comments."

EPA plans to obligate $100 million of the $150 million authorized for the Areawide Waste Treatment Planning and Management Grant programs (Section 208) in FY 75, bringing to a total $175 million the unobligated funds carried since FY 73. The $100 million obligation compares to $25 million authorized, but not used in FY 73 and 74.

EPA operating programs

The EPA Operating budget shows an increase of $215 million in new FY 75 budget authority to $731 million (excluding contract authority for water pollution). But of this increase $168.5 million is for EPA's share of the new energy research and development program; $16.7 million reflects office space costs previously budgeted to GSA; $6 million is budgeted to replace a carryover from solid waste funds in FY 74, so that the program stays the same; and $7.5 million is for toxic substances and drinking water programs in legislation now before the Congress. By omitting these new programs, EPA's budget for its basic activities increases by $16 million, of which $13 million is for air pollution. The increase in budget authority between FY 73 and 74 was $44.9 million.

TABLE ENV-I.—ENVIRONMENTAL PROTECTION AGENCY BUDGET AUTHORITY

	In millions
Fiscal year 1973	$470.9
Fiscal year 1974	515.9
Fiscal year 1975	731.2

Source: EPA, "Environmental News," Feb. 4, 1974.

The Table ENV–2 compares FY 73, 74 and 75 for three programs discussed below in the text and six other selected EPA programs of general interest.

Air pollution

The $157 million proposed budget for clean air programs represents an increase of $13 million over FY 74 funds, bringing the program back up to a level slightly above that in FY 73. Most of the increase (about $10 million) will go to research and development to define more precisely the health effects of air pollution and how sulfates are formed.

In addition, a major portion of the $191 million budget to EPA for energy research will be used to accelerate development of air pollution control technologies to allow utilization of dirtier fuels and to develop advanced fuels such as methane gas.

Grants to air pollution control agencies will remain the same, $51.5 million, while technical assistance and training grants will be funded at $10.3 million, slightly below FY 74.

Waste management and energy recovery

The request for EPA's waste management and energy recovery program in FY 75 is $14.7 million. This restores some of the funds lost in FY 74 when EPA's solid waste program was redefined by the Administration and cut 75 percent. The $14.8 million level was achieved by adding to the Administration's $8.8 million FY 74 Budget for solid waste some $6 million carried forward from prior years. The narrower program focuses on research and preparation for regulation of hazardous wastes and toxic materials. Most of the $5 million earmarked for research and development will go toward studies of the problems of disposing of hazardous wastes produced by industries.

Although no new demonstration projects are planned, EPA will continue its emphasis on energy recovery for solid waste by directing $1 million toward technical assistance to cities, counties, and states beginning resource recovery programs. It is not clear how much of the remaining $8 million will go for technical assistance for conventional solid waste management. While grants were authorized by Congress for planning demonstration and construction for conventional solid waste disposal, none are planned by the Administration.

Noise abatement and control

The budget request for noise abatement and control this year is $5.2 million. This is an increase of $1.2 million over FY 74. The total authorization is $14 million. EPA will continue to concentrate on developing standards and regulations for major noise producing products and transportation sources.

Coastal zone management

The Department of Commerce National Oceanic and Atmospheric Agency is requesting $12 million in FY 75, the same level of funding as appropriated in FY 74, to continue implementation of the Coastal Zone Management Act of 1972. The actual level of program operation in FY 75 will be closer to $20 million because of the carryover of FY 74 funds. About $14 million will be available to the states for planning, and the remaining $6 million will go for state administration of coastal zone programs and for estuarine activities.

Land use

The National Land use Policy and Planning Assistance Act, budgeted for FY 74, still has not passed the Congress. The Department of Interior has requested $41.5 million for the program in FY 75. Of that, $40 million would be for grants to states to develop a land use planning process. The Office of Land Use would get $1.5 million to administer the program.

Parks and recreation

The Land and Water Conservation Fund, administered by the Bureau of Outdoor Recreation, will be fully funded in FY 75 at $300 million; $97.5 million will be obligated for federal purchase of park lands. Obligations for grants to states and local governments will be $196 million in new money. Combined with the anticipated unobligated balance of $14.8 million from FY 74, the total program level for FY 75 would be $210.8 million. This is a slight increase from the FY 74 program level, but almost $150 million less than FY 73.

Commentary

The overriding concern in the FY 75 environment budget must be the continued impoundment of half the water pollution control construction grant funds. The legal status of the impounded $9 billion is unclear. One court, ordering EPA to free the full $18 billion, has ruled that the funds will be lost if not allotted. Another held that the funds may be allotted *after* the statutory expiration date. An appeal to the Supreme Court is expected. Cities will have to choose: fund the construction costs themselves, or wait for the dollars promised by Congress, miss the Federal deadlines, and violate the law.

The Budget does not reflect the needs of cities to respond directly to the twin demands of the energy crisis and the failure of state and federal controls to reduce air pollution from industry and automobiles. The primary thrust should be to control pollution at the source, but the program for local air pollution control agencies is the same as last year, despite the increased demands on local air pollution control programs. Technical assistance and training are cut. Little is being spent for developing techniques for monitoring air quality.

The budget request for solid waste programs indicates some modification of the Administration's view of a year ago that the federal solid waste and resource recovery role should be limited to a narrow focus upon hazardous waste management. There is clear evidence that EPA will vigorously encourage cities to study and plan for the use of solid waste as a supplementary fuel and energy source. However, unless provisions are included in new legislation, cities actively exploring energy recovery options should expect to rely upon traditional means of municipal financing. The trend of the federal solid waste program suggests that cities should focus attention upon state solid waste legislation, pressing for technical and financial assistance and expanded state support for municipal solid waste management.

TABLE ENV-2.—ENVIRONMENTAL PROTECTION AGENCY OPERATING PROGRAMS—BUDGET AUTHORITY BY PROGRAM

[In thousands of dollars]

Operating program	Fiscal year— 1973	1974	1975
Energy		22,500	[1] 191,000
Air	152,490	143,614	156,934
Water quality	139,243	163,332	161,925
Water supply	4,281	4,709	[2] 7,711
Solid wastes	30,013	[3] 8,758	14,689
Pesticides	20,990	30,861	32,920
Radiation	7,135	7,177	7,382
Noise	2,416	4,011	5,233
Toxic substances		4,292	[4] 8,797

[1] Includes EPA portion ($186,000,000) reflected elsewhere in budget.
[2] Includes $3,000,000 to implement proposed Safe Water Drinking Standards Act.
[3] An additional $6,000,000 was available from prior years, for a fiscal year 1974 program of $14,800,000.
[4] Includes $4,500,000 to implement proposed toxic substances control legislation.

Source: "Environmental News," Feb. 4, 1974.

HEALTH

In the 1975 budget proposal, as in past years, elimination or phase out of several programs is proposed. Although Congress took positive steps to assure continuation and expansion of federal health programs, and the courts in general required the release of impounded funds, the Administration is still committed to a reduction of federal support in the "controllable" expenditure programs. In general, the HEW budget reflects policies to 1) eliminate, or phase out, project grants in favor of state formula grants, and 2) eliminate or phase out, training support.

Increases in "uncontrollable" programs, principally Titles XVIII (Medicare) and XIX (Medicaid) of the Social Security Act make up the major part of the budget increases for health. Medicare will require $16.7 billion, up $1.2 billion from 1974. $2.3 billion of this amount is proposed to be appropriated from the general revenues for the federal share of the supplementary medical insurance program. Medicaid is estimated at $6.5 billion in matching grants to states, up $713 million from 1974.

The remaining HEW health programs are estimated at $4.8 million, a decrease from 1974 of $550 million. (The 1974 base is the Congressional appropriation, less $400 million which was permitted under the appropriation act.) Most of the programs proposed for reduction or elimination in last year's administration budget are again to be cut.

TABLE HEALTH-1.—HEALTH PROGRAMS

[Budget authority in millions]

	1974	1975	Change
Medicare	$15,477	$16,714	+$1,237
Medicaid	5,824	6,537	713
Health services	1,176	1,177	+1
Alcoholism, drug abuse, mental health	833	735	−98
Health resources	1,137	574	−563
Biomedical research	1,781	1,835	+54
Other health	210	235	+25
Total	26,438	27,807	+1,369

Proposed legislation

Health Insurance: The Administration has submitted a Comprehensive Health Insurance Plan, which consists of an employer-employee compulsory contribution to a health insurance policy provided by a private carrier under federal standards and regulations. Details of the plan and probable financing were included in the President's Health Message of February 6, but no FY 75 budget impact is anticipated.

Health Resources Planning: Legislation would consolidate the existing Comprehensive Health Planning, Regional Medical Programs, Area Health Education, and Experimental Health Services Delivery activities. The legislation, along the lines of the Rogers bill (H.R. 12053), would create new regional health systems boards to replace the present health planning organizations.

Health Manpower: A new health manpower proposal would combine and consolidate existing programs, abolish the present capitation grant program, and reduce the effort to one of maintenance, rather than expansion. Categorical support for public health and allied health training would be abolished.

Expiring legislation

Several existing programs will expire on June 30 and are not proposed for renewal. They include:

Health Facilities Construction and Modernization (Hill-Burton)

Regional Medical Programs (replaced with new proposal)

Comprehensive Health Planning, Sec. 314 a,b,c (replaced with new proposal)

Health Manpower (to be replaced with new proposal)

Project grants for Maternal and Child Health

To be phased out by appropriations cuts:

Community Mental Health Centers

Alcoholism project grants

Public Health training

New programs

The Emergency Health Services Act, enacted in 1973, will request $27 million for FY 75, in addition to a $27 million supplemental request in FY 74.

Health Maintenance Organization (HMO) legislation will be funded in the FY 74 supplemental and the FY 75 budget for a total of $125 million. HEW's goal is to establish 170 HMO's over the five-year life of the program.

$58 million of new budget authority is requested for the support of Professional Standards Review Organizations (PSRO), a cost-containment and quality control effort.

Program increases

Increases include $73 million for cancer research, $22 million for heart research, $11 million for Indian health, and an estimated $18 million for Medicaid funds for family planning.

Other decreases

The emergency health program, which dealt with civil disasters, will be eliminated. A $7 million reduction in occupational health and $5 million in comprehensive health grants is proposed.

The Social and Rehabilitation Service is again proposing that dental services for adults under Medicare be discontinued, except for "emergency cases."

Policy changes

The Administration has modified its policy of closure of Public Health Service hospitals, which are now proposed for retention. The Medicare cost-sharing proposal has been abandoned, as have the proposals to terminate immediately the rat control and lead paint poisoning projects. (New starts, however, are not proposed under the latter two programs).

Comment

The Administration continues to press for the elimination of project grant programs in favor of state formula grants. Although the Congress has consistently provided project authority to local agencies, this Administration is committed to reverse that policy.

The continued insistence on elimination of all grant assistance for health facilities construction or modernization fails to take into account the realities of local public finance and the needs of local public agencies.

Emphasis on personal medical care services and withdrawal of support from public health services has biased the health delivery system toward the private sector and away from the local governmental need for improved public health programs. The virtual elimination of ongoing support for community mental health programs and manpower, relying instead on not-yet enacted third party programs, will create a serious funding crisis for states and localities, as well as a crisis of credibility for their citizens.

INTERGOVERNMENTAL PERSONNEL ASSISTANCE

The FY 75 budget request for grants to improve and strengthen state and local personnel systems and manpower programs, as authorized by the Intergovernmental Personnel Act of 1970, is $15 million. While this represents a one-third increase over the FY 74 funding of $10 million, no expansion is contemplated in the actual operating level of the program: actual outlays in FY 73 and estimated outlays in FY 74 were $13.6 million and $14 million respectively; actual outlays are estimated to be $14.4 million for FY 75.

As originally enacted, the IPA was without fiscal year limitation, authorizing such sums as necessary to carry out the programs in the Act. It was contemplated at the time of the Act's passage that program funding levels would be $30 million, $40 million and $50 million for its first three years. Instead, the program has been funded at $12.5 million, $15 million, and $10 million in FY 72, 73, and 74 respectively.

IPA grants have been used to improve the quality and effectiveness of municipal personnel and management resources, including development and implementation of training for municipal personnel. It is a program where relatively small governmental investments have had tremendous payoffs, and it is the only federal program providing comprehensive, flexible assistance in these areas. With the Administration's phaseout last year of HUD's Title VIII community development training program and its plans to phaseout Title I (Higher Education Act) university community services grants, there will be even greater demand for IPA resources at the local level.

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

The requested budget authority for the Law Enforcement Assistance Administration (LEAA) for FY 75 is $886.4 million; of that amount, $733.1 million is allocated for grants to the same funding level as that appropriated for LEAA for FY 74; total appropriations of $871.1 million, and allocations to state and local governments of $732.1 million.

The requested budget authority for LEAA for FY 75 is $886.4 million. This represents 89 percent of the authorized funding level of $1 billion.

The requested authority represents an increase of less than 2 percent over the FY 74 appropriation of approximately $871.14. The comparisons of the LEAA budgets for FY 73, 74 and 75 in Table LEAA–1, suggest that this is a stable budget. The total FY 75 budget is an increase of less than 4 percent over FY 73. The amount of monies allocated for grants to state and local governments is virtually unchanged over this three year period: $732.0 million in FY 73; $732.1 million in FY 74; and $733.1 million in FY 75.

There are two line item changes in the categories dedicated to grants to state and local governments (these are categories 1, 2 and 3 in Table LEAA–1). There is a 10 percent increase in Category 1, planning grants, from $50 million to $55 million. And there is a decrease in Category 2b, discretionary grants, from $88.8 million to $84.4 million. The latter is an adjustment due to a mistake in the previous year's allocations: by law, Category 2b can only be 15 percent of the total dollars in Category 2.

As in previous years, the bulk of the $15.3 million dollar increase in the FY 75 budget is for programs administered at the federal level. The major increases are in Category 4, technical assistance (from $12 million to $15 million); Category 5, analysis and evaluation (from $40.1 million to $45.2 million); and

Category 8, management and operations (from $18.0 million to $21.7 million). It should be noted that this last category, management and operations, has increased 40 percent (from $15.6 million to $21.7 million) from FY 73 to FY 75.

While representing an increase over FY 74 appropriations, the FY 75 requested budget authority is actually less than the FY 74 requested budget authority of $891.1 million.

Comment

The LEAA budget picture can be characterized either as stable or stagnant.

Despite the continued Congressional support for LEAA, symbolized in its renewal of the *Crime Control* Act this past fall, the amount budgeted for assistance grants to state and local governments has remained unchanged for the past three years.

This unresponsive budget comes at a time when localities have begun to make progress in dealing with crime problems, when they have found ways to more effectively deploy LEAA monies. Cities, in short, now are in a better position to utilize additional federal funds to make permanent impact on their crime problems.

In only one area, planning monies, has the amount of federal support increased; and, in terms of total dollars allocated to localities, this is offset by a decrease in the LEAA discretionary grant fund. Moreover, only $2 million of the $5 million increase in planning monies is earmarked for localities. This increase, the first in two years, barely will cover the increased cost of current operations. It should be contrasted with the 40 percent increase in three years (from $15.6 million to $21.7 million) in monies for the management and operations of the federal LEAA offices.

Most of the increase in the total LEAA budget for FY 75 is for federal level activities. While the League and the Conference do not question the value of these activities, they fear that these activities are being financed at the expense of the primary purpose of the Crime Control Act—providing assistance to localities to decrease crime.

This stabilized LEAA budget stands in stark contrast to the increases in the entire federal criminal justice effort. The overall budget of the Department of Justice increased 11.7 percent over last year. The request for the Drug Enforcement Administration represents an increase of 24 percent (from $111.9 million to $140.8 million). The proposed increase for the Federal Prison System is 39 percent (from $179.7 million to $250.4 million). The point again is not opposition to these increases. Rather, the proposed Department of Justice budget recognizes the rising costs and needs of the federally-oriented crime control programs. But it fails to recognize the need for the level of federal assistance to keep step with the massive increases in locally-funded crime control efforts.

TABLE LEAA-1.—LEAA BUDGET, FISCAL YEARS 1973-75

[In millions of dollars]

Categories	Fiscal year— 1973 (appropriated)	1974 (appropriated)	1975 (requested)
1. Grants for development and implementation of comprehensive plans	50.0	50.0	55.0
2. Matching grants to improve and strengthen law enforcement:			
(a) Allocations to States according to population	480.3	480.3	480.3
(b) Allocations to States or localities as determined administratively	88.7	88.7	84.8
3. Aid for correctional institutions and programs	113.0	113.0	113.0
4. Technical assistance	10.0	12.0	15.0
5. Technology analysis, development, and dissemination	31.6	40.1	45.2
6. Manpower development	45.0	45.0	45.0
7. Data systems and statistical assistance	21.2	24.0	26.5
8. Management and operations	15.6	18.0	21.7
Total	855.4	871.1	886.5

Source: Fiscal year 1975 budget, "Appendix," p. 617 Fiscal year 1974 budget, "Appendix," p. 628.

MANPOWER

Manpower training and employment programs

The President's FY 75 Budget calls for an appropriation of $2.050 billion to implement the Comprehensive Employment and Training Act of 1973. The $2.050 billion requested would provide $1.669 billion for state and local programs authorized under Title I (Comprehensive Manpower Services) and Title II (Public Employment Programs) of CETA. The remaining $381 million of the proposed budget is for national training programs and program support authorized under Titles III, IV, and V of CETA.

Public employment funding under Title II is proposed at a level of $350 million for FY 75, as required by law. This will leave $1.319 billion for Title I programs, of which 80 percent of $1.055 billion will be allocated, on a formula basis, to state and local prime sponsors.

The budget also requests a supplemental appropriation of $250 million for FY 74 for public employment programs authorized under Title II of CETA.

A second component of the supplemental appropriation requested for FY 74 involves summer youth employment programs. The budget proposes a supplemental appropriation of $208.6 million for such programs to which would be added $91.4 million of unobligated FY 73 summer employment funds authorized under the Economic Opportunity Act. The result would be a calendar year 1974 summer program of $300 million.

It should also be noted that the budget indicates that the President's appropriation request for manpower training and services for FY 74, which has not been acted upon by Congress (programs are operating under a continuing resolution), remains unchanged at a level of $1.340 billion. This FY 74 figure would be increased, of course, by the aforementioned supplemental appropriation requested for public employment and summer youth employment.

The FY 74 appropriation level is also increased by $10 million appropriated by Congress to carry out a program of public services employment program for older workers authorized under Title IX of the Older Americans Comprehensive Services Amendments of 1973. The FY 75 budget does *not* request any funds for continuation of this specific program.

Based upon both statements by Department of Labor (DOL) officials and mandatory allotments under CETA, the funding level for several national programs would be as follows: Job Corps—$175 million; Migrant Programs—$53 million; Indian Programs—$42 million.

Related manpower programs

In related manpower areas, the budget reflects a continuation of programs at their current operating levels.

A budget request of $464 million is included for the Federal-State Employment Service, which parallels FY 74 funding.

For the Work Incentive Program (WIN), a budget authority of $280 million is sought, including $190 million for training and placement activities. While this latter represents a reduction of some $60 million from FY 74 appropriations, it will be sufficient to continue the WIN program at its current level of operations due to the fact that the program operated well below its authorized level in FY 74.

On-the-job training for veterans, administered by the Veterans Administration, is projected at an operating level (federal obligations of funds) of $241 million which approximates the FY 74 operating level.

For vocational rehabilitation services and facilities, the budget requests an authority of $715.4 million or virtually the same figure as FY 74. Within the appropriation request, funds for the basic state grants would be increased by some $40 million with an offsetting reduction of $38.7 million in special rehabilitation service projects.

With regard to vocational and adult education, comparisons with FY 74 appropriations are complicated by the fact that the budget proposes consolidation of the several categorical programs into the "vocational education priority" and "adult education priority" of the consolidated education grants program." Spokesmen from HEW indicated that the projected request for adult education for FY 75 would be $63 million or the same as FY 74, while the vocational education request would total $550 million or a $17 million increase over the FY 74 appropriation.

The budget proposes an increase of $32.1 million for the Occupational Safety and Health Administration of DOL, the majority of which will provide additional funds for state grants to expand operations.

Comment

A comparison of manpower programs and funding for FY 75 with previous years involves two considerations—local authority and funds available. First, the purpose and nature of CETA gives cities far greater authority and flexibility, with concomitant responsibility, in the design and operation of manpower programs. CETA provides for a decentralized and decategorized system of manpower programs with decision making at the state and local level. Thus it represents a major accomplishment in our efforts to strengthen the authority of cities with regard to Federal programs.

Secondly, the budget requested for FY 75, compared to FY 74, as it directly affects state and local government, provides an increase only in the area of public service employment (Title II of CETA. That increase of $100 million, is required by the legislation. With regard to manpower training and services (Title I of CETA), the budget will provide funding approximately the same as in FY 74.

A direct comparison of FY 74 and FY 75 funding is made difficult by the aforementioned shift from a centralized, categorized system to a decentralized, decategorized program. However, the following facts help explain the situation:

The total appropriations for FY 74, including the requested supplementals for summer youth employment and public service employment, would be $1.809 billion. (This does not include the $91 million in unspent FY 73 funds which are to be added to the supplemental appropriation to fund a $300 million summer employment program.) The budget requested for FY 75 totals $2.050 billion. This is an increase of $241 million over FY 74.

The Administration presents this in an even more favorable light by stating that FY 75 funding to state and local governments

(Titles I and II of CETA) will show an even greater increase—$260 million—because the national training programs budget (Titles III, IV, and V of CETA) and Administration will be reduced by some $19 million compared to FY 74.

However, this $260 million increase is more illusory than real. As indicated, $100 million of it is the increase for public service employment required by statute. Another $91 million can be discounted, since that is the amount of unspent FY 73 funds which will be added to the FY 74 supplemental budget requested for summer youth employment to provide for a $300 million summer program. Similar unspent funds will not be available for the summer of 1975. Thus, a comparable program in the summer of 1975 will require use of a full $300 million of the FY 75 appropriations.

Consequently the "increase" in the area of manpower training and services under the authority of state and local governments is quickly reduced to some $69 million. However, even this increase is offset, almost completely, due to the fact that the National Alliance of Businessmen (NAB)—JOBS programs at the local level will be decentralized and decategorized in FY 75. Funding for these local NAB-JOBS activities—amounting to $65–70 million—are included under the national training programs budget for FY 74. In FY 75 such local programs, if they are to be continued at the local level, will have to be funded from the state and local budget allocations. The transfer of this on-going program demand from the national training programs budget category to the state and local category effectively eliminates any of the claimed increase of funds for states and localities.

However, the FY 75 Budget for manpower programs must be considered, also, in the perspective of the past several years' budget requests. The FY 73 and FY 74 Budgets, and their implementation, were characterized by program freezes, budgetary manipulation and withholding of funds which resulted in severe actual reductions, and even more severe proposed reductions, in the Federal fiscal commitment to manpower. The FY 75 Budget, despite its exaggeration of the amount and nature of the increases, is an improvement.

Summer youth programs

The Department of Labor (DOL) is proposing a $300 million summer youth employment program for the summer of 1974. The program will be funded from $91 million of unobligated 1973 Manpower Administration funds; the remaining $209 million will be requested in a supplementary appropriation for FY 1974. Grants for the summer youth employment program will be made to eligible prime sponsors under the Comprehensive Employment and Training Act (CETA); eligible prime sponsors are states, and cities and counties of more than 100,000 in population.

For the summer of 1975, a summer youth employment program is also proposed, with a $300 million appropriation requested for the program in FY 75. However, $300 million is only an estimate of the magnitude of the program for summer 1975, as the $300 million is included as part of the $1.669 billion requested for total state and local program appropriations under CETA in FY 75. Prime sponsors will have the discretion of determining what proportion of the funds they receive for comprehensive manpower services should be allocated to summer youth employment and the total amount actually devoted to the program will simply reflect the aggregate of those decisions by prime sponsors nationwide.

There is no request for funds for either the Recreational Support Program (RSP) or the Summer Youth Transportation Program for the summers of 1974 and 1975.

Appropriations for the Youth Conservation Corps (YCC) are up to $10 million in FY 74 (summer of calendar year 1974) and $10.2 million in FY 75, from the level of $3.5 million appropriated for the summer 1973 program. The Senate passed a bill last October which expanded and made permanent YCC: the measure will be considered in the House during this session of Congress. The Senate bill authorized appropriations for YCC of up to $100 million, but the Administration is opposed to an authorization level greater than $60 million.

Funding for youth development activities of the Office of Human Development in HEW are increased from $10 million in FY 74 to $15 million in FY 75. The youth development program provides funds to states and to local communities for the development of coordinated youth service delivery systems at the local level. The increased funding in FY 75 will be used primarily to support model delivery systems focusing on the needs of runaway youth.

COMMENTS

For the summers of 1972 and 1973, approximately $320 million was made available for youth employment. In both of these years, an additional $16 million to $17 million was allocated to recreation and transportation support programs. Thus, the $300 million proposed for employment for the summer of 1974 reflects a decrease of approximately $35 million to $40 million in the federally-supported jobs, recreation, and transportation effort for youth. Furthermore, only $209 million of the suggested $300 million reflects new appropriations; the remaining is made available from reprogrammed funds.

The Department of Labor proposed that funds be allocated to political jurisdictions for summer youth employment according to the CETA formula. Whereas under the Neighborhood Youth Corps (NYC) summer program, approximately 70 percent of the funds were allocated to serve youth residing in urban areas, it is estimated that, under the CETA formula, a substantially lesser percent of the funds will be allocated directly to cities. Thus, the impact of funding a summer job effort under the CETA formula could be to redistribute funds away from urban metropolitan areas and to diminish the impact of the program in our major cities, unless the "hold-harmless" procedures included in CETA were used in distributing the summer funds.

Title III of CETA specifically lists youth as one of the special target groups to receive additional manpower services from funds made available to the Secretary of Labor, and the heading of Section 304 of CETA is Youth Programs and Other Special Programs. However, youth are excluded from the client groups to be served by national programs which are listed in the Manpower Administration Budget, and none of the funds reserved for the Secretary of Labor for national training programs are allocated for the $300 million summer youth employment program, even though it is clearly the intention of CETA that such programs be funded from the national account. By funding such a program exclusively from the state and local program money under CETA, local officials are being forced to choose between the regular employment and training efforts for adult workers and the summertime activities tailored to serve youth needs.

NATIONAL DEFENSE

The military budget for FY 75 is significantly higher than it was in FY 74. Contrary to the Administration's budget presentation, the actual increase in basic, routine military appropriations comes to $13.7 billion (16.4 percent).

The Administration cites an increase in military appropriations of $6.9 billion (7.8 percent) to $95 billion and an increase in outlays of $7.2 billion (8.9 percent) to $87.7 billion. The actual increase in military spending was determined by adjusting the FY 74 figures for supplemental appropriations for pay and fuel increases and deleting the special expenditure for aid to Israel. The FY 75 figures have been adjusted to account for supplemental spending to increase "readiness" capability.

TABLE ND-1.—COMPARISON OF FISCAL YEAR 1974 AND FISCAL YEAR 1975—MILITARY BUDGET AUTHORITY

[Budget authority in billions of dollars]

Fiscal year 1974:	
Enacted by Congress	81.9
Add supplementals:	
Pay increases	3.4
Fuel price increase	.5
Delete (for omparison): Emergency aid to Israel	−2.2
Adusted fiscal year 1974 budget	83.6
Fiscal year 1975:	
Administration request	95.0
Add supplemental for "readiness"	2.3
Adjusted fiscal year 1975 budget	97.3
Increase from fiscal year 1974 to fiscal year 1975 (16.4 percent)	13.7

Source: Office of the Assistant Secretary of Defense (Public Affairs), "Fiscal year 1975 Department of Defense Budget," news release No. 43–74, Feb. 4, 1974; Executive Office of the President, Office of Management and Budget, "The Budget of the United States Government Fiscal Year 1975", table 13, p. 303.

Regardless of which figures are considered, this is the largest peacetime budget in U.S. history, higher even than any budget during the Vietnam War. After previous wars, military spending traditionally has decreased.

The largest increases in budget authority for FY 75 are in the areas of personnel costs, operations and maintenance, procurement of weapons, and research and development. Though relatively small, investments in research and development this year tend to become commitments for future procurement. The cost of U.S. involvement in Southeast Asia is slated to rise by 19 percent.

SUPPLEMENTAL APPROPRIATIONS

The Administration's presentation of the military budget includes two FY supplemental budget requests not yet acted upon by Congress. These requests were first made public in the FY 75 Budget.

In effect, both the FY 74 and FY 75 budgets are increased at the same time and thus create the impression that the increase from FY 74 to FY 75 is much lower than otherwise would have obtained.

A pay supplemental totalling $3.4 billion is intended to cover military and civilian pay increases disbursed since January 1, 1973. A report issued by the House Appropriations Committee commented, "The failure to request these funds in a timely way makes comparisons with appropriations of other years misleading." Because personnel already have received pay increases, it is reasonable to assume that Congress will approve the pay supplemental as part of the FY 74 budget.

The Administration has requested another $2.8 billion "readiness" supplemental to increase U.S. military capability. According to the Pentagon, the Middle East War in October, 1973, taught us some lessons which translate into a need for additional forces. The largest items in this request include procurement of weapons ($1.8 billion), operation and maintenance ($886 million) and research and development ($109 million).

The supplemental also includes $480 million for fuel price increases before Feb. 1, 1974. The money for fuel is justifiable FY 74 budget item, but the remainder of the supplemental more appropriately should be considered part of the FY 75 budget.

Even under the Administration's proposal, three-fourths of the outlays for "readiness" purposes would occur in FY 75 and after. If

needs should develop requiring immediate funding, the Pentagon currently has authority to draw from an estimated $10 billion fund of unobligated balances or to accelerate spending of presently obligated funds.

Another major item that has contributed to a distortion of budget comparisons is the $2.2 billion, one-time, emergency military aid appropriation to help Israel recoup losses of the Middle East War. Congress approved this special measure in December, 1973, for FY 74. Since the Pentagon is not requesting a similar measure for FY 75, the appropriation should not be included in the FY 74 budget for purposes of comparison. Otherwise, this amount would become a permanent part of basic military spending (which has been attempted by the Administration this year) although the purpose for which the funding was originally intended was no longer applicable.

A real dollar increase

The Administration asserts that the military budget has not grown in real terms after pay increases, inflation and increased fuel prices are taken into account. However, if the budget calculations are adjusted to reflect a more realistic depiction of FY figures, the result indicates a sizeable real dollar increase in the military budget from FY 74 to FY 75.

Budget authority in constant 1975 dollars has actually increased from FY 74 to FY 75 by $8.3 billion (9.3 percent). Corresponding outlays in constant 1975 dollars have increased by 3.3 billion (3.9 percent). This major increase represents real program growth and clearly contradicts a Pentagon statement that, "This increase [in budget authority] is fully required to cover pay and price increases." [1]

REAL EXPANSION OF THE MILITARY BUDGET

[In billions of dollars]

	Budget authority	Outlays
Fiscal year 1975 request (adjusted)	97.3	87.9
Fiscal year 1974 budget (adjusted) in constant 1975 dollars	89.0	84.6
Increase fiscal year 1974 to fiscal year 1975 in constant 1975 dollars	8.3	3.3
Percent increase	9.3	3.9

Source: Office of the Assistant Secretary of Defense (Public Affairs), "Fiscal Year 1975 Department of Defense Budget," news release No. 43-74, Feb. 4, 1974. Executive Office of the President, Office of Management and Budget, "The Budget of the United States Government Fiscal Year 1975," table 13, p. 303.

Highlights

Basically, the Administration is pursuing two major objectives in the new military budget:

To maintain and modernize the present force structure. There is generous funding for pay increases, inflation and fuel price increases. Modernization is to be accomplished through modification of equipment, more frequent overhauls and expanded stocks of spare parts, ammunition and small missiles.

To increase military forces. The Administration plans to increase the number of combat units and initiate a new series of weapons.

This is the first peacetime budget in many years. A sizeable reduction from the FY 74 budget would be consistent with previous postwar periods. After World War II spending dropped from $45.9 billion to $11.5 billion in FY 1947. Similarly, the post-Korea War decrease was substantial: $53.6 billion (FY 53) down to $37.8 billion (FY 54).

[1] Office of the Assistant Secretary of Defense (Public Affairs), "FY 75 Department of Defense Budget," News Release No. 43-75, February 4, 1974.

Some of the changes and trends in U.S. military spending and programs are—

Research and Development—Up 16 percent over FY 74. Spending for civilian research and development has increased much less. As R and D goes now, so goes procurement later. The present trend is a bad omen for the civilian sector. New initiatives in the strategic nuclear arms field account for much of the dramatic increase in Pentagon spending.

General Purpose Forces—The basic force structure is being increased. The Army will grow by one-third of a division to 13⅓. The Pentagon has announced plans to expand further to 14 divisions after FY 75. Carriers will be increased from 14 to 15 so that an additional carrier will be available for a new duty station in the Indian Ocean. More attack submarines and surface warships will also be deployed.

Strategic Forces—Additional warheads will be deployed through continuing conversions of land-based missiles and Polaris submarines. Funding for the Trident nuclear submarine will be increased by 500 million in FY 75 to accelerate the production schedule. Development of a new series of weapons will receive a sizeable boost in funding: a new small nuclear submarine to complement Trident, a cruise missile, and warheads which improve missile accuracy.

Military Personnel—Active duty personnel are to be decreased very slightly—only 1 percent—to 2,152,000. Although the Pentagon has announced a desire to reduce excessive numbers of non-combat support and headquarters personnel, these cutbacks will not translate into overall force reductions. Personnel shifted out of support slots will be transferred to new combat units comprising the expanded force structure of 13⅓ divisions.

Civilian employees—The number of civilians working for the Department of Defense will increase by 18,000 (adjusted budget basis) to a total of 1,028,000, some eight times the number of civilians at HEW. In FY 75 there will still be one civilian employee in the Department for every two people in uniformed service.

Military assistance—Although military assistance to foreign nations will decrease in FY 75, the cost of U.S. involvement in Southeast Asia is slated to rise by 19 percent to $1.9 billion.

Comment

The military budget is up by 9.3 percent in real terms. This means that military programs are being expanded at a much greater rate than is necessary to allow for inflation, pay increases and fuel price rises. This expansion of the budget means also that the U.S. will be enlarging military forces.

Clearly, then, the increases demanded for the military are unprecedented. In a time of peace, military spending in real terms should be decreasing not increasing. This is the largest peacetime military budget in U.S. history, higher even than any budget during the Vietnam War. After previous wars, military spending went down, not up. (World War II: FY 46—$45.9 billion, FY 74—$11.5 billion. Korean War: FY 53—$53.6 billion, FY 54—$37.8 billion.) A sizeable reduction from the FY 74 defense budget would be consistent with other postwar periods.

OFFICE OF ECONOMIC OPPORTUNITY

The Office of Economic Opportunity is being dismantled and Federal support for Local Community Action Operations discontinued.

No request for funds for the Office of Economic Opportunity for FY 75 is being made. Some segments of the OEO program have been transferred to other agencies during the current fiscal year and the remaining programs will be transferred with the exception of Community Action Operations. Support for Community Action Operations becomes a "local option" for which no categorical federal funds will be available.

Review of the Individual OEO program areas shows:

1. *Research Development and Evaluation*—In FY 1974 research and development activities were delegated to agencies with statutory responsibilities in fields of current OEO activity and funds were appropriated to the receiving agencies. For FY 1975 funds are being requested for appropriations to these agencies as follows:

Department of Health, Education and Welfare—$22.7 million for the Office of the Secretary. $24 million for the National Institute of Education. $3.6 million for the Office of Child Development.

Department of Housing and Urban Development—The research budget includes $2.4 million to carry out research related to efforts begun by OEO.

Department of Labor—The research budget contains $4.4 million for OEO type research. It should be noted, however, that the Labor Department research budget for FY 75 is $5.3 million, down from $10.2 million (est.) in FY 74.

2. *Community Action Operations*—There is no budget request for Community Action Operations. Funding these activities will be dependent on state and local government decisions in 1975. Funds to cover the administrative costs associated with the phase out of Community Action Operations are requested for appropriation to HEW. The estimated obligations for this program in FY 74 are $208.1 million.

In 1974 the Native Americans program was delegated to HEW. Funds were appropriated to HEW to continue the program and are included in that agency's 1975 request. $33.2 million is requested for FY 75 compared to $32.1 million for FY 74, a net increase of $1.1 million.

3. *Health and Nutrition*—OEO Health related projects were delegated to HEW in early FY 74. These activities are now incorporated into ongoing HEW Health Programs. $130 million will be appropriated to HEW.

4. *Migrants and Seasonal Farm Workers*—Migrants and Seasonal Farm Workers programs were delegated to the Department of Labor early in FY 74 and are a part of DOL's ongoing National Training Programs. $40 million will be appropriated to labor for this program in FY 75.

5. *Community Economic Development*—Legislation is being sought to authorize the operation of the Community Economic Development programs in the Office of Minority Business Enterprise. $39.3 million is to be appropriated to OMBE for this program in FY 75. FY 74 obligations amounted to $38.1 million.

6. *Legal Services*—$71.5 million is requested for appropriation to HEW for the program. Legislation is being sought to create a Legal Services Corporation.

COMMENT

The total losses from the disassembly of OEO are difficult to calculate at this time. While all programs with the exception of Community Action Operations have been or are being transferred to other agencies, it should be noted that in the case of the research and development programs, the Native American Programs and Headstart (which has been delegated to HEW for several years), authorization for funding expires in June 1974. Unless new authorizations are sought these programs may die.

The most significant loss for cities is the loss of Community Action Operations monies. This program has supported about 900 local Community Action Agencies, most of which are located in cities. They have served as the sponsors and operators of a host of service programs, ranging from childcare services to consumer services for low-income citizens. The termination of Community Action Agencies can cause the closing or disruption of numerous services which the low-income areas of cities desperately need. This

in turn will place considerable pressure on cities to provide funding for these services, thus increasing the burden on the steadily diminishing financial resources of cities.

Community Action Agencies have gained considerable experience during the past years in operating service programs, in conducting planning, and in dealing with the general problems of poverty at the local level. Indeed, in many smaller and rural communities Community Action Agencies have been the only available source of social planning services.

As cities assume more responsibility for comprehensive planning, development, and program operations (in all areas including social programs) the expertise of CAAs can be useful. The closing of Community Action Program at this time with no provision for transition can mean the loss of this valuable resource.

Moreover, the closing of Community Action Agencies can have an impact on employment figures since significant numbers of people, especially from the poorest communities of cities, are employed by these agencies and their related programs. Indeed, an OEO study released a year ago demonstrated that almost half of the CAA employees came from the poverty population before they gained employment with CAP. Many of those people may slide back into poverty should the program be terminated abruptly.

TABLE OEO-1

[In millions of dollars]

Program by activities	Obligations		Budget authority	
	1973 actual	1974 estimate	1975 estimate	Responsible agency (fiscal year 1975)
Research, development, and evaluation.	65.6	4.4	57.1	HEW, HUD, DOL.
Community action operations (includes Native American).	406.8	208.1	[1] 33.2	HEW.
Health and nutrition	165.5	9.4	130.8	HEW.
Migrant and seasonal farmworkers.	38.6	.....	40.0	DOL.
Community economic development.	36.6	38.1	11.0	OMBE.
Legal services	77.2	71.5	71.5	
General support	18.1	4.8	33.0	
Total	808.4	336.3	404.9	

[1] Local option—Native Americans.

Source: Fiscal year 1975 budget, pp. 104-105.

RURAL DEVELOPMENT

The Administration has increased its request for rural development loan funds by 40 percent and has requested $20 million in grant funds for water and waste disposal systems.

Loans and grants

Specifically, the Department of Agriculture's Farmers Home Administration budget for FY 75 requests a total of $1 billion in loans for water and waste disposal systems, community facilities, and industrial development. This is an increase of $280 million over FY 74. Rural cities and towns of 10,000 population and under are eligible for water and sewer loans and community facility loans. Industrial loans are for cities 50,000 or less in a rural setting, with a preference for cities under 25,000. These programs are authorized by the Rural Development Act of 1972 and were initially implemented in FY 74.

The request for $20 million in grant funds for water and waste disposal by USDA reverses a position of a year ago when this program was among several to be terminated by the Administration as being no longer necessary. Congress disagreed strongly and appropriated $150 million for FY 74. Until December, the Administration continued to refuse to spend any of the grant funds. In December, USDA relented and released $30 million for water and sewer projects that met two conditions: 1) Applications had been made before discontinuance of the grant program in January, 1973, and 2) Cities were financially unable to proceed without undue hardship even with a 5 percent federal loan, revenue sharing and other state and local financing. Priority was given to water systems.

The only other grant funds in the rural development package are $10 million (same as last year) to assist cities and other eligible loan applicants that are near the threshold of an approvable program in business and industrial development but cannot quite make it.

TABLE RD-I.—RURAL DEVELOPMENT LOANS AND GRANTS

[In millions of dollars]

	1973	1974	1975
Water and waste disposal loans	$400	$470	$400
Community facilities loans		50	200
Business and industrial development loans		200	400
Total loans	400	720	1,000
Rural water and waste disposal grants	30	30	20
Rural business and industrial development grants		10	10
Total grants	30	40	30

Source: U.S. Department of Agriculture.

Rural housing

Housing loans and grants are projected at more than $2.1 billion in FY 75. This is $16.8 million below projected 1974 levels, but almost $280 million above 1973 levels. Greater emphasis will be placed on the use of existing housing, rental housing, home repairs, and rehabilitation in 1975, according to the proposed budget.

TRANSPORTATION

The Administration's FY 75 Budget for transportation assistance for the nations' cities reflects a higher priority for mass transit than in previous years, an overall reduction in the commitment to urban highway programs, and essentially the same level of funding for airports as last year.

Total obligations for highways in FY 75 are estimated at $4.6 billion. The Federal-Aid Highway Act of 1973 authorized approximately $5.7 billion of contract authority from the Highway Trust Fund for all highway programs. Given the previous failure to obligate highway funds that were authorized and the projected withholding in FY 75, the unexercised obligational authority in the Highway Trust Fund will be approximately $8.6 billion by the end of FY 75.

The Administration's proposed Unified Transportation Assistance Program (UTAP) would provide a total of $2.3 billion for highways and mass transit, $900 million and $1.4 billion respectively. UTAP would permit states and localities to allocate a substantial portion of these funds according to local needs and priorities. For the first time, federal aid would be available for transit operating assistance, but with no additional funding for this purpose. A portion of the highway and mass transit funds under UTAP would be earmarked for urbanized areas with a population of 400,00 or more. (Present law earmarks funds for urbanized areas with a population of 200,000 or more.) This proposed leigslation would authorize approximately $16 billion in highway and mass transit funds to urbanized areas over the next six years. By the end of February the Administration is expected to submit legislation to create UTAP. The budget reflects the Administration's interpretation of the existing legislation, and would have to be modified to reflect UTAP proposal.

The Federal-Aid Highway Act of 1973 authorized $800 million in FY 75 for the Urban System (of which $200 million could be used for bus purchases), $300 million for Urban Extensions, $200 million for the Priority Primary System (of which about $100 million would be spent in urban areas), and $50 million for the Urban High Density Traffic Program, making a total of $1.25 billion authorized from the Highway Trust Fund in FY 75 for urban highway programs. Added to the proposed mass transit budget of $1.35 billion in FY 75, the total available for urban areas for mass transit and highways would be $2.6 billion, versus the UTAP proposal that would provide only $2.3 billion for the above programs and also include operating subsidies. If the legislation for operating subsidies were passed, and signed into law, urban areas would have an additional $400 million annually, to be added to the $2.6 billion for a total of $3 billion, versus the Administration's UTAP total funding of $2.3 billion.

Urban mass transportation

Capital facilities obligations will be increased substantially from a FY 74 Budget level of $872 million to a FY 75 level of $1,225 million. This is still a relatively small increase in view of the more than $6 billion pending capital grant applications and estimated requirements for fixed rail systems.

Capital grants in FY 75 are expected to assist in the purchase of 7,000 new buses and continued construction support for new rapid transit systems and extensions. Current domestic bus production, however, is less than half this amount. The transit industry has reported approximately an 18 month lag between order and delivery of new buses. Bus orders this year will do little to alleviate increased transit demands resulting from the energy crisis and the Clean Air Act transportation control plans. An average of 5,000 buses is needed annually just for equipment replacement requirements.

Technical study grants (Section 9) will remain level at about $38 million annually. Because of the large carryover of 283 projects from previous years, only an estimated 150 new project approvals will take place in FY 75.

Research, Development and Demonstration (RD&D) grants (Section 6 grants) show a slight increase of about $9 million from a level of $66 million in FY 74 to a level of $75 million in FY 75. RD&D still remains far below the level projected in previous budgets. Last year, for example, the budget estimated a level of $80 million for FY 74, whereas only $66 million was obligated in FY 74.

RD&D grants, conducted under Section 6 of the Urban Mass Transportation Assistance Act (UMTA) involve projects for the development, testing and demonstration of new facilities, equipment, techniques and methods to assist in improving mass transportation services and in meeting transportation needs. The estimated project level, 160 projects, is the same as that for FY 74.

Highway programs

In the FY 74 budget, Urban Extensions, the Urban System and the TOPICS program were combined into an Urban Transportation Program and funded at a level of $800 million. Although the budget for FY 75 shows an increase in funding to a level of $875 million, the FY 75 urban transportation program incorporates all federally-aided highway programs in urban areas, thus adding the new Priority Primary System and the Urban High Density program. Also, up to $200 million of the $875 million could be used for bus purchases. These programs fund projects in all urban areas with a population of 5,000 to

50,000 and all urbanized areas with a population of 50,000 or more. Congress in the 1973 Highway Act authorized a total of $1.25 billion for these programs that the Administration proposes to fund at a level of $875 million.

Airports

Airport planning and construction grants will total $325 million in FY 75. This is equal to the amount provided by the Airport Development Acceleration Act of 1973 and the Airport and Airway Development Act of 1970. It is a slight increase over the FY 74 level of $313 million.

The Administration will propose to make certain Federal Aviation Administration (FAA) operations eligible for payment from user taxes that currently are restricted to planning and construction grants.

The League and the Conference have opposed any diversion of these taxes to fund FAA operations, so long as the cities continues to have planning and construction requirements.

Comment

Highway Funds

The administration is impounding $375 million out of a total of $1.25 billion for urban areas authorized by the Federal Aid Highway Act of 1973.

The budget includes only $875 million for all of the urban transportation programs, of which $200 million could be used for bus purchases. No separate program funding would be established for the Priority Primary System or the Urban High Density Traffic Program, although it was clearly the intent of Congress that these programs would be in addition to existing programs.

Based on the Federal Highway Administration's *composite price* index, highway construction costs rose about 9 percent per year from 1967 through 1972. To adjust for inflation and maintain the same program level would have required about $875 million; to allow for the new program categories will require still higher funding.

In addition, the Emergency Highway Energy Conservation Act of 1974 allows the expenditure of federal-aid highway funds for car and bus pool programs and provides a 90 percent federal share for such projects. While providing incentives for localities to use the funds for needed car and bus pool programs, it could reduce the total number of federally-funded projects.

The urban and urbanized areas with a population of 5,000 to 200,000, for which no funds are earmarked, are likely to receive less federal assistance for highways, especially for the Urban System projects. Hardest hit will be those areas which previously received a portion of federal-aid primary and secondary money now available only for rural areas. Cities still have extensive highway needs, as demonstrated by the expenditure in 1974 of more than $4 billion on highways in metropolitan areas.

The Department has assured the cities that funds will be available to exercise the Interstate transfer option of the Federal-Aid Highway Act. This would permit cities to substitute the Interstate funds for general revenue that can be used for any mass transit project.

The Unified Transportation Assistance Program (UTAP)

Essentially, it appears that UTAP would add the Urban System's $200 million for bus purchases funded from the Highway Trust Fund, and leave the remaining $60 million for the Urban System and $300 million for Urban Extensions, making $900 million available for urban highway programs. Of the $1.4 billion for mass transit, $700 million would be apportioned to the states on the basis of relative urbanized population for mass transit for capital and operating expenses, and $700 million would be retained for expenditure on capital grants only, at the discretion of the Secretary.

States have not controlled mass transit projects because funds have not been apportioned to them. There is a real threat that cities would have less control over the use of these funds if they are apportioned to the states.

While the Department has stated its intention to lift the ban on funding new fixed rail and commuter rail systems in FY 75, the relatively small amount of transit funds in the Secretary's discretionary fund virtually precludes support for new fixed rail systems.

No new money would be added for operating subsidies, whereas S. 386, the Urban Mass Transportation Assistance Act of 1974, now in conference, would provide $400 million annually for the next two years. The Administration still intends to veto this legislation.

State and local governments are now paying about $600 million annually in operating assistance for mass transit systems. If the state and local governments decided, under the proposed UTAP program, to use about $400 or $500 million of the $700 million apportioned to the states for operating assistance programs, the total funding available for the capital grant program, including the $700 million in the Secretary's discretionary fund, would be $900 million to $1.0 billion annually, which is about the same level as the FY capital grant program, and significantly less than the FY 75 level for capital grants.

Finally, the Highway Trust Fund, which would provide almost one-half the funds for UTAP for the first three years, is due to expire at the end of FY 77. The Administration's proposed UTAP would utilize $1.1 billion from the Highway Trust Fund and $1.2 billion from existing UMTA contract authority, and force the next Administration to seek the entire funding from general revenue or other sources. Hence, guaranteed funding from the Highway Trust Fund would be allowed to lapse at the end of FY 77.

Urban Mass Transportation

The capital grants program still falls far short of the estimated bus and rail requirements of the nations' cities. Pending capital grant applications now amount to about $6 billion. Furthermore, this budget does not call for any update of UMTA contract authority. In accordance with the 1970 UMTA Act, contract authority was to be updated every two years. Because of the one-year delay in the Federal-Aid Highway Act of 1973, which did provide $3 billion in new contract authority, the UMTA contract authority should be updated again in this session of Congress to cover the period from FY 75 through FY 79.

Cities are concerned particularly with providing incentives to increase bus production and bus research and development programs. It does not appear from the budget for RD&D that the Department plans to make any major thrust in this direction.

Although substantial funds will be available for mass transit purposes, the total federal funds available for highways, mass transit and airports continues to fall far short of estimated requirements. The Administration, for example, has proposed to make Federal operating assistance available through UTAP, but with no increase in funds. Increased flexibility in the use of Highway Trust Fund money will allow the cities the opportunity to determine the allocation of federal transportation funds, but when the total increases fail to reflect the addition of a number of new programs and new demands, the benefits from additional flexibility in the use of funds are marginal.

TABLE T-I.—URBAN MASS TRANSPORTATION FISCAL YEARS 1973-75

[In millions of dollars]

	Fiscal year administrative reservations (obligations)		
	1973	1974	1975
Capital facilities	$826	$872	$1,255
Technical studies	34	38	38
R. D. & D.	72	66	75
University research and training	3	2	3
Other	45	8	11
Total [1]	978	986	1,351

[1] Totals may differ slightly due to rounding.

Source: Appendix to the Budget for fiscal year 1975, p.173.

TABLE T-II.—FEDERAL-AID HIGHWAY TRUST FUND FISCAL YEARS 1973-75

[Program costs in millions of dollars]

	Fiscal year—		
	1973 (actual)	1974 (estimate)	1975 (estimate)
Interstate system	$3,137	$2,925	$2,500
Urban transportation program [1]	374	800	875
Other	1,047	1,023	1,225
Total [1]	4,558	4,748	4,600

[1] The urban programs in fiscal years 1973 and 1974 include only urban extensions, the urban system and the Topics program-related activity, whereas the fiscal year 1975 program cost also includes the priority primary system and other federally aided highway programs in urban areas. Up to $200,000,000 of the fiscal year 1975 amount could be used for bus purchases.

Source: Appendix to the Budget for fiscal year 1975, p. 699.

TABLE T-III.—AIRPORT AND AIRWAY TRUST FUND, FISCAL YEARS 1973-75

[In millions of dollars]

	Fiscal year—		
	1973	1974	1975
Planning grants	10	13	15
Construction grants	207	300	310
Total [1]	216	313	325

[1] Totals may differ due to rounding.

Source: Appendix to the Budget for fiscal year 1975, p. 687.

VETERANS' EDUCATION AND JOB OPPORTUNITIES

Out of a $13.6 billion overall Veterans' Administration Budget for FY 75, $2.8 billion is budgeted for the GI Bill program and will be spent primarily in the nation's cities, much of it at community colleges. The almost $3.3 billion in FY 74 spending for the GI Bill, including a $750 million supplemental, would drop to $2.6 billion in FY 75, because fewer veterans are expected to use the program. However, with the President's proposed 8 percent increase, costing $200 or more million, in across-the-board GI Bill benefits, this figure will be almost $2.9 billion. An 8 percent increase in benefits would give each single veteran $237 per month for education and living expenses for a maximum of 36 months.

The Veterans' Cost of Instruction Program under HEW's Higher Education Act, which has greatly increased the participation rate in the GI Bill program in many cities and provided enrollment, counseling, and remedial course assistance to thousands of veterans, was included by Congress in the Labor-Hew appropriation a $23.7 million for FY 74, its second year. No funds were requested for this program by the President in

FY 75, nor were any requested in FY 74. No special energy crisis work program funding was requested for FY 75 which might benefit veterans laid off during the energy crisis due to a lack of seniority.

Comment

The President's budget provides only an 8 percent increase or $17 per month more to GI Bill users, making the basic benefit $237 a month, which is less than the cost-of-living increase (the cost-of-living is up 12.8 percentage points since the last GI Bill increase), and recommends no restructuring to remove geographical disparities.

Much controversy has surrounded the adequacy of GI Bill benefits. The Congress ordered the Veterans' Administration in 1972 to do an independent study comparing benefits available under all three GI Bills. The Educational Testing Service, which did the study for the V.A., concluded in its September 1973 report that today's benefits, when adjusted for the cost of living, provide less assistance toward the purchase of a post-secondary education than did the World War II GI Bill. The Veterans' Administration disagreed with the study, claiming that the average veteran attending the average public school has parity. Hearings held by the League and Conference Special Veterans' Opportunity Committee resulted in a final report supporting the ETS conclusions. The hearings were chaired by Congressman Silvio Conte and Mayors Gibson, Perk, and Uhlman.

The House Veterans' Affairs Subcommittee on Education and Training on February 5 passed a 13.6 percent increase in across-the-board GI Bill benefits. This bill would cost $300 million more than the administration proposal, suggesting that the education budget may be understated. In the Senate, 34 members have co-sponsored a bill which also increases the GI Bill across-the-board benefits by 13.6 percent and provides a tuition equalizer provision with payments covering tuition costs between $419 and $1,000. Such legislation appears necessary and would correct the fact that geographical disparities often prevent equal education opportunity for equal military service. It would add $200 million for the FY 75 Budget.

The failure to request funds for the Veterans' Cost of Instruction provision is another example of the income strategy, funding the consumer, not the institution. Tuition fails to cover actual costs of education at colleges and junior colleges. Few colleges set up special veterans' offices to cope with their problems before these funds were available; it is unlikely that they will continue them without federal funding.

Unemployment figures for veterans aged 20–24 rose in January 1974 to 10.6 percent, compared with a 7.2 percent rate for non-veterans of the same age. Veterans may be hard hit by the energy crisis if unemployment rises due to their lack of seniority.

In calendar years 1970–73, the number of Vietnam-era veterans in the labor market rose from 3 million to 6.5 million men. These men have relied heavily on Emergency Employment Act jobs. The lower levels of EEA spending for FY 75 than in earlier years will also hit the veteran, particularly if the previous trend of energy crisis layoffs continues.

WELFARE AND INCOME SECURITY

A comprehensive review of federal programs which maintain or supplement personal income with cash benefits, in-kind services, or commodities would have to encompass nearly 40 activities ranging from Social Security (QASDI) to housing assistance and school lunches. In addition, service programs, such as child care and manpower training for special population groups, increase earnings capacity or otherwise reduce the need for cash benefits or public services, such as health care.

However, in this analysis, "welfare" is limited to include only public assistance, including aid to families with dependent children (AFDC), Medicaid, social services, training for state and local personnel and child welfare services; the Supplemental Security Income (SSI) program, which federalizes the adult public assistance categories (aged, blind and disabled) as of January 1, 1974; and programs for specific populations now incorporated into a new Office of Human Development (OHD) in the Department of Health Education and Welfare (DHEW). (See Table W–1).

Grants to States for public assistance

The estimated $4.6 billion for maintenance assistance proposed for FY 75 is based on November 1973 state estimates. The reduction reflects transfer of the adult categories to SSI. It reflects HEW's belief that the AFDC caseload growth over the past 10 years has ended and that management initiatives imposed on states to reduce overpayments and eliminate ineligible applicants will further slow the growth of program costs. Proposed legislation placing a ceiling on work-related expenses and earnings disregarded when calculating grants is also indicative of HEW's commitment to contain program costs. HEW estimates that this change would save $203 million in federal matching payments in FY 75.

Growth in Medicaid outlays is a combination of increased medical service costs and the expanded eligibility that includes all SSI recipients. Efforts continue to contain Medicaid costs, exemplified by a legislative proposal to drop federal reimbursement for adult dental care, except for "emergency" cases.

Because of apprehension and confusion over regulations governing implementation of the social services titles of the Social Security Act, states have estimated their needs for the coming year conservatively despite the existence of a $2.5 billion authorization. The proposed regulations (Congress delayed their implementation until December 31, 1974) severely reduce eligibility and the kinds of services eligible for reimbursement.

The Administration has indicated its intention to seek extensive welfare reform legislation, but its full development will probably require two to three years. There is no indication of what directions the Administration is considering. It has been made clear, however, that any welfare reform proposal will contain provisions to make working more attractive than being on welfare.

Legislation is proposed to require that Title XIX (Medicaid) states cover outpatient clinic services delivered by a hospital or an ambulatory health care facility. The intent is to cover ambulatory care delivered in free-standing clinics. (See Table W–2).

On January 1, 1974, the federal government began implementation of a new federal income maintenance program—Supplemental Security Income—for the aged, blind and disabled. As a result, direct federal payments in FY 75 will be more than twice those in FY 74. In addition to providing direct federal assistance to the adult categories, the new program provides a minimum income of $140 per month for an eligible individual and $210 per month for a couple (when both are eligible). These benefits will rise to $146 and $219 in July 1974 (FY 75). In addition, the federal government is reimbursing the states which supplement SSI benefits up to those costs incurred by the states in 1972 for the adult categories. This contribution jumps from $159 million in FY 74 to $452 million in FY 75. HEW is now in the process of developing legislation providing for automatic cost-of-living increases to SSI recipients. (See Table W–3).

The newly-created Office of Human Development (OHD) will now be responsible for administration of those programs serving special groups. Among the programs with which OHD will deal are Head Start, Juvenile Delinquency, and the elderly. The Head Start programs will realize a gross increase in estimated FY 75 expenditures of $22 million; however, of this amount, $16 million which previously was funded out of OEO for CAPS to administer Head Start, will again go for administration of the program at the local level. Total increased expenditures for Head Start will therefore total about $6 million which will be used primarily for utilities, supplies, equipment and services. There is no anticipated increase in enrollees.

The Youth Development program is primarily concerned with juvenile delinquency and runaway youth. The budget calls for $15 million, an increase over the $10 million which has prevailed for the past several years.

Service programs for the elderly will continue to be funded at the previous year's level. There will be approximately $100 million for the nutrition program and $96 million for community services. The $10 million cut will be in programs designed to train individuals to operate elderly programs. The proposed FY 75 Budget does not take into account the $102 million remaining unexpended from FY 74. (The FY 73 appropriation was $211 million of which $109.4 million was expended in FY 73; the remainder being expended in FY 74. The FY 74 appropriation was $213 million. Therefore HEW has in reserve $111 million for elderly programs.)

TABLE W–1.—GRANTS TO STATES FOR PUBLIC ASSISTANC

[In millions of dollars]

	1973 actual	1974 estimate	1975 request
Maintenance assistance	6,341	5,487	[1] 4,602
Medical assistance (medicaid)	4,998	5,824	6,591
Social services	1,607	2,000	[2] 2,000
State and local training	36	45	33
Child welfare services	46	47	46

[1] Reductions are due to transfer of adult categories to SSI.
[2] Total available is $2,500,000,000. $2,000,000,000 request is based on November 1973 State estimates.

Source: Fiscal year 1975 budget appendix, p. 440.

TABLE W–2.—SUPPLEMENTAL SECURITY INCOME (SSI)

[In millions of dollars]

	1973 actual	1974 estimate	1975 request
Direct Federal payments		1,644	3,871
Federal contribution towards State supplementation		159	452

Source: Fiscal year 1975 budget appendix, p. 451.

TABLE W–3.—GRANTS FOR CHILDREN, YOUTH, AND ELDERLY

[In millions of dollars]

	1973 actual	1974 estimate	1975 request
Child development:			
Headstart	390.0	392	430
Administrative costs [1]	(15.0)	(16)	
Total	405.0	408	430
R. & D.	12.5	15	16
Youth development	9.9	10	15
Elderly programs	109.4	213	203

[1] Indirect administrative costs were formerly paid out of OEO. HEW summary indicates intention to use $16,000,000 of $430,000,000 for administrative costs.

Source: Fiscal year 1975 budget appendix, p. 440.

Special initiatives to continue the Head Start program at a slightly increased level are to be proposed in the next few months. No details are available at this time.

As was proposed last year, the Administration is again seeking enactment of an Allied Services bill and has requested $20 million

for its implementation in FY 75. The proposed legislation would enable states to coordinate and consolidate the planning and provision of human services.

Nutrition programs

In view of the close relationship between food assistance programs and other income security programs, legislation will be proposed to transfer the food stamp and the school breakfast and lunch and other related programs from the Department of Agriculture to HEW.

Comment

With the recently enacted 11 percent increase effective June 1974, social security benefits will have risen more than 68 percent over the last five years. The average benefit for a retired couple will be $310 a month. The trend toward substantial increases in this and related income maintenance programs demonstrates that the federal budget is becoming increasingly a tool for income redistribution with program costs which are uncontrollable in the short run. (See Table W–4). Federal outlays for cash benefits as a share of Federal expenditures have increased from 1973 to 1975 from about 35 to 36 percent, a 3 percent rise. (See Table W–4). When in-kind benefits are included, the figures are 43 percent and 46 percent respectively, of total Federal expenditures.

The impact of this year's welfare and income security budget on the cities is likely to be negligible during the coming year. But some recommended changes, if effectively implemented, could have beneficial effects on individual residents of cities in the future.

This section of the budget reflects as well as any the administration's commitment toward an "income strategy" as opposed to a "services strategy" for assistance to the disadvantaged, a disproportionate number of whom reside in cities. An example of this strategy is the announced intention of the administration to propose legislation that would provide automatic cost of living increases for the aged, blind, and disabled beneficiaries under the newly federalized Supplemental Security Income program. That change would be desirable, but it is not now on the books. Like other proposals in this area, including new legislation to replace the current family welfare program, it may be a long time before any impact can be felt in the nation's cities.

Although the budget makes allowance for increased expenditures for the aged, blind, and disabled, it assumes no increase in the caseload of the Aid to Families with Dependent Children program.

TABLE W–4.—INCOME SECURITY PROGRAMS

[Budget authority in billions of dollars]

Programs	Fiscal year 1973	Fiscal year 1975
Cash benefits (total)	[1] 87.0	[2] 108.8
Indian programs	.27	.33
Maintenance assistance	10.3	8.1
Retirement and disability	59.7	83.3
Unemployment benefits	6.8	6.8
Veterans benefits and insurance	10.0	10.3
In-kind benefits (total)	[3] 18.8	[4] 30.0
Hospital and supplementary medical insurance	9.0	13.4
Medicaid	5.0	6.6
Food	3.2	5.6
Other	1.6	4.5
Total budget authority for income security programs	[5] 105.8	[6] 138.9
Total Federal expenditures	246.5	304.4

[1] 35 percent of total Federal expenditures.
[2] 36 percent of total Federal expenditures.
[3] 8 percent of total Federal expenditures.
[4] 10 percent of total Federal expenditures.
[5] 43 percent of total Federal expenditures.
[6] 46 percent of total Federal expenditures.

Source: The Budget of the U.S. Government appendix fiscal year 1975.

GLOSSARY

Authorization—Basic substantive legislation which sets up a Federal program or agency. Such legislation sometimes sets limits on the amount that can subsequently be appropriated, but does not usually provide budget authority.

Budget authority (BA)—Authority provided by the Congress—mainly in the form of appropriations—which allows Federal agencies to incur obligations to spend or lend money. While most authority is voted each year, some becomes available automatically under permanent laws—for example, interest on the public debt. Budget authority is composed of:

New obligational authority (NOA), which is authority to incur obligations for programs in the expenditure account; plus

Loan authority (LA), which is authority to incur obligations for loans made under programs classified in the loan account.

Budget surplus or deficit—The difference between budget receipts and outlays.

Contract authority—Some budget authority is in the form of "contract authority" which permits obligations, but requires an appropriation or receipts "to liquidate" or pay these obligations.

Federal funds—Funds collected and used by the Federal Government, as owner. The major federally owned fund is the general fund, which is derived from general taxes and borrowing and is used for the general purposes of the Government. Federal funds also include certain earmarked receipts, such as those generated by and used for the operations of Government-owned enterprises.

Fiscal year—Year running from July 1 to June 30 and designated by the calendar year in which it *ends*.

Impoundments (Budgetary Reserves)—Portions of appropriations, fund or contract authority set aside for (a) contingencies; (b) savings which are made possible by or through changes in requirements, greater efficiency of operations, or other development subsequent to the date on which the authority was made available; and (c) subsequent apportionment.

Obligations—Commitments made by Federal agencies to pay out money for products, services, loans, or other purposes—as distinct from the actual payments. Obligations incurred may not be larger than the budget authority.

Outlays—Checks issued, interest accrued on the public debt, or other payments made, net of refunds and reimbursements.

Reserves—See "Impoundments".

Trust funds—Funds collected and used by the Federal Government, as trustee, for specified purposes, such as social security and highway construction. Receipts held in trust are not available for the general purposes of the Government. Surplus trust fund receipts are invested in Government securities and earn interest.

LIMOUSINE AMENDMENT TO ENERGY BILL—MAJOR VICTORY FOR THE TAXPAYERS

Mr. PROXMIRE. Mr. President, one of the little noticed aspects of the final version of the Energy Conference Report which we passed on Monday was the excellent provision against limousines.

While the final version was not perfect, it was about 80 percent of what my original amendment proposed. The manager of the bill, the Senator from Washington (Mr. JACKSON) and his able staff certainly deserve credit for the vast improvement between the limousine provision in the first conference report and the second one.

WHAT WAS DONE

The amendment as finally passed did several things. First, it outlawed the big limousines—the class VI cars, which are Fleetwood Cadillacs—for everyone except the Cabinet and some other relatively minor exceptions.

Second, it provided that no one but those officers in the executive branch could be provided with a chauffeur. That means that the present number of chauffeur driven cars should be cut from well over 800 to 100 or less.

Third, it provided that no one, except for those few specified, could be driven to and from their homes. That was first made illegal in the Administrative Expenses Act of 1946. The provisions of the energy bill reinforce that law. If this bill is signed by the President, all those cars with the little lamps in back will be illegal if they are used by any but Cabinet officers to go to and from home. When you spot them at 8 to 9 a.m. or from 5:30 to 6:30 on the Potomac River bridges, up or down the parkways, or going through Rock Creek Park, you will know that the man in the back seat is breaking the law. Driving them to and from home is illegal. That law has been broken routinely in recent years. But the energy bill would serve notice that Congress means business again.

Now, there are some things the bill did not do. I should mention them.

WHAT IT DID NOT

First, it does not affect the legislative branch. As my original amendment excepted the leaders of the legislative branch, this is not a big omission. There are a few—a handful of legislative branch appointees—who will keep a car. But, as we know, Senators and Congressmen and their aids and staff directors do not have chauffeured limousines.

Second, the amendment does not specifically exclude classes V and IV cars. These are the big Buicks, Chryslers, and Mercurys which, in my book, are limousines.

NEED TO ENFORCE FEO ORDER

However, there is an order from the Federal Energy Office dated January 17, 1974, which states that "Use of Federal limousines, type VI, and heavy, type V, and medium, type IV, sedans shall be eliminated within 45 days of the date of this circular."

That memo tells the present holders of type VI, type V, and type IV vehicles to turn them in and use a subcompact or, in rare cases, a compact or intermediate sedan, unless they are specifically exempted by law.

If this provision is enforced by the President and the FEO, we could actually succeed in outlawing all but a handful of limousines.

SUMMARY

Therefore the bill outlaws chauffeurs, outlaws driving officials of the Government to and from home, and in conjunction with the FEO order of January 17, 1974, removes all class VI, V, and IV cars—the really monster cars—from officials except for Cabinet officers, a few leaders in Congress, the Chief Justice, and some diplomats.

Personally, I would go further, but I do take pride in the fact that we have made a very very big gain.

If the House refuses to accept this provision, or if the President vetoes the bill, I want to serve notice that I will be back again doing whatever I can on whatever bill to get rid of the huge chauffeur driven vehicles for officials of the Federal Government.

Again let me congratulate the Senator from Washington (Mr. JACKSON) for his valiant work in keeping most of the provisions of my antilimousine amendment and for saving such a very large and important proportion of the provisions. I think we have struck a blow for commonsense in the Government.

DR. CARL McINTIRE

Mr. HELMS. Mr. President, I call attention of my colleagues in the Senate to the plight of Faith Theological Seminary and its head, Dr. Carl McIntire, who recently were denied a renewal of license to operate radio station WXUR in Media, Pa.

This exercise of governmental power by the Federal Communications Commission, later affirmed by the court of appeals, was, I believe, an unwarranted transgression of first amendment rights guaranteeing freedom of speech and expression.

Citing the so-called "Fairness Doctrine" as a basis, in part, for its refusal to renew WXUR's license, the FCC effectively has used an executive regulation—a regulation without the sanction of the Congress—to abridge vital constitutionally guaranteed rights. To my knowledge, this is the first time that the FCC has invoked successfully this questionable doctrine to deny the renewal of a broadcast license. This action by the FCC was affirmed in a recent and divided opinion by the court of appeals, and the Supreme Court has decided not to look into the matter further.

Mr. President, it is my opinion that the Congress must carefully reexamine the FCC's fairness doctrine in light of the WXUR case.

The fairness doctrine has as its rationale the assumption that since broadcast outlets are so scarce, they must be regulated to insure balanced presentations of controversial issues. This assumption may have had some validity in 1949, when there were only 2,777 radio stations in this country, but it is of questionable validity today, when, as of this month, there were 7,549 stations operating. Incidentally, this compares with a total of 1,761 daily newspapers in circulation, with 1,455 of these the sole newspaper in the locale they serve. Competition among radio stations is great—competition for advertisers as well as listeners—with most listeners able to receive numerous radio signals in their locale, which means also that they can hear competing views concerning controversial issues. It is, therefore, the entire media market in any given locale, rather than any given radio station in that market area, to which we must look in order to determine whether there is an adequate presentation of competing viewpoints.

This is a crucial point of departure, Mr. President, for the fairness doctrine as it now is applied requires no such examination of the entire marketplace in which any given radio station competes and puts forth its ideas and opinions. This is the point of departure from which I urge my colleagues in the Senate to begin in their reconsideration of this doctrine.

And there must be a reconsideration of this concept, Mr. President, if freedoms that we often take for granted—freedom of speech, of expression, of the press—are to be preserved and protected from bureaucratic manipulation. As the fairness doctrine now is applied, it has a chilling effect on a radio station's inclination to present controversial listening matter to the public.

A short consideration of the WXUR case serves as a pointed example of what I am talking about. The seminary, as licensee, invested the large sum of money necessary to purchase a radio station these days and bought radio station WXUR, located in Media, Pa., a suburb of Philadelphia. Transfer of the station to the seminary which Dr. McIntire heads was approved by the FCC in 1965 and the station began operation in spite of the objections of many individuals who opposed Dr. McIntire because of his outspoken views on a number of controversial issues.

The license came up for its regular renewal a little more than a year later, and the station came under renewed criticism. Hearings on the license renewal began in October 1967, and continued through June 1968, with more than 15,000 pages of testimony taken during the course of the proceedings. At the end of the hearings, the FCC examiner ruled that the license of WXUR should be renewed. This decision was taken to the full Commission and was reversed on July 1, 1970.

Basic to the Commission's denial of the license renewal was its opinion that not only had the station not abided by the Commission's concept of the fairness doctrine—for example, WXUR had failed, in the Commission's estimation, to present both sides of controversial issues to the public; but also that it had failed to satisfy promises made to the Commission to abide by the fairness doctrine by failing to present specifically named programs designed to "balance" the station's religious and public programing. The alleged "misrepresentations" on the part of WXUR with regard to its program planning—again, basically, alleged breach of promises made pursuant to the Commission's own interpretation of the fairness doctrine—proved to be the only common ground on which the two concurring judges could base their opinion in the ensuing court appeal by WXUR of the Commission's decision to deny its license.

Mr. President, it is clear from the facts in this case that the FCC chose to apply highly technical rules to this single station, and the Courts chose to uphold the Commission's decision in what amounts to a callous disregard for the first amendment rights of this radio station and its listeners.

I call for a reexamination of this questionable doctrine. If it is to remain with us, it must be restructured to remedy its serious constitutional defects. Its chilling effect on broadcast journalism must be removed, at least in the area of radio broadcasting. We must not allow any group desiring to deny a radio station its license the ability to do so simply because that group does not agree with the station's approach to the issues or because of the controversial nature of the station's programing, as was done in the WXUR case.

If the "fairness doctrine" is to remain with us, if abridgements of first amendment rights inherent in this doctrine are to be allowed, then it is up to the Congress to decide under what circumstances this doctrine should apply. Basic to the establishment of criteria under which the doctrine should be allowed to be applied and first amendment rights be allowed to be abridged is that there exist such a scarcity of radio stations available to a particular area that it is reasonably foreseeable that competing viewpoints on controversial issues are not being aired; and further, that there is a reasonable showing, despite the availability of a number of stations in the immediate area, that competing viewpoints on controversial issues in fact are not being presented. It is my opinion, Mr. President, that the fairness doctrine should be revised—and revised by the Congress since neither the FCC nor the Courts obviously wants to protect constitutionally guaranteed rights—in accordance with these principles. And the burden of proof should be upon the FCC to establish either the requisite scarcity of radio stations in the particular broadcast area or the lack of adequate presentation of competing views in that area, beyond a reasonable doubt, before the Commission can deny the granting, transfer, or removal of a radio station's license. First amendment rights are too precious to be dealt with as they have been in the WXUR case. We in the Congress must not allow any bureaucratic decision to circumvent the Constitution.

Mr. President, because of the involved nature of the WXUR case, I have made inquiry of the Honorable Dean Burch, Chairman of the FCC. Recently, I received his reply to my inquiry, a copy of which I forwarded to a constituent interested in this matter, who, in turn, forwarded the letter to Dr. McIntire. Subsequently, the letter was published in the "Christian Beacon," a religious publication, along with a reply to Mr. Burch from Dr. McIntire. I think this exchange of views, from the principals on each side of the matter, will shed some valuable light on this particular case.

Mr. President, I ask unanimous consent that the letter from Mr. Burch and the reply from Dr. McIntire be printed in the RECORD at the conclusion of my remarks.

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

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., January 3, 1974.

Hon. JESSE HELMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HELMS: In response to your request for my comments on the WXUR controversy, I want first to define the issues that were actually decisive in the case (and

those that were not), and then provide you with some general background and a detailed record of the litigation. I believe it is fair to say that few cases to come before this Commission have ever been marked by more extensive access to the processes of both administrative and judicial review.

The WXUR case had nothing to do with the expression of religious views, and it had nothing to do with ideology. In both these regards, Dr. McIntire had and has the same rights and privileges as any other broadcasters: no less and, just as important, no more. The case was triggered by complaints that WXUR had repeatedly violated the fairness doctrine and the personal attack rules, both of which are grounded in statute, precedent, and Supreme Court rulings; before it was over, the issue of deliberate and systematic misrepresentation emerged as crucial.

A word at the outset about the requirements of fairness and personal attack. Under Section 315 of the Communications Act, every licensee of the Commission is required to address controversial issues of public importance and to do so with "reasonable balance"—not with the precise mathematical equality of campaign appearances by qualified candidates but with "reasonable opportunity" for the presentation of contrasting views. I put these phrases in quotes to highlight the fundamental standard of "reasonableness". We permit our licensees great flexibility in the fairness area. Choices of subject, format, and spokesmen are theirs. But we do insist on a good faith effort. Our rules also provide that when an attack is made on the character or integrity of an identified person or group, in the context of controversial issue coverage, the licensee must so inform the object of the attack and afford an opportunity for response. I would be the last to argue that either the fairness doctrine or the personal attack rules are beyond criticism; but they exist, they have been unanimously affirmed by the Supreme Court, and they must be implemented.

Interestingly, when the Court first ruled on the constitutionality of fairness and personal attack (in a unanimous decision), Dr. McIntire was one of the principals in the case. This was the landmark *Red Lion* decision, and I want to quote from Mr. Justice White's holding:

Where there are substantially more individuals who want to broadcast than there are frequencies to allocate, it is idle to posit an unabridgeable First Amendment right to broadcast comparable to the right of every individual to speak, write or publish . . . There is nothing in the First Amendment which prevents the Government from requiring a licensee to share his frequency with others and to conduct himself as a proxy or fiduciary with obligations to present those views and voices which are representative of his community and which would otherwise, by necessity, be barred from the airwaves.

This past spring the Court again upheld the fairness doctrine and in the so-called *BEM* decision went so far as to suggest that the doctrine is not only constitutionally permissible but may even be constitutionally required—although by a much narrower margin than in *Red Lion*.

This is all by way of essential background. On July 7, 1970, the Commission refused to renew the licenses of WXUR and WXUR-FM on the grounds that the licensee (a) had made no reasonable effort to comply with the fairness doctrine, (b) had repeatedly violated the personal attack rules, and (c) had substantially misrepresented its programming intentions in its submissions to the Commission. On September 28, 1972, the U.S. Court of Appeals for the D.C. Circuit upheld our decision—and, again, I want to quote at some length from the majority ruling. In its strong tone and precise formulation of the issues, this ruling speaks unequivocally:

This is a case in which the blind need for a radio outlet in the Philadelphia market has led men experienced in the broadcast industry to misrepresent the facts and to attempt to deceive a regulatory body all to a single end—propagation on the media of their philosophic dogma. These men may have possessed the highest aims for their cause but these aims were blind to the needs of the general public. Misrepresentations conceived to win a soap-box from which to shout ones views are the basest over-exaggeration of the liberties guaranteed in the first amendment. Since the airwaves are a scarce commodity and have been deemed a public trust it is easy for us to see that Dr. McIntire and his followers have every right for their views to be broadcast. Their right to operate a radio station is no different than the rights of any other group in America. Their rights are neither superior nor inferior. In seeking a broadcast station they had to meet the same requirements as anyone else seeking a license. The first of these requirements is candor and honesty in representations to the Commission. Their dismal failure in this regard is evidenced by this 8,000 page record. These men, with their hearts bent toward deliberate and premeditated deception, cannot be said to have dealt fairly with the Commission or the people in the Philadelphia area. Their statements constitute a series of heinous misrepresentations which, even without the other factors in this case, would be ample justification for the Commission to refuse to renew the broadcast license.

On May 30, 1973, the U.S. Supreme Court denied review of the Court of Appeals' decision.

In this ruling the Court of Appeals speaks of "an 8,000 page record", and that reference requires another few words of background. The WXUR case dates all the way back to January 25, 1967 (nearly three years before I joined the Commission), when the license renewals were designated for a full hearing on the basis of numerous complaints and petitions. The hearing began on March 21, 1967; the examiner issued his Initial Decision on December 10, 1968; and the record was completed (after further pleadings and replies on April 29, 1969. The Circuit Court was, if anything, too conservative in its estimate; the full transcript runs to some 15,000 pages.

Even then, Dr. McIntire received additional hearing. On March 3, 1970, oral argument was held before the Commission *en banc*. On July 7, 1970, its decision was released, denying renewal. On petition for reconsideration (with more pleadings), the Commission affirmed its decision on February 11, 1971. On March 10, 1971, an appeal was filed with the U.S. Circuit of Appeals for the D.C. Circuit; oral argument was held before the Court on April 10, 1972; and the affirming decision that I quoted above was issued on September 28, 1972. On February 3, 1973, the Court granted a further stay of 45 days to permit appropriate writs to be filed with the U.S. Supreme Court. This was done on March 5, 1973, and as I've noted the Supreme Court denied review on May 30, 1973. On July 5, 1973, the applicant (Dr. McIntire) filed notice of emergency appeal with the Circuit Court but apparently never proceeded with this appeal, and the stations ceased broadcasting shortly thereafter.

I will let the record speak for itself and simply reiterate that few cases had ever been so thoroughly considered as this one and that Dr. McIntire had access to every conceivable process of law.

Admittedly, he has not prevailed. I simply can't draw any other conclusion from this fact than that his contentions—whether he chooses to project them on religious or political grounds—have been found wanting. As I read the record of the case, there is no question about WXUR's clear and repeated violation of the Commission's rules (which are plain to every licensee) nor about the station's misrepresentations when called to task about these violations. Dr. McIntire has attempted to suggest that we are "out to get him", in contract to other licensees whose ideological bias may be at the opposite end of the spectrum. But the decisive differences are (a) that other licensees have not generally violated the Commission's rules on fairness and personal attack, and (b) they have not generally lied to us about their future intentions. If these forms of behavior were pervasive among the Commission's licensees, our trusteeship system of commercial broadcasting would quite simply fall apart. It is in my judgment that serious a matter.

I hope I've been able to throw some useful light on the issues in this highly controversial case, and I'm genuinely pleased to have had the opportunity to review the record in detail.

Sincerely,

DEAN BURCH, *Chairman.*

BIBLE PRESBYTERIAN CHURCH,
Collingswood, N.J., January 25, 1974.

Hon. DEAN BURCH,
Chairman, Federal Communications Commission, Washington, D.C.

DEAR MR. BURCH: A copy of your letter of January 3, 1974, to the Honorable Jesse Helms, United States Senator, North Carolina, has been given to me by Mr. John J. Malcolmson, Philadelphia, Pennsylvania, sent to him by the Senator.

Seven times my name is mentioned, and you direct its impact against me. At the conclusion you write, "Dr. McIntire has attempted to suggest that we are 'out to get him,' in contrast to other licensees whose ideological bias may be at the opposite end of the spectrum. But the decisive differences are (a) that other licensees have not generally violated the Commission's rules on fairness and personal attack, and (b) they have not *generally lied* (emphasis mine) to us about their future intentions."

You also explain that "on July 7, 1970, the Commission refused to renew the licenses of WXUR and WXUR-FM on the grounds that the licensee (a) had made no reasonable effort to comply with the fairness doctrine (b) had repeatedly violated the personal attack rules, and (c) had substantially misrepresented its programming intentions in its submission to the Commission. On September 28, 1972, the U.S. Court of Appeals for the D.C. Circuit upheld our decision. . ."

Now, Mr. Burch, the Commission, the FCC, was not upheld at all on grounds (a) and (b) that the station "had made no reasonable effort to comply with the fairness doctrine" and "had repeatedly violated the personal attack rules." For you therefore to represent that it was and to use such a conviction as a part of what you call the "decisive differences" between WXUR and other licensees who "have not generally violated the Commission's rules on fairness and personal attack" constitutes a false claim, and inflicts a grave injury on me, the cause which I represent, and our whole radio ministry. For you, the chairman of the FCC, to claim that the FCC won something from the U.S. Circuit Court which it did not win, and to use this as you are doing to discredit me, my character, in your representation of the FCC and to the Senator simply means that you are misleading and misinforming representatives of the people on Capitol Hill.

This falsification of the facts in the situation is not new or recent, but it goes back to September 28, 1972, the day of the decision of the Court itself. I quote in full the FCC official notice:

"Public Notice, Federal Communications Commission, 1919 'M' Street, N.W., Washing-

ton, D.C., 20544. For information on releases and texts call 632-0002. September 28, 1972-G.

"LEGAL ACTIVITIES

"The United States Court of Appeals of the District of Columbia has affirmed Commission decision of July 1, 1970, which denied the applications of Brandywine-Main Line Radio, Inc., for renewal of licenses of Stations WXUR and WXUR-FM, Media, Pennsylvania (Docket 17141), and action of February 3, 1971, denying reconsideration. The Court upheld the Commission's denial of renewal of licenses on the ground that Brandywine failed to comply with the Fairness Doctrine and Personal Attack Rule."

This is the release that was given to the press, the radio, and the TV, defending the FCC on grounds that were not upheld. These two grounds referred to here, compliance with the Fairness Doctrine and the personal attack rules, were not sustained. This did us irreparable injury over the country, and we have never to this day been able to overcome it, to offset it, or to set the record straight with the public. And you are now, as of January 3, 1974, offering the false representation that you were sustained in these two grounds. And this is fifteen months since the Court order.

All that the FCC was sustained on in receiving its decision was what you here call "substantially misrepresented its programming intentions in its submissions to the Commission." And at the conclusion of your letter you speak of other licensees which "have not generally lied to us about their future intentions." The only basis, therefore, which you have for the decision to remove Radio Stations WXUR and WXUR-FM from the air is what you here characterize as "lies."

In support of these "lies" you quote from the ruling of Judge Tamm and Judge Wright: "In its strong tone and precise formulation of issues, this ruling speaks unequivocally." You now accept this as your own, and this is where I and those associated with me on the Board of Directors of Faith Theological Seminary are spoken of as "these men, with their hearts bent toward deliberate and premeditated deception . . . Their statements constitute a series of heinous misrepresentations . . ."

Judge David Bazelon, the Chief Justice of the Court, stands in a unique position. He first went along with the other two justices on the matter only of the misrepresentation, but indicated that he would write an opinion. When he wrote his opinion, he reversed himself, and on the "misrepresentation" issue he said, "Unlike my brothers, the FCC never characterizes Brandywine action as fraud and deception." The two judges assumed that there was "fraud and deception" and elevated your FCC charge to the level of "deliberate and premeditated deception" in our hearts. And now you accept and use that in your letter to the Senator.

However, Judge Bazelon and also Senator Sam Ervin, chairman of the Watergate Committee, in his November 14 speech to the Senate, have both taken the position that you were violating both the Communications Act of 1934 and the First Amendment when you required that WXUR stipulate in advance its program intentions. If this is true, and our rights under the First Amendment have been transgressed, no matter what your attitude or requirement may have been in relation to this particular charge, it is nullified by the First Amendment. You have no basis whatsoever for removing WXUR from the air on the basis of the Court's decision.

Shall I characterize your Public Notice released on September 28 as "premeditated, deliberate deception" on the part of the Federal Communications Commission? You announced that you won a court decision on grounds which had been the main issue in the whole case, but which the court did not sustain. Judge Bazelon in his direct and clear-cut analysis was emphatic, "In this case I am faced with a *prima facie* violation of the First Amendment. The Federal Communications Commission has subjected Brandywine to the supreme penalty: it may no longer operate as a radio broadcast station. In silencing WXUR, the Commission has dealt a death blow to the licensee's freedom of speech and press. Furthermore, it has denied the listening public access to the expression of many controversial views. Yet, the Commission would have us approve this action in the name of the Fairness Doctrine, the constitutional validity of which is premised on the argument that its enforcement will *enhance* public access to a marketplace of ideas without serious infringement of the First Amendment rights of individual broadcasters.

"This paradoxical result is sustained only by a faith in the argument that, despite some short-term casualties along the way, long-term enforcement of the Fairness Doctrine's obligations is the only means to achieve the marketplace ideal. But if we are to go after gnats with a sledgehammer like the Fairness Doctrine, we ought at least to look at what else is smashed beneath our blow."

Mr. Burch, I am in the position of having two judges of a federal court convict me and my associates on the Board of Directors of Faith Theological Seminary of something that was not originally charged by the FCC and which we did not have opportunity to face under oath before conviction. This is a travesty of justice when judges make up their own specific charges. And it was this and this alone that kept us from getting our day in court before the Supreme Court. From September 28, 1972, when the U.S. Circuit Court declined to sustain the FCC in the matter of the Fairness Doctrine or the personal attack rules until January 3, 1974, you have continued to insist in communications such as this that the facts in the case were different from what they actually are. And now that you had only one "ground" left, you, as chairman of the FCC, have joined the Court in knowing what was in our hearts!

But, the FCC gave a different story when the brief for the FCC in opposition was presented to the Supreme Court. Here it read: "Judge Wright indicated that, since his vote to affirm rested solely on the basis of misrepresentation and Judge Tamm would affirm on that ground also, 'that ground, and that ground alone, forms the basis of our judgment.'" All other grounds were eliminated. Even you yourself dropped the charge which was charge number four in your original decision: "Failure to ascertain the needs of the station's listening public."

With such a record, how is it possible that you could go on continually to mislead and misinform the members of the United States Congress relative to Dr. Carl McIntire as you have? The damage which you have done to my character and my ministry is absolutely irreparable, and, may I say, it was done to kill the station and cut it off the air.

Congressman after congressman has written his constituents, after hearing from the Federal Communications Commission, telling these untruths that it was for violations of the Fairness Doctrine and personal attack rules that Station WXUR was put off the air. You have had numerous letters from congressmen, and your replies have either been sent in whole to the constituents or the congressmen have made your statement their own in letters they sent out.

In the brief filed by the FCC with the Supreme Court of the United States, only two matters in this area of "misrepresentation" are presented.

One, the Inter-Faith Dialogue was included because our attorney, Benedict Cottone, came and advised us that the Commission would not approve the license transfer unless we had such a program. I worked out the plan with him and the manager of the station, and the FCC was informed of our intentions to initiate such a program "in which ministers or representatives of different faiths will be invited to participate in round-table discussions of religious principles and tenets related to current religious problems. Every effort will be made to obtain varied participation from week to week to assure the greatest possible balance of views on the subjects of discussion." That program was torpedoed by the Greater Philadelphia Council of Churches, which refused to participate or to go on Radio Station WXUR. Every effort was made to induce them to come, but they were a major party to the various actions taken to silence the station, and they refused to cooperate and make possible the program. The Examiner concluded his own appraisal by saying: ". . . it was by now evident that no member of the Protestant community represented by GPCC [Greater Philadelphia Council of Churches] would appear on Dialogue except for a few who came voluntarily. . . ."

Mr. John Norris, the station manager, started the Dialogue program himself with the hope that once it got on the air perhaps he could get more cooperation. He offered the entire program to the Greater Philadelphia Council of Churches, which declined to have anything to do with it. The program was then discontinued. There was no premeditated deception, and the station found itself being killed on the ground that its proposals were a "fraud" which it had no intention of fulfilling, when in reality the groups that were complaining against the station had it within their power to refuse to cooperate and make impossible such an FCC-required Inter-faith program—a de facto requirement of license transfer.

The second point had to do with misrepresentations of intentions of the station in programming. At the time of the application, the intentions as known were revealed. The 20th Century Reformation Hour was to be carried. When the Seminary Board of Directors voted to purchase the station, the only program mentioned that was intended to be carried was mine. The Examiner, in discussing the situation, wrote: ". . . it cannot be held that there was any misrepresentation about what or how much would be placed on the schedule. In one most important respect this was true. FTS never made any secret about its intention to 'propagate the gospel' in its own idiom and to afford Reverend McIntire a broadcast pulpit. That this purpose was well known is clearly shown by the various complaints which were filed against the proposed transfer of control."

There was a period of some six weeks from the time the FCC approved of the transfer until the station went on the air on April 29, 1965, and during that time Mr. Norris arranged for some of the programs carried on his father's station, WGCB in Red Lion, Pa., to be brought over to WXUR. These occupied a total of three and one-half hours a week and were the ones objected to. There was nothing deceptive.

Moreover, our counsel who prepared the application and filed it with the FCC was none other than the Chief Counsel of the FCC for over seven years, and he certainly knew the FCC's practices.

So we have only two instances which were used by the Commission before the Supreme Court of the United States to keep the Court from proceeding to review the case and consider the dissent of David Bazelon, the Chief Justice of the Circuit Court, who raised these constitutional First Amendment issues, not only about the Fairness Doctrine and the Personal Attack provisions, but also about the requirement that program intentions be

revealed as a condition of being granted a license.

In this outline of the case which you have listed for the Senator, giving dates, you have not entered into the substance of what was at issue. You mention the Examiner's opinion, but in no way indicate that that opinion had favored the station. After nine months of sworn testimony, he wrote, "a creditable record of serving local needs and interests, of balancing its own viewpoint with viewpoints in contrast, *in declaring its main purposes to the Commission before the transfer of control* [emphasis added] and in giving vent to positions sharply opposed to its own" had been offered the public.

Then he said, " . . . if the licenses of WXUR and WXUR-FM were to be denied on the grounds that a number of isolated infractions really did occur, it could very conceivably result in silencing all controversial discussion on American radio and television."

Your own December 13, 1968, "Action in Docket Case" reports, "The Hearing Examiner pointed out that the Fairness Doctrine requires 'an honest and good faith effort by the licensee to air contrasting, conflicting and varying attitudes towards subjects of important controversy. In the broad perspective of this record, it is almost inconceivable that any station could have broadcast more variegated opinions upon so many issues than WXUR.' He noted that the main cause of the station's difficulties was 'not that it was narrowly partisan but that it sought and received too much controversy.' "

The man of your choice and appointing wrote this! And to do this you had to repudiate your Examiner, H. Gifford Irion, who spent nine months taking the 15,000 pages of testimony and writing a 166-page opinion.

Not only were we told point blank that some of those that refused to participate on WXUR did so on advice of counsel but the attack upon the station was fierce and unrelenting—boycotts and threats to advertisers eliminated virtually all advertising income. I had to go on the station and tell the public that we would have to subscribe the money of the monthly payments on the mortgage. I raised that amount in voluntary contributions from the radio audience so the station could be kept going economically. My life was threatened numerous times; the station was to be bombed and also my home in New Jersey. I had police guarding my residence all night. The hostility that was generated against us, the entire community is aware of, as the calls came in on the radio marathons with their public threats.

These two matters are what Judge Tamm, whom you quote, called "a series of heinous misrepresentations." You here say the Station "had substantially misrepresented its programming intentions" and compare this to other licensees of other ideological bias saying that "they have not generally lied to us . . ."

The Washington, D.C., *Star-News*, September 27, 1972, reported Judge Tamm's decision under the heading: "McIntire Gets Judicial Blast on Station Bid." Barry Kalb, staff writer, wrote:

"The U.S. Court of Appeals, in an opinion unusual in its length and the severity of its denunciations, has upheld the denial of a broadcasting license to an organization associated with the Rev. Carl McIntire.

"The organization, Brandywine-Main Line Radio, Inc., was variously accused of 'valueless verbiage,' of acting with 'more brazen bravado than brains' and of 'abusing those who dared differ with its viewpoints.'

"McIntire himself was accused by Judge Edward A. Tamm in the 92-page ruling of making 'incantations' which amount to 'childish prattle.'

'McIntire, an extreme right-winger, is best known in Washington for leading a number of demonstrations here calling for an undiluted military victory in Vietnam."

I call to your attention because of his reflections upon our speech: "Childish prattle"—what is that to him? "Incantations"—some people in the community feel that this is essential to their needs. This decision certainly lacked judicial tone and indicated the basis for his use of such words as "heinous misrepresentations," and from this he concocted his charge of "premeditated"—on my part and the other members of the Board of Faith Theological Seminary—"deception."

After the Supreme Court refused to hear our case, I wrote to Attorney General Elliot Richardson about the Justice Department's being a party before the Supreme Court to this charge of fraud and deception and supporting it in the FCC brief when it was not in the original case. Did not the Justice Department have a responsibility for strict adherence to justice and truth in making a decision to accompany the FCC to the Supreme Court on the new terms created by Judges Tamm and Wright? The answer I received evaded this issue. Where, I ask, in the maelstrom of Washington today, does justice abide?

I would say that the next largest issue on which you have misled the Senator is your statement: "The WXUR case had nothing to do with the expression of religious views, and it had nothing to do with ideology." No sooner do you say this than you write, "The case was triggered by complaints that WXUR had repeatedly violated the Fairness Doctrine and the Personal Attack Rules . . ." These complaints came from my religious opponents, the leaders of the Greater Philadelphia Council of Churches and the New Jersey Council of Churches with other co-operating church groups and social agencies, including the Anti-Defamation League of B'nai B'rith. These were the majority and dominant religious forces in the community, and they were determined that my views should not be presented. These groups objected to transfer of license even before a word was heard or a program carried!

I am the president of the International Council of Christian Churches, representing 202 denominations, and we are in the vortex of a world-wide religious struggle and realignment. The Examiner discussed all this at length. We stand against the World Council of Churches, or the ecumenical movement, and when my voice began to be heard on these great issues, the other groups refused to accept our invitations to be on the Station. I sent out scores of them. As the president of the Seminary I was the highest official in relation to the Station, and as a broadcaster myself I sent tapes and notices and requests. But would anyone ever come and accept these invitations? The answer is, "No, very, very few," and this has all been spelled out in great detail in the Examiner's opinion which he gave to the Station. These religious groups have been able to use a weapon against me provided for them by the Federal Communications Commission to get at the Station and take its life. I am the one they were after.

Mr. Burch, I did everything I knew was necessary to honor the Fairness Doctrine. The Examiner wrote in his decision:

"In an effort to present viewpoints other than his own, Dr. McIntire has invited individuals and representatives of many organizations, offering them time on the 20th Century Hour at no cost to themselves. He has also made it a practice to notify any individual whom he discussed on the air in an abundance of caution, to be sure that he complied with the personal attack portion of the Fairness Doctrine. The list of names is extremely lengthy but the following will be sufficient to indicate the variety of viewpoints and individuals invited: Dr. Eugene Carson Blake, NCC; former FCC Chairman E. William Henry; FCC Chairman Rosel H. Hyde; President Lyndon B. Johnson; Dr. Franklin C. Fry, United Lutheran Church of America; Vice-President Hubert H. Humphrey; Reverend Edward A. Dowey, Princeton Theological Seminary; Alfred Zack, AFL-CIO; Drew Pearson, Syndicated Newspaper Columnist; U.S. Senator Gale McGee; Joshua Eilberg, Majority Leader of the Pennsylvania House of Representatives and principal sponsor of Resolution No. 160 and to other sponsors of the Resolution; Reverend Frances Hines and Reverend Carpenter, Greater Philadelphia Council of Churches; Louis Cassels, United Press International; Wes Gallagher, Manager, Associated Press; Milton Shapp, Democratic candidate for Governor of Pennsylvania; Samuel R. Seeman, Christian Social Relations Department of the Diocese of Pennsylvania; U Thant, Secretary-General, United Nations; Gus Hall, head of U.S. Communist Party, Institute for American Democracy; U.S. Post Office Department; Norman J. Brugher, General Brotherhood Board, Church of the Brethren; John W. Gocnell, Church of the Brethren.

"It has also been Dr. McIntire's practice to read statements of opponents on his program. Such statements have frequently contained attacks on Dr. McIntire or organizations with which he is sympathetic. . . . Much of the McIntire correspondence concerning invitations to appear on the 20th Century Hour was placed in evidence but it would be repetitious to quote extensively from it. . . ."

This is the kind of record under oath that kept the U.S. Court from confirming your charges concerning the Fairness Doctrine and the Personal Attack rules; and this makes all the more serious your false claim that the Court sustained you on these two matters.

As to the matter of ideology, these groups brought pressures to bear upon the House of Representatives of the State of Pennsylvania and on December 14, 1965, they passed famous Resolution 160, which alleged that I had "continually exhorted the political and economic views of the radical right. Reverend McIntire had little success until 1960 when his radio program, the 20th Century Reformation Hour, was established. He now broadcasts over some 600 stations and reaches millions of people daily.

"The views which the Reverend McIntire expounds are those which we now equate with the word 'extremism.' The danger of such views to our country is self-evident. That such views are rejected by a majority of our citizens was demonstrated by the election returns in November, 1964."

The election of 1964 was the one in which Senator Goldwater was defeated for the Presidency. Our people all supported Goldwater, and I voted for him. This is included among the complaints which you here assert "triggered the case."

Resolution 160 asked you "to determine whether or not it [WXUR] is complying with the requirements of a broadcast licensee." This you proceeded to do.

This is ideological to the core, and it was religious to its heart; and for you to tell the good Senator that these matters had nothing to do with the case can be nothing short of a travesty of the truth. There would have been no case whatsoever if these elements had not determined to silence my voice.

This is an attack on my views and a part of the major drive to silence the station where such views were presented to the people. Senator Sam Ervin, in his November 14 speech to the Senate, "Carl McIntire, the Fairness Doctrine, and the First Amendment," correctly observed: "When we recall the extremely controversial nature of Reverend McIntire's opinions, and the fact that

the criticism the FCC received came from those who vehemently opposed his views, the real reason for the termination is clear. Dr. McIntire lost his right to speak because of his controversial exercise of the first amendment. The FCC rationales are the formal justification, but not the true cause of the FCC rejection."

The man who introduced Resolution 160 in the Pennsylvania House, Joshua Eilberg, now sits in Congress and on the Judiciary Committee to which the Rarick Bill to restore Station WXUR has been referred.

But what is even more serious than this in my judgment, and you have not even intimated this to Senator Helms, is that the FCC through its own Broadcast Bureau became the second party to the case against the station and against me. You did not permit the case to rest just upon the complaints, but a part of the "triggering" which you never mention, came from your own FCC. Your own lawyers, financed by the taxes of the people of this community, worked all the way up through the case to win the FCC's desired elimination of the station. Yes, I had attacked the Federal Communications Commission on my broadcast, and when I did I invited Mr. William Henry, the chairman of the FCC, to appear on my program. I saw him in his office in Washington and discussed matters with him.

Your action, therefore, announced on July 7, 1970, for Fairness Doctrine reasons sent tremors all through the radio world. My programs were being dropped over the country and letters of cancellation indicated the stations enforced devastating censorship. Here are some quotes from station letters.

KBLE, Seattle, Washington, wrote:

"Under the terms of the WXUR decision, controversial issues are virtually ruled off the radio airwaves. Accordingly, in order to protect our license, we have to suspend the 20th Century Reformation Hour tomorrow morning. It is indeed to be regretted that present Federal Communications Commission rule interpretations force such a preemptory termination of a relationship which has gone on so long and so cordially with ours."

KARI, Blaine, Washington, September 21, 1970:

"It is a matter of sincere regret that the FCC rule interpretation forces such a preemptory termination of a relationship which has been as cordial and of such long duration as ours. We hope you understand our dilemma."

WMEN, Tallahassee, Florida, September 21, 1967:

"Cancel shipment of tapes to WMEN Radio here in Tallahassee. We are off the air due to a change in station ownership. The new owners have stated that your program does not fit their type of broadcasting.

"I am trying to get the program on one of the other stations, but it seems that the management is frightened about the new doctrine of the FCC, in that any party that is criticized in a broadcast must be notified two weeks in advance. These people here are afraid to do anything that might upset the FCC. The stations are aware of your popularity here and realize that the program would be an asset, but I am yet unable to get a commitment for radio time."

WRIB, Providence, Rhode Island, September 20, 1967:

"According to the Fairness Doctrine I must notify all those which are attacked on your program or any other within seven days . . . Failure to comply with the above is subject to a $10,000 fine. In order to stay away from what I consider unnecessary trouble, I must ask that you refrain from mentioning names on all future broadcasts."

WUNS, Lewisburg, Pennsylvania, September 8, 1967:

"In broadcasting the 20th Century Reformation Hour, aside from the fact that we are jeopardizing our station license, and our own and employees' livelihoods, we are also jeopardizing the sale of our station to a very responsible group of citizens, a transfer which is even now in the process of being accomplished, and which requires the approval of the FCC before it can take place. We therefore know you will realize why it is necessary for us to stop broadcasting your program as of September 15th."

For eighteen years my broadcast was heard in the Washington, D.C., area over Station WFAX, Falls Church, Virginia, owned by Lamar Newcomb, who formerly worked in the FCC. It was over this station that Congressman L. Mendel Rivers, head of the Armed Services Committee, began listening to me and supporting me. He was the one who urged me to organize and lead the March for Victory. It was there that I challenged the President's "no-win policy." A month after WXUR died, I was simply dropped from the station. My program was just not broadcast one morning. The manager did not hesitate to tell some eighty people who came to see him that they did it to protect their license out of fear of trouble with the Federal Communications Commission. He said they had word from the inside that they were in line for trouble.

The American people no longer have a "free market of ideas" in Philadelphia, the birthplace of the United States, or in Washington, our nation's capital. It is not possible for me to get my program on a single station in the Philadelphia area today. I have written every one of them since the death of WXUR.

In your letter you speak about "reasonableness" and "good faith."

In the exercise of the power which you now have you determine what is reasonable, what is good faith, what is a "controversial question of public importance," what is a personal attack. You determine whether a man's enemies can destroy his total economic investment or not. You have this broad range of power within your grasp with all manner of uncertainties and subjective factors that have led the radio stations to deny liberty. When you say, "We permit our radio licensees great flexibility in the fairness area," you reveal your own permissiveness in the variable exercise of tremendous power. But, Mr. Burch, this is the area of death, and WXUR now stands silent and mute at your hands. A viewpoint not heard in the area is silenced.

Faith Theological Seminary has lost $450,000, which it paid for the station, and the mortgage is still on the Seminary property, having to be paid by the tenth of each month—$4,500—with no station in operation.

You professed to be concerned about the minority interests. I am a part of a minority religious group being snuffed out by a majority religious group at your hands. I do not hesitate to say, and I want it to be a matter of record, that if WXUR had been a black station and the decision of the Examiner had been in favor of the station, there would never have been a reversal on your part.

Now, Mr. Burch, this leads me to the last major matter. This whole question is just as political as it can be. You are a Nixon appointee. You say you came into the case three years after it started, but you were there in time to lead in the crucial decision. Your letter erroneously reports that a hearing was held on March 3, 1970, for me. A hearing was held on March 31, 1970, exactly four days before Saturday, April 4, when I led our first great Victory March down Pennsylvania Avenue in Washington, D.C., with around 100,000 people coming into the capital from all over the nation.

On March 23, on White House stationery, Mr. Noble M. Melencamp, staff assistant to the President, announced that the March "planned by the International Council of Christian Churches was re-scheduled for April 4 but has been postponed at the initiative of a representative of Mr. McIntire's Washington office." This announcement went over the nation. It confused the people and hurt the march. The White House certainly was involved. No one in my office ever made any such indication. This came as a shock and made us wonder what else the White House was doing.

The hearing on March 31 with you sitting there in your central chair was in the middle of all this. The complainants were insisting that you reverse your Examiner's opinion, which was in our favor. You have recently said publicly that rarely does the Commission reverse the studied opinion and facts found by its Examiner.

We had our march and started the build-up for the second—October 3, 1970—in which Vice-President Ky of South Vietnam agreed to be our speaker. He left Saigon for this engagement and came as far as Paris, each step of his journey being widely reported by the press and TV. It was no less a figure than our present Secretary of State, Mr. Henry Kissinger, who flew to Paris and succeeded in stopping him from completing his journey to our capital to deliver the cry of his people for victory. He was led to delay his visit and to come as the guest of the President a few weeks later. I cried out against the White House: "Interference with free speech!"

This thing was just as "hot" and political as anything could be. I was crying over my radios for victory during all those months and sought to offset the pervasive propaganda of the antiwar groups who were displaying the flags of the Vietcong and Hanoi. It was on July 7, in the middle of all this—April 4: march one; October 3: march two—that Radio Station WXUR had the death sentence pronounced upon it by you.

You say in your letter to Senator Helms: "I believe it is fair to say that few cases to come before this Commission have ever been marked by more extensive access to the processes of both administrative and judicial review." Only one court reviewed the case. The Supreme Court declined to give us our day in court, when Judge David Bazelon had raised in such a penetrating analysis the First Amendment issues involved, calling your actions "a death blow to the licensee's freedom of speech and press." We were before the Hearing Examiner, before you, and before one court. Both the Hearing Examiner and the court refused to sustain the charges that you made concerning the Fairness Doctrine and personal attack which your own decision of July 7 said was "the central aspect" of the case.

You quote from the Red Lion case and leave the impression that somehow I was an issue in that case in a similar way to WXUR, which I was not, and what you fail to note in regard to the Supreme Court decision in the Red Lion case was that the court made it very plain that its door was open on a case-by-case basis to examine the application and the functioning of the Fairness Doctrine and personal attack provisions. And when we had a case that was replete with the consequences of the so-called Fairness Doctrine, with the most fundamental questions of the First Amendment being raised, it was blocked by two justices assuming and creating a conviction of "premeditated deception" from within our hearts that detoured the Supreme Court from the constitutional questions involved.

A grave injustice has been done to freedom itself, to me personally, and to the religious movement I support. I have just as much right to go into the free market and buy time, preach the Gospel, deal with current religious questions and with national policy, and raise money for my hundreds of orphans

as has Bufferin to explain how much better it is than Aspirin, or General Motors to sell its cars. I do not sell anything and I never have on the radio. I operate in the religious realm where righteousness and freedom are essential and in which God's people and those who love liberty contribute as the way all of God's work must be carried on.

Resolution 160, which I quoted, said that "Reverend McIntire had little success until 1960 when his radio program . . . was established." The whole purpose of this attack has been to make it difficult or impossible for me to get outlets for my broacast so that our success could continue.

I have been denied by you my rights under the First Amendment to the free exercise of religion. Our people, thousands of them, are frustrated; they weep; they do not sleep at night. Some have even had to go to the hospital because they have been denied by you their First Amendment rights to hear, to know, to have access to information.

Without free speech, a free government is impossible. Radio belongs to the people. God gave it to us. It does not belong to the FCC, to the Congress, to the President, to the Government of the United States. I am grateful indeed that we have had a strong constitutional voice in the Senate come to our support as a gift of God.

Radio representatives all over this country are seeking to protect themselves and are also anxious to get out from under the restraints which censor and which imperil their total investment. Last Monday I spoke at a rally in the Civic Center of Charleston, West Virginia. It was a radio rally in preparation for our First Amendment March, to be held in Washington on April 6 to focus attention on the issues involved here. One clergyman arose and announced before all present that he had been thrown off the radio station on which he had been broadcasting for years because the manager was afraid of what he might say.

Another clergyman, the Rev. Willard Carney, who is still broadcasting on what they call a religious station, told the audience that he had been ordered by the management not to say anything about prayer and Bible reading in schools, about Madalyn Murray O'Hair, or about the National Council of Churches, and that if he did he would be put off the air.

These ministers are ready to testify before Congress.

Station WJLM–FM in Salem, Virginia, had indicated that it would be willing to carry my program. When, however, a representative talked to the manager, Rev. Lloyd Gochenour, on January 22, he announced that under no circumstances would he carry the program because he wanted to stay out of trouble and did not want to have to give equal time.

This is the situation which you have created. You tell us here at the conclusion of your letter that you have to enforce the Fairness Doctrine in order to protect the very structure of your operation. The pattern followed in Philadelphia, which has now been successful in killing a radio station and which you defend and honor will frighten stations even more than they are presently frightened, for they do not know where they stand. May God and Congress save them!

It is clear that the same strategy that was used by the Federal Communications Commission to keep us from getting a hearing before the Supreme Court of the United States on the merits of the Fairness Doctrine you are now using to seek to kill any effort that is being made to have the Congress of the United States correct the injustice and restore the First Amendment rights to the radio stations and to the American people. People know when they cannot hear, and stations are aware of when they have to censor.

This issue, of course, has been greatly broadened by the fact that efforts are now being made to impose upon the press the same Fairness Doctrine strictures which have denied us freedom of speech and the free exercise of religion on the radio and TV of the nation.

The Supreme Court has now agreed to hear the case of the *Miami Herald* versus the State of Florida. Here is an exact parallel to your Fairness Doctrine requirements.

The *New York Times*, the Chicago *Tribune*, and much of the press has gone in to defend the cherished freedom of the press. Now, however, they face the Supreme Court which has already unanimously said in the Red Lion case which you mention in your letter that it is not a violation of "the First Amendment when they [the FCC] require a radio or television station to give reply time to answer personal attacks and political editorials." If the Court shackles the press with the same demands, the freedom of the press will no longer be a reality. We intend to go in as a friend of the court in behalf of religious newspapers—my own, the *Christian Beacon*, and others related to the International Council of Christian Churches. When Government pressure can be used by local citizens to determine what an editor does and prints, that editor no longer serves a free country as a free man.

We are at the most crucial moments in all our history in the preserving of our First Amendment. May I say, Mr. Burch, if your concept of freedom which you are defending is now established over the press of the nation, you will be a party to seeing both realms of communication taken from the people. It only took one free prophet to change a nation; it only took one Moses to lead 2,000,000 people out of bondage; and it took only one Saviour, Jesus Christ, to tell the religious leaders of His day that they were bound for hell and to gather to Himself His beloved Church. He also said that Caesar had certain responsibilities before God. If we do not have freedom, we will not have leaders, and we will not have a nation where the message of the Gospel of Jesus Christ can be fully preached.

I have refrained from discussing the Red Lion landmark case, to which you refer, until the end. Here you insist that you must implement the Supreme Court decision upholding the Fairness Doctrine or the personal attack rules. However, there is another section of that decision which needs to be quoted alongside of the one you offered. The Court said:

"We need not approve every aspect of the Fairness Doctrine to decide these cases, and we will not now pass upon the constitutionality of these regulations by envisioning the most extreme applications conceivable, United States v. Sullivah, 332 US 689, 694 (1948), but will deal with those problems if and when they arise.

"We need not and do not now ratify every past and future decision by the FCC with regard to programming. There is no question here of the Commission's refusal to permit the broadcaster to carry a particular program or to publish his own views [emphasis added]; of a discriminatory refusal to require the licensee to broadcast certain views which have been denied access to the airways; of government censorship of a particular program contrary to 326; or of the official government view dominating public broadcasting. Such questions would raise more serious First Amendment issues. But we do hold that the Congress and the Commission do not violate the First Amendment when they require a radio or television station to give reply time to answer personal attacks and political editorials. (16RR 2d 2029 at 2050–1)"

The Court here indicated that there were further problems involving the constitutionality of these FCC regualtions and that it would deal with these problems if and when they arise on a case-by-case basis.

The WXUR case had some of these problems in it. Here they had arisen in an extreme application which brought the consequence of death. And the Supreme Court recognized that "such questions would raise more serious First Amendment issues." Since, therefore, you in the handling of the case did indicate that the major consideration had to do with the Fairness Doctrine, it was my hope and prayer that when we did move to go to the Supreme Court that you and the Justice Department would welcome such a move in order that the issue might be further clarified for us all. But instead, your primary interest was in the elimination of the station, and you were willing to take the charges which the FCC did not make itself, but which as I have pointed out were created by the two judges Tamm and Wright of the Court alleging that our hearts were bent toward "premeditated" and "deliberate deception," and use them in order to eliminate the station from the community itself.

It seems clear to us that had your concern been the Fairness Doctrine and personal attack provision, which relate to the operation of the Federal Communications Commission, and not just an effort to eliminate the station at all costs, you would have actually joined, as you could have done, in a request for a hearing on the constitutional questions involved and raised by Judge David Bazelon. You have therefore, in a very adroit manner, used this case to tell the world that you were sustained in Fairness Doctrine and personal attack rules, when you were not, and thus to increase the impact of FCC power over all the radio and TV stations of the country to the elimination of our kind of strong Gospel broadcasting. At the same time you successfully eliminated Radio Station WXUR from the broadcasting community and did not suffer the consequences of possible loss by the Supreme Court as it has said it would be willing to deal with specific problems in the fairness field if and when they arise and which were involved in the WXUR case itself as Judge Bazelon mentioned.

A very interesting twist it has been indeed, and the injustice of it all is atrocious. Our people raised the $350,000 which has been spent in processing the case with the belief that we would get a decision on the questions of freedom from the highest Court of our land. It is our Court. Here is a little station which never could have done such a thing without the backing of the churches who wanted to have religious and patriotic messages on the air which WXUR was able to give them daily.

This situation now has created an impasse and a horror for every small station in this nation. Who has the money to process cases of this kind? The injustice involved simply means that the poor and little man does not have a chance. He is not only at your mercy but he is at the mercy of the so-called local groups which are so often interrelated and nationally stimulated and are able to complain and bring him before the Federal Communications Commission seeking his death at renewal time.

You are aware, I am sure, that it was the United Church of Christ which was one of those that originally objected even to the transfer of the WXUR license before anything had been said. Its office of communications headed by Dr. Everett C. Parker is working in this area. Parker is quoted in *Broadcasting* magazine, December 17, 1973, as saying in a recent speech that "field investigations 'conclusively' document that 'extremist propaganda principally of a right-wing nature is widely disseminated through small and medium-powered radio stations.'" The *New York Times*, December 12, with the same quotes heads its story: "Churchman Sees Need to Curb Extremism in Radio."

These small stations are stations like WXUR carrying Gospel programs to fulfill community needs in the small areas and country sections. They deal with the Ten Commandments, and they are against Communism. Parker is now to proceed to curb them through the FCC. His weapon to get at them is the one which he and those with him have successfully used in silencing WXUR. You are the handle which they have had given them with which to attack these little stations. The stations now have the threat of death, and therefore they will eliminate their programing to conform to what Parker's groups demand. The result is that the local owner really loses control of his own programing and his First Amendment rights. Since you have now played directly into the hands of the interests Mr. Parker represents, he and his group are fighting to retain the Fairness Doctrine and every inch of territory that they have gained in the FCC. They now are active in seeking to determine who will be seated on the FCC. The FCC has become an instrument to condition and determine in varying degrees what the country will hear.

I am against the Fairness Doctrine, but in the WXUR case we did everything we could to honor it. I believe it should be repealed and that Congress should see that all the radio and TV stations of the country have the same protections under the First Amendment as the print media has. There are only 1,700 daily newspapers, but over 12,000 radio and TV stations. The country cannot be afraid of freedom.

I understand in your conclusion how you feel that if the FCC cannot maintain what you call "our trusteeship system of commercial broadcasting" that it "would quite simply fall apart. It is in my judgment that serious a matter." At this point you and I are fully agreed. To hold the "trusteeship system" together, as you understand it, can only be done by your control and determination of matters of speech. Remove that from your present operation and you would be what I think Congress originally intended for you to be—completely separated from any government speech control, as the Press still is today. Your determination to follow through as you say, simply means that stations are now to be put to death under the Fairness Doctrine.

Station WXUR remains intact: Its lights are lit every night. The pushing of a switch would put it back on the air. You have left a vacuum in the Philadelphia area and have denied to the people an instrument of communication, information, and spiritual benefit.

This letter in the language of the Fairness Doctrine is an attack upon my personal character and integrity. I do not lie; I do not "generally lie." I fear God. But what is so significant is that in your zeal as chairman of the FCC to enforce the personal attack provisions and protect the character of any individual who may be discussed during a controversial issue, you now are engaged in what you yourself describe as "this highly controversial case," and during it you do not hesitate even to enlarge upon my alleged deceptions and make them your own.

I went into this with the highest of motives before God. I had been eliminated from being heard in my own area of ministry. Station WVCH of Chester, Pennsylvania, dropped my program on advice of counsel because of possible FCC troubles. Faith Seminary then bought a station so we could be heard. We have become involved with the same groups with which we struggled earlier in the church world.

The religious conflict which Resolution 160 referred to involves questions of loyalty to the "faith once delivered to the saints." My church and people left the United Presbyterian Church which we had a right to do in the free exercise of religion and obedience to conscience. I have served this congregation now for forty years as their pastor. The struggle in the religious world has simply continued over into this FCC world and the affairs of our nation. And when we come into the closest conflict with life-and-death issues of freedom, I come out of it with two judges claiming that my heart produced "deliberate and premeditated deception."

This is one reason men do not want to get involved. They back away and remain silent; they fear getting hurt in some such way. So they sit back and let the Government expand its power and control. There comes an hour when a man who loves liberty has to oppose, as I have, my Government's denial of my right of free speech. Freedom is indivisible. It carries its own blessings and judgments. The FCC should keep its political hands out of it.

When all is said and done all you have left to sustain the death of Station WXUR is the one elevated and created charge of the court, Judges Tamm and Wright, of "premeditated and deliberate deception" in revealing program intentions. That is all. If under the first Amendment, the FCC had no right even to inquire as to such intentions in programming as a condition of granting a license to a communications media, then there is nothing presently left to continue the death of the station. Having lost your main case on the Fairness Doctrine and with this lesser charge eliminated by the constitutional protections of speech, the station ought, in all right, be returned to the air. It is as simple as that. Congress is the only power of Government that can now honor the Constitution in this matter for the people. This, I believe, they must do. At least five different communications that I know of concerning the WXUR case have gone from your office under various names to settle the congressmen down and to turn them off. This one of yours is the last.

With all your emphasis on generalized lying, it is interesting that you have not accused me of perjury. I was under oath in everything I said before the WXUR Examiner.

Mr. Burch, you think our contentions have been found wanting, but I think I have justified my statement that you were out to "get me." You certainly did. But there is a God who has the final say in His providence and by His Spirit. At least I have the honor of being the first and only one up to this point that you have been able to "get." On July 5, 1973, we made a last emergency appeal, but it was denied that day. All was lost, and WXUR died at 12:01 midnight, July 6. On this sequence of events you apparently are not clear. The people of this area will never forget that final moment of weeping and resolve.

There are God-fearing people all over this nation who see the depth and breadth of this struggle, and now I carry a stigma of having "generally lied," amplified and used by you. And this is used to turn the men of Congress away from a consideration of the private bills that Congressman John Rarick (H.R. 10076) and others have introduced to have the station put back on the air by a special act in order to repair the dreadful damage and restore the constitutional rights to the people. The impact of your letter is to kill the prospects of any congressional action just as was done by the position you took before the Supreme Court.

But Congress is a branch of our Government bound also to the Constitution. There are honest and courageous men there who love the liberty that our fathers gave us. It is our prayer and the prayer of millions that Congress will not be diverted from the people's efforts to correct the injustice and return the First Amendment rights to the people of the Philadelphia area and others across the country where my program and others have been silenced and censored because of the fear of you and the uncertainties that you control in the use of your power in licensing and renewing licenses.

You belong to what our people now call "the fourth branch of Government"—you make the rules which congressmen speak of as law, you administer the rules, and then you are the judge. All three branches of power which our fathers wanted separated you exercise. It is not right and it especially is not right when the result of your power stops the preachers in the country from enjoying the free exercise of religion on the radio and in their pulpits when they broadcast their sermons.

A nation that puts "In God We Trust" on its coins ought to be concerned about the liberty of its preachers. How does a minority become a majority when the Government destroys freedom for dissent?

Mr. Burch, I feel like I have been put in prison. I cannot talk to our people; I cannot communicate. Our whole pattern of living has been changed. You have done it. I have leprosy; no one will touch me! To think of putting my program on the air just now is unthinkable. The majority powers of the community have won the day, and they are spreading themselves like a green bay tree, as the Bible says. The fear of consequences takes precedence over the defense of liberty. The idea that men love liberty more than life seems to have vanished. The Fairness Doctrine is a hypodermic needle to paralyze. It is an anesthesia administered to make possible a Government-desired operation on the body politic.

There never was a time when the message of God's Word and the judgments it pronounces against sin and wickedness in the life of a people and nation needed to be heard more than now. This situation which you have created is removing from the life of the nation this tonic and salt. When freedom goes, it is religious freedom that is lost first, for it is the message of God's Word that defends, preserves, and creates the love of liberty of which God is the Author.

By God's help, Mr. Burch, I am in this fight to save our country and our freedom, and I have a right to use the air waves and the constitutionally protected free speech and the free exercise of religion. A man like you ought to be among the first to arise, defend my right to do so, and at least be concerned about religious minorities as well as others. There is such a thing as standing for "the right because it is right."

Senator Sam Ervin—and I had no knowledge that he was going to do so—came to our defense simply out of his loyalty and love for liberty and our Constitution. He concluded his Senate speech in words which express the desire of our people:

"I hope the Commerce Committee will take a close look at the WXUR case, and begin to consider how to move broadcasting out of the Government control that was justified in its infancy. It is high time broadcasting be afforded the benefits of the First Amendment. More important, it is high time for the public to have the benefits of the First Amendment."

Very truly yours,

CARL MCINTIRE.

THE GENOCIDE CONVENTION

Mr. PELL. Mr. President, I regret very deeply that the effort to gain Senate ratification of the Genocide Convention has, at least for the present time, failed.

I strongly support the ratification of the Genocide Convention. It is an action that is long overdue for our Nation, and a step that has already been taken by 78 other nations.

The subject of genocide is one of particular interest to me since it was my father who, as the U.S. Representative to the United Nations Crime Commission, was in great part responsible for the United States taking the position that genocide should be considered a war crime, even though the legal position of the State Department had previously been to the contrary.

I was also a great admirer of Raphael Lemkin, who was responsible for the development of the word "genocide" and who devoted his vigorous efforts for many years in an endeavor to secure the ratification of the Genocide Convention.

How happy he would be, if he were alive today, to see that it has become the pending business of the Senate and how sad he would be if he knew it was still not ratified.

What could be more abhorrent to the American people—more in violation of our respect for life in all its aspects than the crime of genocide?

Why, then, has there been such a long delay in the United States becoming a signatory to an international agreement outlawing this crime? Mainly because of a misunderstanding of the effects and obligations that the Convention entails for the United States. Many questions have been raised about the Convention, but most of them, I believe, on the basis of inaccurate information as to just what it does and to just what the safeguards are to protect the constitutional rights of Americans under the Convention.

I am told by some opponents of the Convention that—

If you vote for the Genocide Treaty, you are a traitor to your country.

If that were true, then every American President since Harry Truman, Democrat or Republican, all of the Secretaries of State, the Attorneys General of the United States, the majorities of the Senate Foreign Relations Committee—and I could go on and on listing groups of impeccably loyal Americans—would fall into the category generally reserved for such people as Benedict Arnold.

Frankly, I suspect that the people who use such arguments are the misinformed victims of a few extremist organizations.

I do not suggest that even the most benighted opponents of the Convention by their opposition approve of genocide. The United States does not produce emulators of Nazi behavior described in the excellent book, "While Six Million Died."

Yet the implication remains that those who oppose the convention are indifferent to its basic tenet that the killing or destruction of peoples, because of race or other reasons, is a horrible crime—a crime that many of those who fought in World War II sought to expunge and to assure would never happen anywhere again. Ratification of the Genocide Convention is one way to help achieve this objective.

Their opposition is chiefly based on totally ungrounded fears. It is claimed that the treaty will supercede the Constitution, that it is unconstitutional in denigrating U.S. sovereignty, that it will expose POW's to genocide prosecution, that it will permit the long arm of foreign jurisdictions to pluck innocent Americans from the United States and haul them up before international tribunals and alien courts.

A quarter of a century has elapsed since the United States signed the Genocide Convention in 1948—a treaty that represented in large measure the efforts and leadership of the United States as a champion of the protection of human rights.

During this period, the convention has been carefully studied and scrutinized at extensive hearings, in which I have participated, and elsewhere. Safeguards for the preservation of U.S. sovereignty and the constitutional rights of citizens have been incorporated into the resolution of ratification as a condition of ratification. A reservation to the resolution has now been introduced to remove all basis for any fear, however remote, that the convention might somehow deprive American citizens of their constitutional rights.

I would never support any legislation that I consider would by one iota jeopardize those rights or our Constitution. After carefully weighing the charges against the Convention in the light of its provisions and the safeguards, I have concluded that ratification of the convention under the conditions of the resolution would not impair these precious rights in any way.

My regret is that the convention cannot be more effective in assuring that genocide will never again be used as an instrument of national or international policy. But the convention is clearly symbolic of the abhorrence that the world community attaches to genocide. When an impressive number of nations has long since ratified, failure of the United States to do so is egregious. The time is long overdue to rectify this situation.

I earnestly hope that in the coming months those who have opposed ratification of the Convention will re-examine their arguments and objections and give renewed consideration to the advantages of ratification of the Genocide Convention by the United States.

SCARY SUBJECT

Mr. BROCK. Mr. President, Alan Otten, writing in the Wall Street Journal recently, pointed to the possibility of a "man on horseback" psychology appearing. His article has touched a nerve, and I think his thoughts have merit for all of us, and I ask unanimous consent that his article be printed in the RECORD.

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

SCARY SUBJECT

Nasty thought for the new year: Americans may be ripe for the man on horseback.

Disillusioned with their political leaders, overwhelmed by energy shortages and rising prices, worried about their future, they may be ready to listen to the siren song of the demagogue—possibly left-wing, more likely right-wing. Under his leadership, the government becomes more pervasive, more capricious, more dictatorial.

This is an admittedly alarmist appraisal, quite probably an emotional overreaction to current crises. Yet the fact that the thought can come to mind at all, and that a somewhat rational case can be made for it, are frightening enough.

Of the public disenchantment with current political leadership, there can be no doubt. Political reporters, politicians, pollsters, friends and neighbors all testify to it. The cynicism and distrust have long been building, but they snowballed after Watergate. The most devastating documentation of this crisis of confidence comes in an exhaustive opinion survey conducted recently by the Louis Harris Organization for a government operations subcommittee.

Taken in mid-September, the poll found depressingly high readings on a number of barometer measurements of alienation. For example, 61% of those surveyed agree with the statement that "What you think doesn't count very much anymore," and 55% believe that "The people running the country don't really care what happens to you." In 1966, the comparable percentages were 37% and 26%. Over three-fourths of the respondents think "the rich get richer and the poor get poorer," compared to 45% who thought that seven years ago. An amazing 60% say that "Most elective officials are in politics for all they personally can get out of it for themselves." And an even more staggering 74% think that "special interests get more from the government than the people do."

Interestingly, on practically all points, rank and file voters take a far more negative view than do a group of state and local officials asked the same questions.

"Any objective analysis of [these] results can only conclude that a crisis of the most serious magnitude now exists in the response and assessment of the people to their government," Mr. Harris told the subcommittee.

Many political scientists, of course, argue that political alienation is hardly new—that Americans have been disillusioned with their political leaders for years, and yet have quite sensibly resisted extreme alternatives. But the public has never before seemed this alienated, this disillusioned.

Moreover, what happens when people already so disturbed with the quality and performance of government encounter dislocations and frustrations like those sure to come in the months ahead—long waits at gas pumps, cancelled trips, cold homes and offices, layoffs from fuel shortages, other shortages and layoffs and changes in life styles as the energy crisis ripples through the economy, new price increases for fuel and food and other essentials? And all this happening to people long accustomed to having things going pretty much their own way.

If that isn't a keg of gunpowder waiting for the match, then nothing is. "The mood is ugly," social analyst Peter Drucker was quoted in a recent Time Magazine.

And the match? It just could be a shrewd and ambitious spellbinder who reads the situation rightly and has no qualms or inhibitions about exploiting it to the full. He builds his appeal around a "them" and "us" division—"they've" fouled things up pretty thoroughly, and now its "our" turn. "We may not have as much education or experience as some," he will say, "but all that education and experience didn't seem to do them much good. Hard to see how we could do much worse."

Declares MIT political scientist Walter Dean Burnham: "When people outstrip their leaders, and that essentially is what the Harris Poll showed, you have ideal conditions for the political entrepreneur, for the man who tells it like it is, who says what everyone is feeling about just how awful conditions are. The man on horseback is implicit in this situation, and could become explicit."

Once elected, however, the entrepreneur's lack of experience and lack of real program begin to get him in trouble. To protect himself, he searches harder for goodies to keep

his followers happy, and when the goodies aren't there, he tries to cover up his problems. Blaming "their" continued opposition for his own inability to make things work, he stages diversionary attacks on scapegoat groups. In short, he follows the traditional diagram for dictatorship.

Conceivably the man on horseback could ride in from the left, a Huey Long populist. More likely, he'd come from the conservative flank. Most newly-troubled Americans are likely to be better-paid workers and middle-class people, susceptible to some of the traditional conservative talking points—less government, lower taxes, less welfare spending, and the like. Moreover, there quite conceivably could be marked racist undertones to the campaign, as the would-be leader seeks still other ways to rally his followers.

Another possibility: someone who skillfully blends left-wing economic planks with right-wing social theories—a George Wallace, for instance. "If discontent with government remains high," says Mr. Burnham, "then Wallace's anti-bureaucrat, anti-elitist, anti-black, anti-bigness appeal will have greater impact than ever."

Traditionally, the two major parties have been seen as bulwarks against the demagogic freebooter. Party leaders and party regulars, the theory went, would keep firm control on the nominating process, and turn aside any unprincipled entrepreneur.

But the recent profusion of presidential primaries has substantially weakened the hold the party hierarchy has on the nominating process. In addition, there's no reason any longer why the man on horseback must ride to power as a Democrat or Republican. As Mr. Wallace showed in 1968, it's quite easy for a third party candidate to qualify in practically every state, and take his appeal directly to the voters. With each election, the importance of party ties has become less and less, anyhow.

Oh well, the 1976 presidential voting is still light years away, and this sort of thinking is probably no more than a hideous hangover from too many holiday parties. But previous holiday hangovers never took this particular form. Why this year?

PLANNING FOR THE WORLD FOOD CONFERENCE

Mr. PERCY. Mr. President, hardly a day goes by without some new warning of the approach of a new and potentially devastating crisis, a crisis in the world's food supply.

We have heard of food price riots in India which have toppled the government of one of India's States.

We have heard that the drought in the Sahelian Zone of Africa, a drought which threatened hunger and starvation for 6 million people last year, is now worse than ever.

We have heard predictions from Dr. Norman Borlaug, the father of the Green Revolution, that as many as 20 million people may die because of crop shortages in the next year. Crop shortages are likely because of changes in climate and cutbacks in production of fertilizer.

In the face of these threats of famine we have heard of the existence of grain reserves sufficient to feed the world for 29 days. In 1961 a reserve equaling 95 days existed.

It is because of warnings like these that I read with pleasure an article in the Sunday edition of the New York Times indicating that the United States plans to take a very positive attitude toward the U.N.-sponsored world food conference scheduled for next November.

After a week of preparatory committee meetings in New York City, Edwin M. Martin, special adviser to Secretary Kissinger and coordinator of United States participation in the conference, outlined what this country hopes the conference will achieve.

According to Mr. Martin, the world food conference should make a start toward a system which will assure food at reasonable prices under all circumstances. It should promote increased production and distribution of fertilizer. Finding ways of eliminating unnecessary food wastage should be another conference goal. Mr. Martin also noted the need for evaluating international food aid programs and their impact on agricultural production in recipient countries.

I am certain that in the months remaining before the start of the conference the United States will be preparing detailed proposals for accomplishing these objectives.

I ask unanimous consent that the article from the New York Times to which I refer be printed in the RECORD.

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

KEY GAINS SOUGHT IN U.N. FOOD TALK

(By Kathleen Teltsch)

UNITED NATIONS, N.Y., February 16.—The United States, after a week of meetings here, has indicated for the first time some of the results it seeks from the forthcoming World Food Conference.

The United Nations conference, proposed by Secretary of State Kissinger and called for earlier by some developing countries, is to be held in Rome beginning Nov. 5.

Edwin M. Martin, special adviser to Mr. Kissinger and coordinator of United States activities at the conference, sees the need for the Rome meeting to provide "a substantial improvement" over the way food stockpiles now are handled by Governments and private enterprises.

"We hope the World Food Conference can get started on a world-wide system which will enable us to keep food flowing at reasonable prices to everybody, regardless of what unexpected events may occur," he told the news conference.

"The world has been skating on very thin ice with respect to food supply," Mr. Martin said. "It only needs one or two of the larger countries to have bad harvests, whether because of weather, shortages of fertilizer or various other accidents, so as to face a critical situation because there are so few stocks to draw on."

WASTE ALONG FOOD CHAIN CITED

Mr. Martin said the conference should urgently promote increased production and distribution of fertilizer, particularly nitrogen fertilizer for grain crops over the coming five to 10 years.

United States spokesmen said that another major task for the world meeting would be to find ways of attacking waste incurred in getting food from the land to the consumer. The Food and Agriculture Organization has estimated that there is an average loss of 25 per cent in food stocks between the harvest and the table, much of it caused by spoilage in storage and insect or rodent damages.

Mr. Martin, who was Assistant Secretary of State for Inter-American Affairs, also advocated reviewing the way in which food aid is distributed by governments and agencies.

"The time has come to take a fresh look at how food assistance is being handled, to make sure it gets to the people who need it most but does not discourage the expansion of agricultural production in recipient countries, which some people feel it may have done."

The week-long meetings here were the first of a series of preparatory sessions for the Rome conference and drew more than 60 countries.

CONSOLIDATED FINANCIAL STATEMENT OF SENATOR AND MRS. ADLAI E. STEVENSON III

Mr. STEVENSON. Mr. President, as an officer of my State and now the Federal Government, I have always made it a practice to publicly disclose all my economic interests. Since entering the Senate I have in January of each year entered a financial statement in the RECORD and updated it quarterly with statements available to the public in my Senate offices. I will continue that practice. I ask unanimous consent that a consolidated statement of financial condition for my wife and myself be printed in the RECORD.

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

CONSOLIDATED FINANCIAL STATEMENT OF SENATOR AND MRS. ADLAI E. STEVENSON III—JANUARY 1, 1974

REAL ESTATE

Home, Chicago, Ill.	$90,000
Home, Washington, D.C. (cost)	125,000
One-third interest, residence, Beverly, Mass.	30,000
Interest in farm, JoDaviess County, Ill.	67,500
Fractional interest, Fisk Building, Amarillo, Texas	3,200
Fractional interest, 1776 Pennsylvania Ave., Washington, D.C.	20,000
Fractional interest, 633 Folsom Street, San Francisco, Calif.	12,000
Real Estate—St. Maarten Island 10% undivided interest in real estate, Tiburon, Calif.	66,195

STOCKS AND BONDS

Market value as at 12, 31, 73

12,640 shares, Evergreen Communications, Inc. (publishes Bloomington, Ill. Daily Pantagraph, operates WROK, Rockford, Ill. and WJBC, Bloomington, Ill., owns 10% of Bloomington, Ill. CATV)	160,000
3 shares, Bloomington Broadcasting Corp., Class B, non-voting	1,500
533 shares, KBA Townbuilders Group Ltd., Tel Aviv	550
34.1 shares, R.R. Leaseholds, Inc.	500
State of Israel Bond	500
10,000 bonds, Baltimore, Md., 6.25%, 10/15/84	11,387
Commercial Paper	5,000
83 shares, International Business Machines	20,480
210 shares, Xerox	25,777
142 shares, Harris Intertype	3,905
200 shares, Spectra Physics, Inc.	5,300
300 shares, General Electric	18,900
115 shares, Louisville Gas & Electric	2,731
10 shares, Honeywell	701
30 shares, Anheuser Busch	986
100 shares, C. R. Bard, Inc.	2,100
200 shares, S. S. Kresge Co.	6,550
100 shares, Pfizer, Inc.	4,300
700 shares, Rowe Price New Era Fund	8,225
2,500 shares, Rowe Price New Horizons Fund	20,000

70 shares, Avon Products	$4,462
1.20 shares, Walt Disney	56
50 shares, McDonalds Corp	2,850
100 shares, Monumental Corp	1,425
100 shares, Melville Shoe	1,087
CASH	
Less current obligations	1,000
MISCELLANEOUS	
Personal property, including securities of nominal value, furniture, cars, paintings and clothing	50,000
Total	782,167
DEBTS	
Mortgage—Perpetual Building Association, Washington, D.C.	76,226
Mortgage—Continental Bank, Chicago, Ill.	16,141
Note payable to Charles J. and Charlotte T. Whalen	1,550
Note payable to Brown Brothers Harriman	20,000
Total	113,917

SENATOR GOLDWATER

Mr. BROCK. Mr. President, I would like to share with my colleagues a commentary aired recently in my home State of Tennessee on the subject of the Senator from Arizona's (Mr. GOLDWATER) resurgence to popularity. It is most unfortunate that for a time public candor by an elected official was considered to be a political detriment, and it is a tribute to Senator GOLDWATER's unwaivering personal integrity that he is now being lauded for the very attributes which made him a target of criticism in the past.

The distinguished Senator has long been one of the most misunderstood men of our times, says Norm Brewer, the seasoned political commentator of station WMC–TV in Memphis. I concur fully with Mr. Brewer's heartfelt observations. As one of television's most able commentators, he is well known for having his finger on the pulse of the people in west Tennessee. I ask unanimous consent that a transcript of his remarks be printed in the RECORD.

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

TRANSCRIPT

It was more than a little interesting to read this week, a dispatch by James Naughton of the New York Times which concluded that Barry Goldwater is "back in style." The reason, Naughton writes, is that "the blunt candor that devastated the Arizona Senator's campaign for the White House in 1964 appears to many to have become something of a national treasure in 1974." Reporter Naughton cites a number of occurrences which indicate that Goldwater, the shattered figure of the 1964 Johnson landslide, is in the midst of a political renaissance. Among them, a concerted drive by Members of the Senate to get President Nixon to nominate Goldwater for the Vice-Presidency when Spiro Agnew left in disgrace; a comment from Senator Charles Mathias, a liberal Republican from Maryland, declaring that "there is this tremendous thirst for truth, and Barry is talking straight" about Watergate and other political horrors of the day; the conclusion of Mark Shields, campaign strategist for liberal Democrats, that Goldwater today "represents the ultimate triumph of character over ideology; the Senator's first appearance on NBC's prestigeous Meet the Press program—his first time back in over a decade" and the fact that Barry Goldwater has suddenly appeared on the Gallup poll's list of the world's most admired men. What has brought a lot of this about, of course, is Senator Goldwater's blunt candor about Watergate and his open, unrelenting pressure on Richard Nixon to make a full public disclosure on the issue. The same kind of blunt candor which made Goldwater the target of so much undeserved criticism in the 1964 campaign. I, for one, am delighted to see his sudden rise in popularity. I have long felt that Barry Goldwater has been one of the most misunderstood men of our times. His frankness was all too often dismissed as shallow hip-shooting, his almost pathological honesty all too often scorned as insensitivity to complex issues. His idealism laughed off as simplistic and no longer workable. In the light of history, Barry Goldwater was right about the Vietnam war, right about the failures of the welfare system, right about the need for integrity in Government, right about the approach America should be making to its chronic problems of racial discrimination. He said, "We should be working to change hearts and minds." It is clear now, we have changed too few of each. It is gratifying now to see many who so quickly rejected him, today quoting and applauding him. It brings to mind Goldwater's campaign slogan in '64 "In your heart you know he's right." Indeed, he was.

URBAN POLICY

Mr. STEVENSON. Mr. President, the February 10, 1974, issue of the Chicago Sun-Times contains a feature article on Doris Holleb, a prominent Chicago urbanologist. Her well-informed and tough-minded ideas about urban policy, which are set forth clearly in the article, should be of interest to all who are concerned about the future of the cities.

I therefore ask unanimous consent that the article be printed in the RECORD.

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

AT LAST, A FEW HOPEFUL WORDS ABOUT CITIES

(By Glenda Daniel)

Doris Holleb uses terms like "post-industrial age" to explain why cities in the year 2000 will be different from those of today. For one thing, they will be less crowded, which means there will be an opportunity (a word she would underscore) to renew city neighborhoods and "make them more human, more liveable and beautiful."

Beautiful? When was the last time a social scientist used beautiful as a description of city life?

But why not, Doris Holleb asks. Why not read the signs of urban change as opportunities to make cities better—not merely flourishing or functional again, but better in human terms. If, for example, the density in major U.S. cities continues to decline, as it has for the last 20 years, it need not mean calamity for the cities. Not if change is taken as an opportunity.

The "if's" duly noted, the statement basically remains an optimistic assessment of what lies ahead for the American city, and coming from an urbanologist that's rare encouragement. Not many of her colleagues share this optimism; or if they do, it's somehow overshadowed in the emphasis given to the magnitude of urban problems and the seemingly uncontrollable forces pushing big cities past the bring of collapse.

Controllable is the key word. As a social scientist she recognizes the scale and complexity of urban problems. But as an advocate of city life, a person who was a Manhattan high-rise child and always has lived in cities, she steadfastly believes the cities should be saved. As an activist she says they can be.

Last fall, with her appointment as director of the University of Chicago's Metropolitan Institute, the elements of personal opportunity for Doris Holleb the urbanologist, the advocate of city life and the activist, all fell into place.

She now is in charge of a public platform for advancing the urban cause, bringing the issues before the public and exploring alternatives to calamity.

Toward that objective, the Metropolitan Institute offers short, non-credit courses on urban affairs. Lecturers and panel members are selected on the basis of their expertise on a topic. The tuition ($5 for most eight-week courses, $9 for all-day Saturday seminars) is kept as low as possible to attract a diversity of urban citizens. Civil servants, $90-a-week secretaries, college professors and bank vice presidents, often come together in the same course.

"Enlightened urban policies on a regional level will come about only when voters demand it," says Doris Holleb. "And voters won't demand it without more education on the subject."

She is a tiny woman not much more than 5 feet tall but a person of abundant energy which expresses itself in her very large, dark eyes and in the quick motion of her hands as she talks.

Much of her formal background was in theoretical economics (Hunter College and Harvard University). She was an economist for the Federal Reserve Board in Washington when she met her husband, Marshall Holleb, who then was in military service. An attorney, his practice is in real estate law, taking him into matters such as air-rights development above railroad property.

They also are involved in civic affairs apart from their professional careers. He is chairman of the Illinois Council on Aging and serves on the board of Hull House and the Museum of Contemporary Art. She is a trustee of the Adlai Stevenson Institute and was chairman of the education council for Francis Parker School when her children attended there. (Sending her own children to private school, she admits, was not the most loyal thing a committed city person could do. But, she adds, her family stayed in the city and her more serious regret is with the quality of education in the city's public schools.)

Their children—three sons—are now all in their 20s. One is making his first feature-length film in Los Angeles. Another is a clinical psychologist graduate student who is currently writing a book, "Alternatives in Mental Health." The third son plans a career in natural resources management.

"I had my children as intensely as I've done everything else in my life," she says, smiling self-consciously. "All three of them were born in the space of 2½ years."

She considers the years of her pregnancies and the time at home when the children were small as very important for her intellectually. "It was at that time that I began to realize I didn't want to spend my entire life refining abstract economic theories. I spent a great number of those hours at home reading everything I could get my hands on and deciding how I could best combine all my interests into a career with social purpose that also made sense personally."

But it was as an economist that she got her first job in Chicago, as a consultant in the city's Department of Development and Planning. The experience whetted her desire for involvement in forming urban policy. She decided to abandon theoretical economics.

She went back to school briefly, this time at the Center for Urban Studies at the University of Chicago and eventually became a research associate there. She has kept her affiliation with the urban center and in that capacity has conducted major research

projects and has served as an urban policy consultant for government agencies.

From major research projects for the U.S. Department of Housing and Urban Development and the Illinois Board of Higher Education she wrote two books, "Social and Economic Information for Urban Planning" and "Colleges and the Urban Poor."

Uppermost among her present concerns is the need for a regional planning approach to urban problems. Topics on the Metropolitan Institute's winter schedule reflect this concern—sessions and seminars on such things as regional solutions for controlling pollution, a transit system for the metropolitan area, the location of industrial plants, the impact of continued rapid residential development in the suburbs.

She also was recently appointed to the board of the Northeastern Illinois Planning Commission. In the past the commission had very little power beyond persuasion to see that the metropolitan area developed in an orderly manner or for the common urban good. Developers in alliance with local governments could ignore the commission's ideas for comprehensive planning. That era hopefully is coming to a close, Mrs. Helleb believes.

For one thing, the federal government has strengthened the commission's hand by requiring local applications for federal aid be processed through the regional planning authorities. In effect, NIPC now has a voice in where federal money will go for such things as new highways and water and sewage facilities.

Another step toward regional planning has come with the establishment at the local level of suburban councils of government to coordinate such things as fire protection services and zoning matters of common interest to neighboring communities. Though few are yet politically powerful enough to control how land is used by the biggest developers, they are able to avoid some past mistakes.

Chicago is the fourth major city she has lived in and she believes it is more fortunate than most metropolitan areas. It has a sound economy, the physical pattern of its growth makes public transportation more practical than in newer cities, its downtown commercial and cultural center continues to retain a vitality and, in relative terms, its housing supply is sufficient to meet the population's needs.

The area's strongest asset is its economic diversity. "We aren't dependent on the automobile like Detroit or on jet airplanes like Seattle. The Chicago area is a center of heavy industry, yet it also continues to attract other kinds of manufacturing and business."

In the post-industrial age she speaks of, service jobs and white-collar occupations will replace factory jobs as the major area of employment in cities like Chicago. She says signs are encouraging that Chicago's job market is shifting in this direction. She is particularly impressed with gains made in recent years to establish Chicago as a "serious rival" to New York as a financial center.

What all this means for those who live and work here is that Chicago is less vulnerable to jolts in the national economy—to a recession, for instance—than are cities with narrower employment underpinnings. In a diversified job market fewer persons are out of work at the same time. In the past, Chicago's unemployment rates usually have been one or two percentage points lower than the national average, she says.

The Chicago area also is in much better position to solve its transportation problem than are most U.S. cities, she says. "Our biggest growth took place at a time when rail transportation was popular, and our highest population densities are still along the commuter rail lines. We're the only city anywhere with six commuter railroads still functioning."

However, the rail network does not adequately serve the area's mass transit needs, she says. Gaps between the rail lines radiating out from the city are passable today only by automobile.

"Bus service died out in many suburbs years ago," she says, "not just because people preferred to drive automobiles, but because the buses were not taking them where they wanted to go and there was no co-ordination in service between towns. Today 80 per cent of all work trips in Chicago suburbs are made by automobile. As gasoline prices soar and the shortage becomes critical, the people who live or work in the suburbs are going to be hardest hit."

The city also needs better access to the suburbs, she says, because jobs are increasingly moving in that direction. "The last 10 years have seen a 137 per cent gain in jobs in the suburbs—a much larger increase than the accompanying outward shift population." Here again, for city resident as well as suburbanite, for the most part those jobs are reachable only by car.

The lack of public transportation in the suburbs, plus the possibility of gasoline rationing that will limit drivers to two tankfuls a month, puts metropolitan-wide plans such as the recently authorized Regional Transit Authority high on her list of priorities. It is an issue she feels Chicago should move swiftly to deal with.

Despite whatever shortcomings the RTA legislation may have, she endorses the plan that goes before voters in the six-county metropolitan area next month. She believes urgency outweighs arguments to "wait for a better bill."

In her view, perhaps the most apparent and dramatic difference between Chicago, and many other U.S. cities is the vitality of its central community. While downtowns in cities such as Detroit, St. Louis and Cleveland have withered, Chicago's has remained vital.

She is speaking out only of a physical area but also of people—creative, professional people who contribute to making Chicago a center of culture that still attracts those who no longer live in the city.

Chicago is an exception in this regard, she says, because a vital center city is in the interest of a "pluralistic coalition" ranging from intellectuals and artists to steel and bank executives and old-time politicians, all of whom have a personal stake in seeing the heart of the city thrive.

She gives Mayor Richard Daley credit as an effective manager of these groups and for managing those aspects of city life that are in their interest. But she believes the mayor has been less effective in dealing with more important matters of crime, racism and school problems. "These are the things that undermine the quality of life in residential neighborhoods and will determine the city's future as a place for families," she says.

"The success of the city's new Central Area Plan," she says, "will hinge on providing good schools and public services. Otherwise middle-class families, both black and white and however urbane their tastes, will continue to drift away from city neighborhoods."

Rapid residential development of Chicago suburbs has meant, on paper at least, that the supply of housing is not a problem. But, she quickly adds, racism and poverty still are.

While area population was growing by 11 per cent in the 1960s, the housing supply was increasing 23 per cent. However, she points out, little of that housing was for low-income families and not nearly enough was built near the new factories springing up in the suburbs.

No, Doris Holleb does not say all is well and right with Chicago. Before things improve for cities of the future, the electorate will have to demand regional planning. "Politicians aren't going to relinquish their little bailiwicks voluntarily."

Yet she is still hopeful, still optimistic about how Chicago could use its assets. "Chicago has the ingredients that could put it in the forefront of this kind of planning."

Doris Holleb lives in a high-rise, on the 11th floor of an elegant old building near Belmont Harbor. The lush carpeting, soft pillows and dark old woods of the furnishings obviously have been selected with comfort and visual pleasure in mind. The view, however, seems to have been chosen not to take her mind from work. It would strike most as uninspiring: flat and peaked roofs, streets and alleys and shops stretching westward until they blend together where factory smokestacks break the horizon.

She sees, of course the scars, the blight and decay of the cityscape. But also she sees what could be there.

She is writing a book, her third on urban affairs. It will be about the future of cities and explain the basis of her optimism, why she believes it is premature to write them off as failures.

Usually, mornings are set aside to work on the book. This morning, however, a visitor has come and Mrs. Holleb has made coffee and now is looking intently at a glass of orange juice in front of her on the kitchen table as she talks about cities and her career.

She is not a woman who dwells on the point of her personal achievement in a profession that has been dominated by men. But she suspects that if there had been more women in position to affect the direction of urban growth, modern cities might have developed differently.

She recalls the disapproval of "bedroom communities" expressed at a recent Chicago conference of women planners. "Bedroom communities are only bedrooms for men," one of the conferees had said. "But they're 24-hour dungeons for the women and children trapped there, without transportation or places to go."

It is true, she says, women who are isolated at home are usually ignored by society. And consider what commuting in the typical urban situation involves for the woman who needs or wants to work. "An hour on the highway in a traffic jam is critical to a working woman whose family and chores are waiting at home. And black women are virtually excluded from jobs in the distant suburbs when public transporation is poor."

"One reason I have faith in what can be done in controlled planning in the 1970s," she says, "is that there are vacant areas for regional planners to work with, both in the inner-city and in the frontier suburbs, those at the farthest edge of the urban spread. A big problem with urban renewal in the '50s and '60s was that there was really no place for relocation housing. Now, as the city thins out, there is."

An apparent limit in Chicago's outward development also is an encouraging sign. "After a certain distance, it becomes too expensive to extend telephone lines, electricity, sewers, water lines and so on. We have a kind of breathing space to concentrate on current problems before some new ones pop up," she says with a rueful smile.

Such signs hold promise yet she knows a great many things will have to change if her optimism is to remain justified.

Tax structures need to be reformed, for instance, so that they are fairer to working-class people and the poor and so basic services such as health care and schools can be provided with equally high standards for all.

She believes the federal government should assume full responsibility for services that transcend municipal and state boundaries—welfare, for instance. But she still see a very vital role for state government, contrary to arguments that it is obsolete. For

one thing, metropolitan government is highly unlikely to be accepted in most urban areas. "World government would probably happen first," she says whimsically. "This leaves state government as the logical source of comprehensive regional policies."

At the same time, government at all levels must move from a tradition of trying to manage crisis to a policy of long-range planning, she says.

"Forward motion on tough issues is only possible when problems come to a head, as in the case of the threatened collapse of the CTA and the energy crisis. State legislatures normally wouldn't think of giving up their power to rule on budgets and programs every year. But when a crisis develops and there is pressure on them, they're more likely to agree to long-range solutions like an RTA."

She has finished the glass of orange juice and is gazing out her kitchen window. She turns suddenly and smiles.

"The other apartment on this floor faces Lake Michigan. I wouldn't trade for anything."

TURKISH OPIUM

Mr. BUCKLEY. Mr. President, the New York Times of February 21, 1974, carried a news story that was as disturbing as it was unexpected. The headline read "Turkey Asks United States for Restudy of Ban on Cultivation of Opium" and the story confirmed that:

Turkey has asked the United States to undertake a joint re-examination of the ban on cultivation of opium by Turkish farms, Foreign Ministry sources said today.

The ban was ordered by the army-supported Government of Premier Nihat Erim in 1971 under strong pressure from the Nixon Administration. It went into effect last year, and the white-and-wine-colored flowers of the opium poppy disappeared from the Anatolian Plateau.

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The United States gave Turkey $35.7 million in exchange for the ban.

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American narcotics agents believed that 80 per cent of the heroin that entered the United States illegally originated in the small poppy fields in Anatolia.

Mr. President, it is inconceivable that the U.S. Government should engage in any reexamination of the ban on the cultivation of opium by Turkish farmers. Our original agreement with the Turkish Government was based on humanitarian principles which do not change according to circumstances. Heroin is evil. The cultivation of opium from which heroin is derived is a social evil of incalculable proportions. To even suggest that the ban on growing of opium is something that can be reexamined is to suggest that there are times and places and circumstances under which civilized human beings can take differing attitudes toward human slavery which, after all, is what heroin addiction leads to.

One of the first proposals I made as a U.S. Senator on April 1, 1971, was a resolution to ban all economic assistance to foreign countries that do not eliminate the "production, processing and export of narcotic drugs." At that time I said:

The availability of narcotic drugs in the United States continues undiminished, thus debasing, destroying and, in many tragic instances, killing the youth of our Nation. Within the last 8 years, New York City has lost more lives to drug abuse than the entire State of New York has lost in Vietnam war. In New York City, 100,000 narcotic addicts spend an average of $35 a day on narcotic drugs, or approximately $1.3 billion a year. It is estimated that 98 percent of narcotic addicts support their habit by turning to crime.

I believe that my legislation strikes at the heart of a critical problem that has entered hundreds of thousands of American homes, and that it will greatly strengthen the efforts of the administration to control the illegal traffic in narcotic drugs. . .

The Times article contains a quotation from the Turkish Foreign Minister, Turan Gunes:

The sacrifices we have to bear for humanity cannot be placed on our shoulders alone. There is a limit to the sacrifices Turkey can make for other people and nations.

There is a kind of macabre quality about that quotation that chills the blood. Is it the position of the Turkish government that a prohibition of the wholesale production and export of narcotic drugs is some kind of "sacrifice"? I invite the Turkish Minister to come to some of our narcotic rehabilitation centers in New York City and talk to those whose minds and souls and very lives have been ruined by narcotics. I invite him to spend a night cruising in a patrol car of the New York City Police Department, with its overburdened policemen attempting to fight a crimewave made incredibly more vicious and more widespread because of drug addiction. If the Turkish Minister is worried about "sacrifices," he should see the human sacrifices that are made on the altar of the gods of drugs, drugs that he now wants to have grown once more in Turkey.

There is a further irony to all of this, Mr. President. As I speak, a citizen of the United States and a resident of New York State is in a Turkish jail with a minimum sentence of 30 years, for the offense of smuggling 4.4 pounds of hashish. This sentence was given after Mr. Billy Hayes had already served time in jail for possession of this same hashish. If the smuggling of 4.4 pounds of hashish is seen by the Turks to be so evil that a young man must spend 30 years of his life rotting away in a Turkish jail, how much more evil is the wholesale cultivation, production, and export of opium and its derivatives, chief among which, in terms of physical destruction, is heroin?

Mr. President, I want to say that I am today writing to Secretary of State Henry Kissinger, asking him to do all in his power to see to it that the United States of America does not engage in any reexamination concerning the ban on opium growing. I realize that the Turks, if they wish, can unilaterally decide to begin once more cultivating a harvest of evil. But if they so choose, let it be by their own decision and not with any help from us. If they do so choose, I will urge the Senate to insist that the President immedately implement the sanctions proposed in my resolution of April 1, 1971, and that have been incorporated in substance in the Foreign Assistance Act of 1971.

Mr. President, I ask unanimous consent that the New York Times article be printed in the RECORD in its entirety.

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

TURKEY ASKS UNITED STATES FOR RESTUDY OF BANON CULTIVATION OF OPIUM

ANKARA, TURKEY, Feb. 20.—Turkey has asked the United States to undertake a joint re-examination of the ban on cultivation of opium by Turkish farms, Foreign Ministry sources said today.

The ban was ordered by the army-supported Government of Premier Nihat Erim in 1971 under strong pressure from the Nixon Administration. It went into effect last year, and the white-and-wine-colored flowers of the opium poppy disappeared from the Anatolian Plateau. A hundred thousand families that had made all or part of their living from the sale of opium had to turn to other less lucrative crops such as wheat, barley and sugar beets.

The United States gave Turkey $35.7-million in exchange for the ban. Part of this was paid to farmers as direct compensation. Investments were to have been made in the opium-growing region to stimulate the economy and increase farmers' incomes.

But because the ban was introduced suddenly and without preparation, no big investments were made. Farmers who had sold their opium both to the Government and to black marketeers thus became poorer.

The United States had been exerting pressure on Turkey to ban opium cultivation since the early nineteen-sixties. American narcotics agents believed that 80 per cent of the heroin that entered the United States illegally originated in the small poppy fields in Anatolia. As a result of the American pressure, the number of provinces where poppies were grown decreased from 42—out of 72—in 1960 to 7 in 1970 and 4 in 1971. Compensation for giving up poppy cultivation was paid only to farmers in these four provinces.

During the election campaign last October, all Turkish parties promised to review the ban. Bulent Ecevit, leader of the victorious Republican People's party, now the Premier, had pledged to lift the ban. However, he had said he would do this in a way that would not arouse international concern.

Premier Ecevit's Foreign Minister, Turan Gunes, told the United States Ambassador William P. Macombe Jr., last week that "Turkey and the United States must reexamine the issue without any prejudgment," according to a Foreign Ministry source.

TURKISH "SACRIFICES" CITED

Mr. Gunes later said in an interview: "Villagers in the opium-growing regions are in a very difficult position socially and economically." Turkey is concerned over the drug-addiction problem in the world, he said, but he added: "The sacrifices we have to bear for humanity cannot be placed on our shoulders alone. There is a limit to the sacrifices Turkey can make for other people and nations."

Turkey does not have an addiction problem.

There has been no official reaction from Washington so far to the Turkish request. However, American sources here say that the United States Government is against a lifting of the ban. After the Turkish ban was imposed, they say, the quantity of heroin reaching the United States decreased significantly and prices more than doubled.

RESTORING CONFIDENCE

Mr. BROCK. Mr. President, the task of restoring public confidence is one that faces all of our institutions at this troublesome point in our Nation's history. A Louis Harris survey over the past 5

years shows a massive loss of faith in business, organized religion, and our military institutions, as well as in the Federal Government.

Leaders of these institutions are aware of what is at stake. Stanley J. Goodman, chairman of the May Department Stores Co., in a recent speech to national retailers, warned:

If the public generally feels that the aims of business are at cross purposes with those of the people of our country . . ., then the root purpose of the free-enterprise system could (also) come under serious question.

What Mr. Goodman proposed is a change in the philosophy of business management, replacing the old slogan, "What's good for General Motors is good for the country," with one that says, "What's good for the people is good for business." He added:

With the proper attitude, we can turn some of our troubles to our benefit.

The oil embargo will speed the search for solutions to an already developing energy crisis. Watergate has illuminated the need for higher ethical standards throughout our society.

There is no one simple formula for restoring faith in ourselves and our institutions. Thus, Mr. Goodman offers his approach for the business community. Ivan Hill as president of the nonprofit American Viewpoint, Inc., has been seeking to promote ethical conduct through education and through the study of ethical conduct codes and their enforcement. The point is that an awareness of the need for higher standards is half the battle won. The Congress can and should set an example through the conduct of its Members. We must put our house in order.

Business and other institutions must recognize and solve their respective problems. Irving Kristol, writing in the Wall Street Journal, January 17, suggests that:

The problem is one of candor and credibility, not (one) of "public relations."

I would submit that it is the Ivan Hills and the Irving Kristols who can point the way to accomplish the rebuilding of our commitment to integrity, and I ask unanimous consent that Mr. Kristol's article be printed in the RECORD.

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

THE CREDIBILITY OF CORPORATIONS

(By Irving Kristol)

"Tis the season for scapegoating, and the large corporation is once again everyone's favorite candidate for ritual slaughter. At the moment, it is the oil companies especially that are being positioned on the altar. They are accused (and are convicted forthwith) of probably contriving the present oil shortage and of certainly perpetuating it.

Anyone who has paid attention to the subject these past couple of years will know what nonsense this is. Whatever the sins of the oil companies, inattentiveness to a possible shortage of their commodity is not one of them. On the contrary, the oil companies have long been shouting into deaf ears that an energy crisis was looming, that without a more adequate return on investment there was no possibility of increasing the energy supply, and that governmental regulatory policies together with environmentalist fanaticism were exacerbating an already serious situation.

But no one is really interested in the facts of the matter. In the debased version of democratic politics which prevails today, political demagoguery and popular paranoia—both as it happens, so congenial to the melodramatic temperament of our mass media—demand that blame always and instantly be assigned to shadowy "profiteers." After all, if things go wrong, what other possible explanation is there. It can't be public opinion, which is always right, or the politicians, who are always dedicated to the commonweal, or misfortunes of historical circumstance, from which Americans are supposed to be exempt. So it has to be someone or something that has an interest in, say, higher prices for oil, as the oil companies unquestionably do.

In a sense, none of this is new. In any democracy, large and powerful organizations which are in business to make a profit will inevitably be regarded—have always been regarded—with distaste and suspicion. The power of the large corporation appears "irresponsible" precisely because of the anonymity which cloaks it; one doesn't know who is making all those decisions that affect our lives, or why, and in such a case the nastiest interpretation seems as plausible as any other. And when these decisions become dramatically costly to the average citizen, it is the nastiest interpretation that will come most naturally to mind.

GETTING AWAY WITH MURDER

Nor is this state of affairs wholly to be deplored. Within limits, the fear and dislike of "bigness" is a healthy democratic instinct, because it is indeed true that, as large organizations come to dominate our lives, each one of us loses a measure of freedom and sovereignty. But it is also true that large organizations are here to stay. No reasonable person can envisage dismantling these structures—their existence is the precondition for too many benefits, to which we are strongly attached. So when hostility to "big business" goes beyond a certain limit, there is no alternative to some form of nationalization. A government-owned or government-operated enterprise is beyond reproach so far as concerns its motives—it is, as we blithely (and mindlessly) say, "publicly" owned and operated, and its rationale is "service," not profit. That this enterprise may then be less efficient, more bureaucratic, and not at all responsive to public needs somehow doesn't matter. The Post Office gets away with murder while AT&T is crucified for every fault, simply because in the one case management's motives are assumed to be "pure" while in the other they are by definition "impure."

There is already some talk about nationalizing the large oil companies and it can be fairly predicted that, in every successive economic crisis, other industries will seem like logical candidates for "public" ownership. It is possible to think that this trend is irreversible, that it is inherent in the dynamics of a liberal democracy whose instinct for limited government becomes progressively weaker while its instinct for bureaucratically-imposed "equality of sacrifice" (this the Post Office does accomplish) grows stronger. Still, it is also possible to think that this process can at least be slowed down, and that it may be within the power of the large corporations to do something for their own survival. So the question is: What is to be done?

Essentially, as I see it, the problem is one of candor and credibility, not—repeat: *not*—of "public relations." Indeed, one of the reasons the large corporations find it so difficult to persuade the public of anything is that the public always suspects them of engaging in clever public relations, instead of simply telling the truth. And the reason the public is so suspicious is because our large corporations so habitually do engage in clever public relations instead of simply telling the truth.

For instance, what is one to make of a corporation which proudly announces that it has just completed the most profitable year in its history—and then simultaneously declares that its return on capital is pitifully inadequate, that it is suffering from a terrible cost-squeeze, etc., etc.? In 1973, most corporations were engaged in precisely this kind of double-talk. Is it any wonder they created so enormous a credibility gap?

Now, the truth is that 1973 was not so profitable a year for our large corporations. One would see this instantly if corporations reported their profits in constant dollars—i.e., corrected for inflation. Trade unions do this when they report their members' earnings to the world at large—they don't want to look like "profiteers" when they sit down at the bargaining table. Corporations, in contrast, do seem to be under a compulsion to look like "profiteers"—even when they are not, in fact, operating at a particularly profitable level. The explanation for this bizarre behavior has to do with the prevailing standards of "successful mangement" in the corporate world.

It is not much of an exaggeration to say that these standards, over the past quarter-century, have come to be set by a relatively small number of speculators on Wall Street, who determine the price of the corporation's common stock. I say "speculators," not "shareholders," because the authentic shareholder of yesteryear is a vanishing breed. Most stock today is purchased by people and institutions whose sole intention is to hold it for a relatively brief period and then sell it at a profit. They do not "invest" in a company but are rather in the business of trading in its securities. These are the people to whom corporate managements are, in the end, responsible. In their annual reports, and in their advertising, corporations still like to sustain the legend that their legal owners are "shareholders"—people who have invested their capital in the company and, over a lifetime, share in the company's fortunes for better or worse. In reality, the fate of corporate management is ultimately decided by a motley group of speculators, and just about the sole criterion of successful management is whether or not it has managed to establish a relatively fancy price for its securities in the stock market.

The result, inevitably, is consistent deception which varies only in degree. One of the reasons that the myth of an "affluent society" became so prevalent—a myth, which, in turn, gave birth to all kinds of popular fantasies about the standard of living that Americans are "entitled" to—is that corporations have helped propagate it by grossly overstating their earnings. They accomplish this by sleazy accounting, shrewd accounting, or technically honest but still misleading accounting. What we call "the revolution of rising expectations" is really but another version of an old-fashioned speculative fever on a mass scale. The modern corporation helps to engender and sustain this fever—and when reality dawns, as it always does, the corporation is sure to be held responsible for reality's shortcomings.

At a recent conference, attended by some dozen top executives of major corporations, I inquired why they don't take inflation into account when they compose their annual reports. The only answer I got was that, if someone would start doing it, *they would* be quite content to follow, but that they were not about to take the lead in dispensing such bitter—if wholesome—medicine. These same executives, of course, are intensely and sincerely interested in "the social responsibility of corporations" and are quite willing to contemplate "bold initiatives" in training the ghetto poor, solving our urban problems, etc. In other words, they are eager to assume

responsibilities for various and remote tasks they probably cannot accomplish, but loath to shoulder the responsibility for doing what can be easily done; i.e., giving the public a true picture of the condition of their enterprises. It is, on the whole, a neat prescription for corporate suicide.

THE MATTER OF STOCK OPTIONS

It is no secret that one of the reasons corporate executives are so concerned about the way Wall Street regards their securities is that so many of them are the owners of stock options, and therefore have a personal interest in the matter. But should such an interest be permitted to exist? Why should corporate executives be permitted to trade in the securities of their own firm? There may be something to be said for executives owning stock in their corporations, but to recognize the right of executives *to sell* stock in their own companies—however this stock is acquired—is to create the favorable conditions for scandals involving "insider trading." Would it not be reasonable to insist that no executive be permitted to sell any of his stock in his company so long as he holds office?

I will be told—I have been told—that any such restriction would make stock options meaningless, since corporate executives, not being wealthy men for the most part, have to sell their stock in order to get the money to exercise new stock options. But are stock options all that desirable anyhow? It seems to me that many corporate executives suffer from a confusion of identity—they think that they are entitled to entrepreneurial rewards instead of merely managerial ones, which is to say, they think they have the right to become wealthy—that is the hope behind stock options—not simply to be well paid. (The President of the United States apparently has been the victim of this same confusion.) But corporate executives are *not* entrepreneurs; they do not take the risks of entrepreneurs and are not entitled to the rewards. They are employes of the corporation, just like the switchboard operator, and should expect the same kinds of benefits other employees get—a decent salary, an adequate pension, and the rest. If they wish to become wealthy men, they ought to go into business for themselves.

It is, I would suggest, this same confusion between entrepreneurial rewards and management rewards that establishes salary levels for executives which, in the eyes of the public, are indecently high. I know it will be said that you have to pay a lot of money in order to get "the best available talent." But we are all aware it doesn't quite work that way. No corporation goes out shopping for executive talent, trying to obtain the best for the least amount of money. The levels of corporate salaries are fixed beforehand and the salary varies with the title, not with the man.

Who fixes these levels? Why, other corporate executives, of course, who are called "directors." That's a very cozy arrangement. One can be sure that if the salaries of professors, government officials and plumbers were set by committees of professors, government official and plumbers, they would be much higher than they now are. Every profession and occupation tends to have a high opinion of itself. Besides, it can always be "demonstrated" that a high salary is really quite small in comparison with all the benefits which will accrue to the institution by reason of the splendid and well-rewarded talents that populate it.

AN URGENT QUESTION

But if such benefits are not realized? This question is an urgent one, since we are clearly entering a period of considerable economic hardship for a great many Americans. How many corporate executives are going to cut their salaries because their firms are doing badly? And if they do cut them, by how much will they cut? One can foresee a corporation president proudly announcing to six million unemployed Americans that he is reducing his salary by 20%—say, from $200,000 a year to $160,000 a year—and then wondering why no one is impressed with his self-imposed "sacrifice."

There is much more that can, and should, and hopefully will be said—and, of course, debated—along these lines. But the point I wish to make is that the American corporation is in serious trouble, to which it is reacting in a largely frivolous way. Social responsibility begins at home, and if the large corporation wishes to gain the trust of the American public, it has to consider what kinds of changes will make it more worthy of this trust. It is true that the corporate image is in a worse condition than it deserves. But it is also true that this image is not going to be changed by the mirror-magic of "public relations." There is no reason why "Operation Candor" should be restricted to the White House.

NATIONAL CENTER FOR THE PREVENTION AND CONTROL OF RAPE

Mr. MATHIAS. Mr. President, 6 months ago, I introduced S. 2422, a bill to establish a National Center for the Prevention and Control of Rape. Among the compelling reasons for this legislation was the 1972 FBI Uniform Crime Reports which clearly showed a steady and alarming increase in the volume of reported forcible rapes in America. Ten days after I introduced S. 2422, I was heartened by a Justice Department announcement which indicated that serious crime in the United States declined 1 percent during the first 6 months of 1973 and that 95 of the Nation's largest cities reported actual decreases in serious crime during the first half of the year. I requested a copy of the Uniform Crime Reports for the period January–June 1973, and without question, the Justice Department's announcement told the truth; but as is the case with many leads, the announcement did not reveal the whole truth.

For while it was true that the property crimes of burglary, larceny-theft, and auto theft as a group decreased by 2 percent, it was also true that forcible rape shot up by 8 percent nationally during the first 6 months of 1973 compared to the same period in 1972. Moreover, the January–June 1973 report revealed that forcible rape increased by at least 3 percent in every region of the country and 17 percent in the Northeastern States; that forcible rape expanded by 15 percent in both rural areas and cities with populations over 1 million; and that forcible rape grew by 6 percent in suburban areas. I find these statistics particularly depressing in light of the fact that rape is one of the most underreported crimes in America. As practically every expert in the field will testify, when it comes to rape and sexual assaults we are only seeing the tip of the iceberg.

Mr. President, the objective of my bill, which is now pending in the Senate Labor and Public Welfare Committee, is to undertake a national effort to curtail the crime of rape and to set in motion a serious attempt to aid and protect the victims of this offense. During the past 6 months, I have been greatly encouraged by the public and congressional response to S. 2422. Since this bill was introduced, 19 of my colleagues have joined in cosponsorship of S. 2422. At this time, I wish to express my appreciation to Senators STEVENS, MOSS, STEVENSON, ABOUREZK, KENNEDY, HUMPHREY, BEALL, HATFIELD, CHILES, GRAVEL, HUGHES, RIBICOFF, MCINTYRE, RANDOLPH, TUNNEY, CRANSTON, MONDALE, CASE, and JAVITS for joining with me on this important piece of legislation. I would also add that my bill was introduced in the House of Representatives by Representative H. JOHN HEINZ III, of Pennsylvania, and H.R. 10848 now enjoys the support of 51 Members of the House.

As recently as last evening, February 20, 1974, NBC television presented a frank and revealing picture of the problems encountered by a victim of rape. "A Case of Rape" vividly depicted both the mental and physical anguish the victim is forced to undergo, both during as well as after the crime, and the psychological effects of the rape upon those around her. Yet what perhaps came across most clearly was the near impossibility of obtaining a conviction under our present laws. As was rather bitterly, yet possibly all too accurately pointed out by the prosecutor in the story, it might be fruitless to try a rape case unless the victim is "a 90-year-old nun with at least four stab wounds."

S. 2422 is aimed directly at this national shame and tragedy. As I said last September when this bill was introduced—

> The time has come for our society to consider the rape laws as they are now written. Rather than protecting a woman's interest in maintaining her physical integrity, peace of mind, or her ability to move about as freely as a man might without fear of sexual attack, the laws may possibly be having the opposite effect by hindering the prosecution of attackers. Clearly the laws as they stand today do not effectively deter rapists. Indeed, given the treatment that victims are subjected to by the police, hospitals, the prosecution, and the law itself in some jurisdictions, the rapist could not wish for any more unwitting allies to aid and abet him in his defense.

As our newspapers, television, and radios tell us and we all know so well, the victims of rape and other sexual assaults are not only women. Visit a prison or reformatory and talk with the wardens, and the guards, and the inmates. They will tell you about the pervasive and oppressive fear of sexual assault which permeates our so-called correctional institutions.

Listen to mothers and fathers whose daughters and sons have been victimized by sexual offenders. In this connection, I recently read a report by the Children's Division of the American Humane Association which concluded that—

> The problem of sexual abuse of children is of unknown national dimensions but, findings strongly point to the probability of an enormous national incidence many times larger than the reported incidence of physical abuse of children.

Mr. President, at this time I ask unanimous consent that an excerpt from the American Humane Association Report on Protecting the Child Victim of Sex Crimes Committed by Adults be printed in the RECORD.

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

PROTECTING THE CHILD VICTIM OF SEX CRIMES COMMITTED BY ADULTS

Child victims of adult sex offenders are a community's least protected children. Frequent victims of parental neglect, they are, almost always, also neglected by the community which has consistently failed to recognize the existence of this as a substantial problem.

It is possible that society's refusal to face this problem in all its implications is the incongruous reality of its existence in the midst of our highly developed civilization. The fact of sexual abuse of children is unpalatable. It is a reminder and a symbol of society's failure to control destructive human behavior—of society's inability to protect its most defenseless from exposure to the depraved, primitive and emotionally sick cravings of a disoriented few.

The fact remains, however, that most communities have closed their eyes to the needs of these children. Their cry for help is unheeded—it is unheard or ignored. In the comparatively few instances where such situations are publicized community concern is projected in punitive measures against the offender. There is swift action to impose sanctions against the guilty adult but scant appraisal of the damage to the child victim.

These children are acutely in need of services to protect them against repeated offenses and to help reduce the effects of the traumatic occurrence. If the abrasive effects of sexual abuse are to be controlled on behalf of the child's long range interests then the community must be prepared to offer such highly skilled diagnostic and treatment services as may be required.

The paucity of information regarding the incidence of sex crimes against children and the absence of data assessing the impact and effect of the sexual victimization on the child victim's emotional health result in a general failure to mount a coordinated attack on this national problem.

DEFINING THE PROBLEM

Sex acts committed against children run the full range of sex experiences, particularly in its deviant forms. The more usual victims are girls. Boy victims are numerous and their involvement is chiefly in homosexual activity.

Because sex crimes are so personal and because they relate to areas which in our culture are laden with taboos and strong emotional impact, child victims are exposed to serious emotional stresses and tensions. Enormous blocks in terms of fear, guilt, shame and loss of self-esteem are often created. The amount of damage to the mental health and personality development of the child victim cannot be readily assessed. There has been too little research on this specific problem.

The situation is compounded by the very real and urgent objective of criminal law—the immediate prosecution of the adult offender. Law enforcement personnel—police and prosecutor—are under pressure, and sometimes under fire, of public concern and public opinion to make an air-tight case against "degenerates" who prey on children. The natural consequence is that what happens to children in the process seems of lesser importance, or is lost sight of, in the desire and rush to met the clamor of public demands for retribution. Little thought is given by the community to the problems of the child victim and his parents whose needs and rights are often trampled in the pursuit of sanctions against the offender.

With the needs of law enforcement a prime objective, the needs of the child victim become subordinate. While there may be recognition of a child's need for medical attention, in the physical sense, little understanding is shown for the emotional impact of the crime and the problems it may create for the child. Rarely is the child protected through the sometimes lengthy period of police investigations and court proceedings.

The initial shock of the crime is heightened and tensions are increased and compounded under questioning by police in their search for evidence. A sensitive child may be subjected to an excruciating experience during efforts to elicit the sordid facts of the crime. Emphasis on the minutest details of the offense serve to magnify the act out of proportion and add to the child's sense of guilt and shame. For the older child there is embarrassment when he reveals too little knowledge or too much knowledge of the sex act and of deviant sexual behavior. Added embarrassment arises when the child uses childish or infeasible terminology to describe what happened; or language which is too sophisticated; or vulgar street talk with its use of short Anglo-Saxon words.

If the culprit is arrested, to the ordeal of police interrogation is added the nightmare of testifying at the arraignment or preliminary hearing. If the crime is a felony the child will appear before the Grand Jury to give more testimony. After indictment comes the actual trial. In most jurisdictions this trial is in the adult criminal court, and all too frequently in open court before a jury. The experience of testifying and of being subjected to cross-examination may be considerably more traumatizing than was the crime itself. Efforts by defense counsel to discredit or confuse the child, even when held to a minimum, make this a nerve-racking and terrifying ordeal.

In all but a few communities the child faces these harrowing experiences with little help or preparation. Some children are assisted to live through this trying exposure if their parents have understanding and are aware and alert to the child's need for support. Parents who are concerned, responsible and adequate are able to meet the child's needs, either through their own efforts, or through use of community resources.

But, in too many cases the parents themselves are also victims of the emotionally damaging experience. They feel threatened by the occurrence. They may feel shame and guilt. Their self-esteem is lowered. They are anxious and fearful about what friends and neighbors may say. Their inexperience with problems of this kind frightens them. They may need help and do not know where to find it, or the weight of the problem paralyzes them. Sometimes parental frustation is turned in angry blame toward the child, adding to the child's confusion and feelings of guilt. While they may be concerned, some parents are grossly inadequate to assist the child or to seek help for the child.

THE THESIS

The thesis which, in part, is tested by this study is that child victims of sexual offenses committed by adults must be helped. Social services must be made available to them if they are to come through this total experience without serious damage to their mental health and personality development.

Mr. MATHIAS. Mr. President, S. 2422 broadly defines "rape" to include forcible, statutory and attempted rape, homosexual assaults, and other criminal sexual assaults. The clear intent of the definition is to insure that the problems encountered by children and victims of both sexes would fall within the scope of the National Center for the Prevention and Control of Rape. More specifically, I fully expect that in addition to the center's activities, which were outlined in my September introductory remarks, the National Center for the Prevention and Control of Rape would:

First. Collect statistics pertaining to child's sexual molestation.

Second. Study the reasons for not reporting children rape cases.

Third. Evaluate the emotional impact of rape on the child.

Fourth. Develop guidelines for treating physical consequences of rape on the child as well as the emotional trauma of abuse.

Fifth. Develop guidelines for counseling the parents of the victim.

Sixth. Develop material to educate the parents in the need to report the assault on their child.

Seventh. Set up information centers at children's hospitals to which the parents of the victim or the victim could address themselves for information regarding treatment, legal advice, et cetera.

Eighth. Review on the present court procedures, relating to the questioning of the child during the trial.

Mr. President, S. 2422 can represent a recognition on the part of the Congress of our obligation to extend ourselves and government at all levels to assist the potential and actual victims of these serious crimes. The obligation to prevent and protect is urgent. The vehicle for doing so is in our hands. I am hopeful that the majority of my colleagues in this body will agree with me and enact this vitally important legislation this year.

Mr. President, I ask unanimous consent that a small, but representative sample of the many letters I have received concerning S. 2422 be printed in the RECORD.

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

TENAFLY, N.J.,
December 5, 1974.

DEAR SENATOR MATHIAS: I fully support your efforts to establish a National Rape Center and to remove antiquated and unfair rape laws from our judicial systems.

LINDA VAN HASTE.

BREATHEDSVILLE JAYCEES,
Hagerstown, Md., November 29, 1973.

Senator CHARLES MATHIAS,
Committee on Appropriations,
Washington, D.C.

DEAR SENATOR MATHIAS: In response to your recent letter concerning your proposed legislation assisting victims of Rape, I have reviewed the bill in its entirety. In fact, I have read the proposed bill several times and gave it much thought. That is why it has taken several weeks to answer your letter.

Let me first go on record as supporting in full your proposed legislation. In fact, it is seemingly too late or long overdue. As you know, rape is on the increase. The number of women who are raped each year if actually reported will even surpass your figures and would astound even the most liberal of minds.

I have been doing time off and on for over nine (9) years. In Maryland, the number of men who are convicted of rape is increasing, along with the number of vicious crimes committed in the process. Let me say that this has been a long nine years and it finally has sunk in what a waste of human life, crime is. Yet, there are many men who live by crime and will ultimately die by crime.

Have you ever set in court and witnessed a rape victim testifying at the trial of her alleged raper????? It is something that would make you sick. Today, more and more American women are aware of their beauty and are taking steps to display this beauty, as they rightfully should. There is nothing more beautiful than a woman who properly displays her natural beauty proudly. Still, in this society, there are those who are "sick" enough not to understand this beauty and who resort to animalistic instinct when they cannot accept this display.

The psychological damage to a woman who has been raped will never fully be known. But, to put the woman through the ordeals that she must go through after reporting the rape, is absurd. She is often treated like a criminal herself, while the raper is coddled and given preferential treatment. She is made to look like a whore who teases men simply because she displays her beauty. Her life style is changed drastically after the rape.

When she goes for treatment and examination, the doctor and staff are so cruel to the victim, she will never want to return to the hospital again. By the time the police finish questioning her, it looks like she raped the man instead of vice versa. Lord, by the time she goes into court, both the victim and her family are totally unnerved and the situation she goes through is insane. That is one of the reasons more rapes are not reported. If there was a program devised that would insure the welfare of the victim, you will find more and more women will come forward and report rapes. It is not that they like being raped, but the ordeal they go through leaves them feeling dirty.

Being inmates in prison does not deter our mind in our concern for the people of society. In many cases, rape victims might be relatives of ours, who had we been home, would not have been raped.

The Breathedsville Jaycees want to go on record as supporting your proposed legislation and will be of record for this matter. If you would send the name of the chairman of the committee, to who the bill is assigned for review, I will be happy to write a letter in support.

Also, the President and myself, would also like to state for the record, that if you feel we are needed we would be more than happy to appear with you anywhere to speak in support of your legislation.

In fact, sir, if you will forward copies of your bill to me, we will be more than willing to solicit the entire Maryland Jaycee organization's support for the legislation.

We want to be of help to you. Again, this is another forward step for Maryland in aiding victims of crimes, especially needless crimes like this. This leaves a distaste in the mouth of all of us inside.

Thanking you very kindly for allowing us the chance to review this bill. We commend you on your foresight. Keep up the good work for all of us.

Very truly yours,

BILL SPEAKER,
State Director.
JERRY LOWE,
President.

CALIFORNIA STATE UNIVERSITY,
NORTHRIDGE,
Northridge, Calif., January 3, 1974.

Senator CHARLES MCC. MATHIAS, Jr.,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MATHIAS: Dr. Wilbur Morley, President of the California State Psychological Association, requested that my committee review your proposed "Rape Prevention and Control Act."

We were most impressed with your efforts and offer the enclosed report in the spirit of constructive input which may be of use and/or interest to you.

Thank you for giving the California State Psychological Association the opportunity to review your proposal.

Sincerely,
PATRICIA KEITH-SPIEGEL, Ph. D.,
Professor and Department Chair.

NATIONAL ORGANIZATION FOR WOMEN,
Rockville, Md., November 6, 1973.

Senator CHARLES MCC. MATHIAS, Jr.,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR MATHIAS: Enclosed are more copies of the petition we have been circulating here in Montgomery County to indicate our support of your bill S. 2422. We will continue to forward copies as they are completed.

Montgomery County N.O.W. wholeheartedly supports Bill S. 2422, and feel that it is particularly timely in view of the recent news events concerning the horror that occurred at the Madeira School, and the recent brutal rape and assault on a young woman in the county last week. As a member of the joint study commission in the name of N.O.W. and the Montgomery County Commission for Women, I am personally concerned that the information we are gathering be correlated with that from other similar studies, but most importantly that nationwide focus on rape as a violent crime take place. We applaud your efforts, and offer our help if we can be of any service.

Very truly yours,
CAROLYN M. FEINGLASS,
Vice President.

UNIVERSITY WOMEN'S CRISIS HOTLINE, UNIVERSITY OF MARYLAND,
November 13, 1973.

Hon. CHARLES MCC. MATHIAS.

DEAR SENATOR MATHIAS: I am writing to support your bill proposing that a National Center for the Control and Prevention of Rape be established. Such a center is desperately needed, as are changes in the present rape laws; this has been made evident in the Prince Georges County Task Force report on rape.

Your efforts in this area are commendable and are well appreciated.

Sincerely,
ROBIN L. SCHMIDT.

December 17, 1973.

DEAR SENATE MATHIAS, Congratulations on introducing the rape bill S. 2422. This is an area which must have some changes now.
BEVERLY J. COE.

BUSINESS AND PROFESSIONAL WOMEN'S CLUB OF BALTIMORE,
Timonium, Md., November 6, 1973.

Senator CHARLES MCC. MATHIAS, Jr.,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MATHIAS: We, the members of the Business and Professional Women's Club of Baltimore, thank you for introducing into the Senate Bill No. S2422 establishing a National Center for the Prevention and Control of Rape and providing financial assistance for a research and demonstration program into the causes, consequences, prevention, treatment and control of rape.

We support your efforts in focusing attention on this matter which is of serious concern for all women.

Very truly yours,
MARIE A. E. KOMMALAN,
Corresponding Secretary.

ASSOCIATION OF AMERICAN COLLEGES,
Washington, D.C., October 18, 1973.

Hon. CHARLES MCC. MATHIAS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MATHIAS: Thank you for sending me the copy of S2422, the Rape Prevention and Control Act. I am very interested in the bill, particularly since rape has become an issue of increasing concern on many campuses.

A National Center for the Prevention and Control of Rape is very much needed if we are to begin to deal effectively with the problem of rape. Your bill, if enacted, will be of enormous help.

Sincerely,
BERNICE SANDLER,
Director, Project on the Status and Education of Women.

SYKESVILLE, MD.,
October 10, 1973.

Hon. CHARLES MCC. MATHIAS, Jr.,
Washington, D.C.

DEAR SENATOR MCC. MATHIAS: As a Member of the Business & Professional Women's Club, and Legislative Chairman for this year, and as a female citizen, I wish to thank you for your concern and efforts in our behalf.

Our group as you well are aware are attempting to better the status of women along many paths, but your bill S. 2422 will certainly meet with our whole hearted support.

To be able to gain the many advantages awaiting us in our efforts to earn our living, help support good endeavors of our communities, will all be in vain if we live in fear of venturing forth daily, because of the increase in criminal assaults upon our sex in greater numbers.

I have read your presentation set forth in the Congressional Record and am in accord with your bill. I feel that more serious punishment or treatment should be written into law for ANY SEX offenders—and our club and at meetings with large groups of Bus & Prof. Women's Members, the consensus of opinion of these women is that the Laws of our land have been written or changed so loosely that the Criminals are the one's who have rights, NOT THOSE WHO are offended. Much more must be done in the way of drug offenders, and those who commit crimes of murder and killing.

I have spoken not only for myself, but as a member of the Catonsville Business and Women's Club who will support your efforts.

Very truly yours,
LENORE L. TOWNE,
Legislative Chairman.

FEDERALLY EMPLOYED WOMEN,
December 20, 1973.

Senator MCC. MATHIAS,
Washington, D.C.

DEAR SENATOR MATHIAS: Federally Employed Women, Inc., (FEW) would like to offer its support for your Senate Bill 2422 concerning the establishment of a National Center for the Control and Prevention of Rape. As an organization concerned with the rights of women and dedicated to Equal employment opportunities in the Federal Government, we know that rape threatens the health, the employment and the life style of women of all ages, races and socio-economic classes.

In our October national newsletter we urged our members to write to their Senators and Representatives in support of this bill and work for its passage. We understand now that a similar measure has been introduced into the House of Representatives by Congressman, H. John Heinz, Pa.

When a date is set for the hearings, we would be happy to have representatives

from FEW speak in support of this legislation. Please contact Sandra M. Hill, National FEW Public Relations Chairperson, National Press Building, Washington, D.C. 20004 so that she may coordinate our efforts in preparing testimony.

Sincerely,

PRISCILLA B. RANSOHOFF,
President.

SHORTAGES AND PERSPECTIVE

Mr. BROCK. Mr. President, the laws of supply and demand are perhaps the most exacting of any written or unwritten group of regulations ever seen by man. For 200 years, we have grown and prospered through adherance to this natural law. But, for some unknown reason, governments have seen fit to attempt periodic repeal of those laws, in effect, to make laws to counteract the unwritten ones.

We are in the midst of one of those uncertain instances in history, we still have economic controls, and we are considering new ones.

Dr. Otto Eckstein of Harvard published a paper which outlined our economy since the Korean war days, and Wall Street Journal writer Lindley H. Clark, Jr., took the message a step further, pointing out that controls only add to the problem, they do not solve it. These are important facts, ones which should gain serious consideration, and I would like to share them with my colleagues and I ask unanimous consent that the article be printed in the RECORD.

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

SHORTAGES AND PERSPECTIVE

(By Lindley H. Clark, Jr.)

If you can't get the zinc, diesel oil or styrene you need to keep your business running, you aren't going to feel any better when someone tells you that your troubles really began more than 15 years ago. Yet the shortages that now plague the economy can for the most part be traced back many years.

That's a point that Otto Eckstein, Harvard economist and president of Data Resources Inc., stressed in a recent paper. The troubles, in his view, go back at least to the business boom of 1955–57, when many industries overexpanded.

The future at the time looked very bright. The economy was pulling out of the post-Korea recession, and President Eisenhower and his businessmen's administration were in Washington. It looked as though the uncertainty that had marked the years after World War II was at last ending.

The capital spending boom was a little slow getting under way, but in 1956 outlays on new plants and equipment jumped 21% above the year before. Nearly all of that represented additional production capacity, since in those days very little was being spent on such things as pollution control. Inflation wasn't much of a problem either, at least by recent standards. Prices, as measured by the broad index that is used to convert the gross national product into constant dollars, edged up only a little more than 3% in 1956.

The boom didn't last; it ran into the sharp recessions of 1957–58 and 1960–61. Back-to-back slumps presumably increased businessmen's determination not to repeat the overspending of 1955–57.

Meantime Europe and Japan had replaced their war-shattered plants with brand-new ones, with a lot of help from the U.S. Foreign producers not only took over their home markets but, with the aid of an overvalued dollar, moved aggressively into the U.S. market.

The import competition was broad, but was especially severe for processors of basic materials, such as metals and chemicals. Prices were held down and thus the rate of return on capital. That made it tough to raise funds to modernize or expand capacity, and late in the 1960s the need to install anti-pollution gear added to the problems.

In 1971 price controls came in and threatened to freeze rates of return at the low levels of the 1960s. So when the economy raced into the boom of 1972–73, relatively little had been done for a decade to expand the output capacity of the nation's basic industries.

As Prof. Eckstein says, the nation began running out of primary processing capacity long before resources as a whole were fully utilized: "This bottleneck in turn creates shortages in the succeeding stages of production: While the machinery, computer and other industries have the ability to produce increasing output in their own factories, they are unable to purchase critical inputs. The shortage of finished products, felt all the way to the retail stage, produces inflationary pressures."

What is astonishing, in retrospect, is that no one saw all of this developing in the 1960s. As Prof. Eckstein says, "Neither business nor government was alert to these problems. Nor did the economists show more foresight. We are all accustomed to an economy dominated by demand forces and take the solution of the production problems for granted."

Anyone who paid any attention to the utilization of output capacity during the 1960s was likely to watch the broad index published regularly by the Federal Reserve Board. At the start of the decade this index showed that manufacturers were producing at about 75% of capacity. The ratio rose to over 90% for a time in 1966 but soon fell back into the 80s and, in the 1969–70 recession, back into the 70s. Last year it hovered in the low 80s—a situation that, until lately, had led many economists to contend that the economy had ample room to expand.

The Federal Reserve Bulletin of August 1973, however, introduced a different index. The Fed actually had been measuring capacity utilization in major materials industries since the mid-1950s, but the figures were largely for internal use. The figures covered basic steel, primary aluminum, primary copper, man-made fibers, paper, paperboard, wood pulp, softwood plywood, cement, petroleum refining, broadwoven fabrics.

The story the figures told was far different from the one presented by the broader index. By mid-1973 the major materials industries were producing at more than 94% of capacity, compared with about 83% for all manufacturing.

Prof. Eckstein is clearly right when he says that "economic analysts and economic policy will have to give weight to these problems" in the future. What's needed is in part better planning by business to keep technology flowing and productivity growing. The troubles of the past years, however, are traceable in large part to governments.

Our government and others, for one thing, showed too little concern for the worth of their currencies. Yet they clung to the fixed-exchange rate system, only occasionally devaluing or revaluing their currencies.

The fixed rates finally collapsed in 1971 and, to the horror of many bankers and even some economists, the current floating rates appear to be working tolerably well. They've eased the strains from soaring oil prices, which have just forced France to give up efforts to control the franc. No matter how confused the situation seems, it would be worse if fixed rates had prevailed everywhere.

No one wants to reverse the anti-pollution gains of recent years, but perhaps in the future there can be more careful consideration of the broad impact of such programs. We all need clean air and water, but we all need a functioning economy too.

Most important, the government must provide a stable fiscal and monetary framework for the economy. The government cannot eliminate all of the ups and downs, but it can make them somewhat less unpredictable. Since World War II the U.S. government has vacillated between excessive economic stimulation—and desperate efforts to cure the inflation that resulted. The wild swings made it difficult for businessmen to plan for the future with any assurance. And price controls obviously only make the problems worse.

A new capital spending boom is under way now, and it will at least ease the shortages. The long-range future will still be pretty bleak, though, unless we show that we can learn from the past.

ENERGY CRISIS UNEMPLOYMENT ACT OF 1974

Mr. PELL. Mr. President, this week I cosponsored the introduction of S. 3024, the Energy Crisis Unemployment Act of 1974. I believe that this is crucial legislation, and that it deserves enactment by the Congress at the earliest opportunity.

We as a nation are now almost 6 months into the energy crisis. We have lived for that long with lengthening gas station lines, with dwindling reserves of fuel oil, and with the increasingly worrisome specter of power shortages, brownouts, and blackouts, laying ahead of us. We have experienced domestic and commercial shortages of raw materials, especially those which are the products of petroleum distillates.

In my own State of Rhode Island, I can point to a vicious circle of economic collapse which could result when plastics, synthetics, and gasoline periodically disappear from the marketplace. This would occur even if the smooth supply of these materials is disrupted.

In addition, tourism directly produces at least 5 percent of the revenue of my State, and secondary businesses as well as recreation expenditures by Rhode Island residents multiply that figure significantly.

I believe that we in Congress must look ahead to the summer, when gasoline supplies will become a critical factor in the economic stability of the recreation industry. If shortages persist each State will suffer increases in seasonal and permanent unemployment; men and women alike, many who own or work in small businesses, will be unemployed; severe underemployment will be characteristic of many larger groups of workers.

I believe that it would be a tragic mistake to procrastinate in providing some support for these workers, if the eventualities we are all facing do occur.

For that reason, I have cosponsored S. 3024, which would provide Federal unemployment benefits to those workers who are unemployed during or because of the energy shortage, and which would provide those benefits for up to 2 years.

I think that we must take the responsibility to help these workers, and to prevent the established State unemployment reserves from being bankrupted, through a situation which they were

never intended to meet. I believe that this bill would accomplish this, in as efficient a manner as possible.

JOHN ROBERT TOMPKINS

Mr. THURMOND. Mr. President, a tragic traffic accident took the life of John Robert Tompkins of Edgefield, S.C., on December 10, 1973. His death at 66 was a loss deeply felt by all his family and friends, as well as the entire community he loved and served.

As my brother-in-law, I had long known him as a devoted family man, a conscientious citizen, and an exemplary gentleman. His interests were broad and his activities varied in the community where he was held in such high esteem.

In 1941, he became court reporter for the 11th Judicial Circuit in South Carolina, which included his home county. It was a position he was to fill with distinction for the next 30 years. Previously he had seen education as the field for his life's work, serving for a time as principal of Edgefield High School. He also had taught school at Durham, N.C., as well as Greenville and Columbia, S.C. He was graduated cum laude from the University of South Carolina and maintained a life-long interest in educational pursuits.

He was active in the Edgefield Baptist Church through the years and had served as both deacon and Sunday school teacher. Additionally, he had been active in a number of civic organizations. For example, he was a dedicated member of the Lions Club which he had served as president. His further interests ran to literary, historical, and political organizations, among others. He was executive committeeman for the South Carolina Republican Party from Edgefield County at the time of his death. In earlier years he was an excellent tennis player and organized tennis matches for young people through the State.

Whatever activity he pursued, however, he was always recognized for the high qualities of performance and the example which he set.

Mr. President, J. Robert Tompkins was an outstanding man who attained the highest accolade of his community: The true affection of all who knew him. The generous outpouring of sympathy and tribute received since his death have provided a source of great comfort to his family.

Surviving are his wife, Mrs. Mary Thurmond Tompkins, of Edgefield, S.C.; his daughter, Mrs. Mary Thurmond Tompkins Freeman, now of Atlanta, Ga.; his three grandchildren, Ted Freeman, Robert Freeman, and Eloise Freeman; his sister, Miss Anna Tompkins, of Columbia, S.C.; and his brother, George Tompkins, of Columbia, S.C.

I know of the deep devotion which J. Robert Tompkins and his family shared for each other. His wife, Mary, represents the highest qualities of loyalty and devotion in a marriage. She stood staunchly with him throughout their life together and both imparted these qualities to those around them.

Mr. President, at the time of his death a number of articles appeared in newspapers of the area concerning Mr. Tompkins. I ask unanimous consent that two of these articles, as well as the funeral remarks by the Reverend Tom Collins and a poem by his son-in-law, Ted Freeman, be printed in the RECORD at the conclusion of my remarks, as follows: "Tompkins Rites Today at 3:30," the State, Columbia, S.C., December 12, 1973; "A Tribute," the Edgefield County News, Edgefield, S.C., January 31, 1974; "Funeral Services of Mr. J. Robert Tompkins," by the Reverend Tom Collins, December 12, 1973; and a poem, "J. Robert Tompkins," by Ted Freeman.

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

TOMPKINS RITES TODAY AT 3:30

EDGEFIELD.—Services for John Robert Tompkins, 66, Edgefield County educator and court official, will be 3:30 p.m. today in Edgefield Baptist Church, with burial in East View Cemetery.

Mr. Tompkins, brother-in-law of U.S. Senator Strom Thurmond, died Monday afternoon in a Greenwood hospital from injuries received in a car-truck collision in Saluda Monday.

Born in Edgefield County, Mr. Tompkins was a son of the late John Robert and Eulalie Harris Tompkins. He was a graduate of the University of South Carolina.

He was formerly principal at Edgefield High School.

For 28 years before retirement Mr. Tompkins served as court reporter for Edgefield, Saluda, McCormick and Lexington Counties.

He was a deacon and Sunday School teacher at Edgefield Baptist Church.

Surviving are his widow, Mrs. Mary Thurmond Tompkins of Edgefield; a daughter, Mrs. Ted B. Freeman of Columbia; a sister, Miss Anna Tompkins of Columbia; a brother, George Tompkins of Columbia; and three grandchildren.

Edgefield Mercantile Funeral Home is in charge.

The family suggests that those who wish may make memorials to the charity of their choice.

A TRIBUTE

The absence of a long familiar personage in and around Edgefield becomes increasingly felt as the days and weeks pass since the untimely death of John Robert Tompkins on December 10, 1973.

Those who knew him best miss his tall figure and backswept mane of grey hair from those places most often frequented by him: on the Square, greeting friends; to the Courthouse, with which he had been closely associated for so many years; at the Edgefield First Baptist Church where he had served so many years, as deacon, adult Sunday School teacher, choir member, pastor's friend; at social and civic functions.

Robert Tompkins was an exceptional man. He was born in Edgefield, the son of John and Eulalie Harris Tompkins. Education became the absorbing interest of his life and led to his much respected erudition.

An inveterate reader, he was careful in his choice of literature, selecting subjects which added to his great store of knowledge. He kept abreast of the latest information on a wide variety of subjects, including science, education, world affairs, music and art. He delighted in visiting art galleries, and had sponsored youth choirs and other singing groups.

Following his graduation from high school he attended the University of South Carolina, where he graduated cum laude, after three and a half years of study. Later, he did post graduate work at U.S.C.

He served as principal of Edgefield High School, and taught in Durham, N.C., in Greenville, S.C., and Columbia, S.C. He once said that if his finances would have permitted it, he could have gone to school and studied all his life.

His judgment and perception were respected in municipal matters. He was forthright, clear and forceful in his thinking. Never one to wait and see how things would turn out, he believed in planning with promoting good government, in the best interests of all concerned.

A man of deep religious convictions, he believed in putting his feelings into practice. Well trained in the social graces, he was noted for his ease and dignity of manners. Elderly ladies—and some not so elderly—were flattered by his courtliness. Usually present at any important function, he was always the well-groomed, well-poised gentleman.

On the other hand he enjoyed camping out with Boy Scouts and joining in young people's activities. He was intensely interested in young people, and had great faith in their ability, when properly directed. He felt that, on the whole, they were better educated, and had a broader knowledge of world affairs, and an understanding of a wider range of subjects, than any other young people in history.

Following his teaching career, he returned to Edgefield in 1937 to become Court Reporter for the Districts of Edgefield, Saluda, McCormick and Lexington counties, serving the courts efficiently for 29 years. During those years he became a familiar figure in court circles, and formed many lasting friendships with judges, lawyers and other law officials.

At times when courts were not in session he was often called upon to substitute for various school teachers. His appearances were always welcomed by the students. His extemporaneous talks never failed to hold their attention.

He might say, "David, (or Bob or Mary) will you let me borrow your book?" Then after a comprehensive glance at the subject matter for the day and a few comments on it, he might digress to tell an interesting story or an amusing ancedote to drive home a point, or to open up new avenues of thought.

He was married to the former Miss Mary Thurmond. She is the sister of Senator Strom Thurmond, a well-known national political figure, who valued his brother-in-laws opinions on current world problems. Mrs. Tompkins intelligence and ability added much to their happy married life.

His great pride was in his family. Their daughter, Mary T. and her husband, Ted Freeman, presented her parents with the greatest gifts ever bestowed upon them—their three grandchildren, Ted, Robert and Eloise. Their grandfather was immensely proud of them.

His varied interests included membership in many organizations, such as the Lion's Club, of which he was a past president; the S.C. State Guard; Home Guard Unit, WWII; the Augusta Library; historical societies; political organizations; and others.

One facet of his character was his love and appreciation of music. It was fitting that one of his favorite songs, "How Great Thou Art," was sung during the last rites for him. It was a song he loved to sing, and one which was peculiarly impressive in his rich base voice. It was also one of the many he loved to play on the piano.

Robert Tompkins was not only a devout man, but one devoted to his family, his friends and his community. The hundreds upon hundreds of notes of sympathy and telegrams expressed the esteem in which he was held. The court in session in Lexington at the time of his death was recessed so that former friends and associates might pay personal homage to him by attending his funeral.

He will continue to be missed by people in many walks of life.

FUNERAL SERVICE OF MR J. ROBERT TOMPKINS

(By Tom Collins, Pastor)

On this twelfth day of December 1973, we have gathered together in the presence of God, and in the midst of friends, to express our love, respect and tribute to J. Robert Tompkins: loving husband, devoted and wise father, loyal relative, genuine friend, thoughtful neighbor, true patriot, public servant, perceptive teacher, faithful deacon, and noble churchman.

Even though we are sad and heartbroken, we do not gather in a spirit of defeat, but in a mood of thankfulness and vitcory . . . a mood and attitude in keeping with the life and faith of Brother Tompkins.

We gather not to weep, but to have Christ wipe away all tears from our eyes; not to sing sad songs of death, but to stand up and sing loudly, "How Great Thou Art!"; not to grieve and doubt the faith of our departed brother, for we know what it was, but to hear the trumpets peal out their notes of victory because Robert Tompkins' life was characterized by the love of God.

He was our best example of a Real Southern Gentleman. Not only was he God's kind of man, but he was man's kind of man. He was of strong character, but never overpowering or rigid, a man who had developed the art of the listening ear with an obvious concern for the welfare of others. He made each person feel important. A great quality in his life was in the fact that he always took the time to talk with others—the rich and the poor, the young and the old, the black as well as the white. He had the kind of faith that permitted him to laugh and to cry, to joke and to pray, without losing the quality of the moment or doing either at an inappropriate time. In other words, he always had the right kind of feeling and awareness of his neighbor.

He was a godly man like Abraham. The Holy Scripture says that Abraham was God's friend. Truly, we can say, "Robert Tompkins was God's friend."

Once Eric Gill, the British sculptor, had an unforgettable dream. In his dream he was in heaven and was introducing his family to Jesus. Eric said, "Lord, this is Paul, and this is Peter, and this is Joan, and this is Gordon." Jesus greeted and welcomed each. Then Eric turned to his wife, and he said, "And Master, this is Betty." Jesus smiled and said, "Ah, Betty and I are old friends."

Well . . . I suggest that you and I hang around the throne long enough to hear the words, "Master, this is Robert." Then, I think we shall hear the Lord of Life say, "Ah, Robert and I are old friends."

J. ROBERT TOMPKINS

(By Ted Freeman)

Christ has *called* him,
Should mortals wonder why?
Our Maker knows what's best for us,
On Him we must rely.

A husband kind and gentle
A Christian man was he,
Who loved his fellowman as Christ
Has said that love should be.

A father to his daughter
As a father ought to be
Was this man we eulogize
Whose soul is now set free.

A Pa Pa to three children
Whom he loved with all his might.
And they just loved their Pa Pa
As this good man loved the right.

A finer place is Edgefield
For having had him here
As those of you who knew him
Were to his memory dear.

One measure of a patient man
Is one who listens well
This man was trained at listening
As those who talked could tell.

He was a man for Jesus,
A Christian man for men.
We close this earthly journey
With a reverent Amen.

THE OUTLOOK IN THE MIDDLE EAST: CONTINUED CRISIS DIPLOMACY OR LONG-RANGE PLANNING?

Mr. BROCK. Mr. President, last month, due to the efforts of the Secretary of State, Henry Kissinger, the first substantive breakthrough for peace in the Middle East since 1948 was initiated.

Next week, under the invitation of President Nixon, the 13 major oil-consuming nations will meet to discuss future plans regarding the Arab oil embargo. Also, next week the oil producing nations, OPEC, will meet to discuss their future plans.

In short, we are at a definite "watershed" period in regards to solving not only the oil embargo question and the resolution of war in the Middle East, but also in regards to our whole policy toward the Middle East. What we do within the next few weeks, even days, may determine events over the next decade and beyond.

No one would question the brilliance of the President and the Secretary of State in handling the immediate "crisis" diplomacy, but I wonder if we have become so embroiled in crisis diplomacy that we fail to look into the future.

I am sure that the President and the Secretary of State have given the long range problem much attention, but I am afraid that Congress has become so absorbed with immediate problems that long range implications, at least long range beyond 1974, are completely forgotten.

Certainly Congress needs some mechanism to look at the totality of our National interest for future planning. But, the immediate problem is the Middle East. May I, then, suggest that we consider some of the following proposals for a just and lasting peace.

First, any future negotiations, treaties, or other commitments must ensure the sovereignty, recognition and safety of Israel. The sovereignty and recognition problems must be worked out between the parties in the Middle East, but the United States should continue to assist by offering our "good offices" as Henry Kissinger did so brilliantly last month.

As for the "safety" question, a number of alternatives might prove worthy of study. One would be that all territory eventually given up by Israel in the Sinai, Golan Heights or the West Bank be considered "international demilitarized zones" and that nothing heavier than armored cars be allowed into these zones. Over these "international demilitarized zones" there must be an "open sky" policy, allowing reconnaissance flights by either side. Further, I would recommend a United Nations resolution that violations of the international demilitarized zones be universally recognized as an "act of war."

"International demilitarized zones," "open sky" policies and internationally recognized "acts of war" will, of course, never absolutely guarantee peace, but I think that they will make it extremely difficult, if not impossible, for one party to attack the other quickly, and might act more positively to ensure the safety of Israel.

Second, in regard to the future role of the United States in a more active role than just offering "good offices" as suggested above, it could try to foster "regional development" that will bind the parties together in economic endeavors. Unless there is regional cooperation, I am afraid that eventually there would be another war.

Too, perhaps it is time to review some of our old programs and proposals that might again prove useful. We might propose a "point four" type plan for technical aid for area projects, and more specifically, we might repropose some specific area plans like the Johnston plan of 1955 for developing the Jordan Valley or the Eisenhower-Strauss and Baker proposals for desalinization plans for the area.

When first proposed, the United States would have carried virtually the full costs of such projects. With the huge influx of recent Arab oil money, the projects could be funded jointly by the Arabs and Israel or, perhaps even jointly funded by the Arabs, Israel, and the United States. The cost is really minimal considering the potential gains. The original cost of the Johnston plan was $200 million, which has undoubtedly doubled in cost by now, but this would still be a bargain for the United States. Our share would undoubtedly be less than 10 percent of the current level of military support to Israel.

I have generally opposed foreign aid but this type of foreign aid on a shared basis with positive goals, would be supported by all.

The point is that, although the Arab nations might now be wealthy, they still need our technical expertise. Offering it only on regional projects might be the cement needed to pull these nations together.

Third, the United Nations must take a greater role in this problem. The Middle East, with its resulting oil embargo, is a "world problem," not just an American or even an industrial nation's problem. In fact, most economists point out that the countries that will be hurt the most are the developing nations. I have read recently that India is already suffering great dislocation in its economy. The Secretary-General of the United Nations, Kurt Waldheim has indicated he might convene a special session of the General Assembly to look into the problem, but I would like to see more substantive action by the United Nations.

One solution might be to establish a World Energy Organization, WEO, modeled along the lines of WHO, the World Health Organization.

Finally, I would like to emphasize a point that I made earlier and that *I* have made throughout 1973. Congress simply must establish some mechanisms for looking at our "national interest" over the long term, whether it be an Ad Hoc Committee on National Interest Coordination, such as I have suggested, or some by other means. As we have seen from

this recent crisis, "national interest" is not simply military strength or alliances, but a whole range of problems from oil embargoes to potential other mineral boycotts to balance-of-payment problems. As we pass out of the cold war, post-Vietnam era, we dearly need to look into what now constitutes "national interest."

THE COMING PINCH IN WHEAT SUPPLY

Mr. McGOVERN. Mr. President, our colleague from Kentucky (Mr. HUDDLESTON), with whom it is my privilege to serve on the Committee on Agriculture and Forestry, has performed a valuable service by focusing public attention on the potential problems the United States is facing with regard to our wheat supply in the coming months.

As chairman of our Subcommittee on Agricultural Production, Marketing and Stabilization of Prices, he held hearings last week to examine conflicting data on the state of our wheat supply.

On one hand, we hear wheat users talk of the United States running out of wheat before the harvest begins. On the other, we hear of large amounts of last year's wheat crop clogged in country elevators and on farms, because of the inability of our transportation system to handle it.

But we have learned a more important lesson, as Senator HUDDLESTON said in a speech last week, and that is that the Department of Agriculture does not really have a firm grip on the problem.

Because of the clarity and reason with which he describes the problem, and because he shows an excellent grasp of the situation, I ask unanimous consent that the text of an address by the Senator from Kentucky, delivered February 14 to the Governors' Council on Agriculture, be printed in the RECORD.

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

SPEECH BY SENATOR WALTER D. HUDDLESTON

Some years from now, when the historians look back and seek to assess our times, 1972 and 1973 may appear as turning points or watersheds in American agriculture.

Prior to that time, the American farmer was truly considered the country cousin. He existed, but was preferred when neither seen nor heard. When he was thought of at all, he was simply thought of as the faceless provider of a continuous supply of low-cost agricultural products to the American consumer, who, at the same time, was paid by the government not to farm, not to produce. As one of my colleagues has frequently noted, meetings of the House and Senate Agriculture Committees were sparsely attended and those journalists who covered them generally felt they had been ordered to some "occupational Siberia."

Beginning in 1972, however, things began to change. Demand, high food costs and shortages brought the American consumer—and the consumer in many other countries of the world—to a rude awakening. Something was amiss in the agricultural system, and slowly the media began to ferret out the problems.

Indeed, what were "problems" for consumers were in many cases "benefits" for farmers. Farm income took a major upswing and the farmer achieved a new—and long overdue—recognition for the all-important role he plays in our society and economy.

Thus, while the average urban listener may not today be familiar with the facts, he now at least wants to hear them. And, the facts of American agriculture are significant.

Agriculture is America's largest industry.

It employs some 20 percent of all working people either in form or related non-farm jobs.

It is responsible for one-sixth of the U.S. gross national product.

It feeds and feeds well our 200 million plus citizens.

It is a part of the world granary, providing much needed cereals not only for the industrialized nations of Western Europe and Japan, but also for many of the developing countries throughout the world.

It is, perhaps, the brightest spot in our trade picture, contributing significantly to our recent favorable trade balance.

Agricultural efforts are responsible for offsetting the expense of importing a variety of goods which our nation lacks—from crude oil to coffee to bananas.

It provides 89 percent of all soybeans entering the world market, 74 percent of all corn, 53 percent of all wheat—and of special interest to Kentucky, 25 percent of all tobacco. In fact, one-third of all the tobacco grown in our country enters international trade.

Yet, there are problems in the agricultural system—problems which call for immediate and careful attention.

Perhaps the most obvious of these at the moment concerns our wheat supplies. Last year, the U.S. harvested a record 1.7 billion bushels of wheat. In addition, the nation had a carry-over from the previous year of 301 million bushels, for a total supply of slightly over 2 billion bushels.

The estimated need for wheat during the current wheat marketing year, which ends on June 30, is 772 million bushels, which we will use for food, seed and livestock feed. In other words, U.S. domestic need for wheat in the current year is estimated at a little more than one-third of all available supplies—and for the upcoming year, we expect to harvest three times as much wheat as we need in this country.

Anticipated exports have, however, pushed the supply demand equation into a close balance, raising question as to whether or not the U.S. will run out of wheat in the next few months; weather or not there will be "regional dislocations as the Administration has referred to them; whether or not there will be $1-a-loaf bread, as the bakers have suggested is possible; and whether or not we, the major wheat exporting nation in the world, will have to go into the world market to purchase wheat from other countries.

Thus, we face two important questions:

One, how do we manage the market situation over the next few months so that domestic shortages and unreasonable prices do not develop.

And two, how do we manage the market situation over the next few months so that export contracts are not violated and question is not raised over the ability of the U.S. to serve as a stable supplier to its traditional purchaser of agricultural products.

The importance of both is obvious.

If there are those in Washington who doubt that the public will be outraged if shortages and high prices develop for as basic a product as bread, they need only reflect on consumer reaction to high meat and egg prices, or on the history of the Soviet Union.

Mr. Khrushchev learned the hard way that food scarcities and political power do not go hand in hand. And, Soviet leaders in 1972, viewing a major failure of the Russian grain crop, were quick to move to rectify the situation—and not by suggesting that their citizens tighten their belts.

It will be sheer shortsightedness—and nothing less—if U.S. supplies of wheat are allowed to fall to the point where shortages and unreasonable prices do develop.

And, if that occurs, consumer and farmer alike will pay the price. Not only will the public react, the wrath will fall, at least in part, on the farmer, whose major fault will be that he has produced more grain more efficiently and less expensively than any farmer in the world.

At the same time, it is also obvious that the U.S. must preserve its export markets. In producing three times as much wheat annually as we need—as well as surpluses in other commodities—we must have foreign buyers or our farmers will be a depressed lot and U.S. agriculture will once again flounder on shaky economic grounds. Furthermore, we must have foreign buyers to provide the currency to enable us to purchase those items which we do not have in this country.

In an effort to bring some clarity to the current supply-demand situation and to gain some perspective as to what the future might hold, the Subcommittee on Agricultural Production, Marketing and Stabilization of Prices, of which I am chairman, conducted a recent hearing on current wheat and feed grain supplies.

During those hearings, I was both shocked and dismayed to learn that the Department of Agriculture apparently has no peril point for wheat stocks—no minimum supply figure which must be maintained in order to protect the needs of the American consumer of wheat and flour products and no contingency plan for dealing with a critical low-stock situation.

By the Department's own estimates, the situation is going to be tight this spring. It is now projecting a 178 million bushel carryover, a projection figure which has steadily declined as one estimate has followed another. This will obviously put upward pressure on the price of wheat and its derivative products.

And, while Department spokesmen characterized my question as pessimistic, they agreed that their conclusion that the U.S. would get through the coming months was based on a number of "ifs"—if their projections on domestic use and export demand were correct; if weather and other conditions allowed a good and early harvest in the Mid-West; if all exports scheduled for shipment to so-called unidentified destinations were not in fact exported; if some scheduled U.S. exports could be delayed into the next marketing year; if other wheat exporting nations entered the world market to take pressure off the U.S. and the way were opened for imports into the U.S.

Yet, other developments raised questions about these very matters. One witness at the hearing suggested that the Department's export projections were at least 40 million bushels short, which, if true, would draw U.S. stocks down further.

Officials from Cargill, a major exporting firm, indicated that although they had only small amounts of wheat booked for export to unidentified destinations, they did indeed expect to export that wheat. Futhermore, they indicated that they had had only "some" success in delaying scheduled exports until the new harvest begins and supplies become more available. Weather reports from Texas where this year's harvest begins in May suggested that early production may not be as high as Administration figures indicate.

And, even after lifting the import quota on wheat and flour, the Department does not raise its figure on projected imports, or address problems of price, tariff duty, and transportation, all of which would discourage imports.

Further question has been raised in various news reports. Both the Wall Street Journal and papers that circulate in the trade indicate continued demand for wheat on the

world market. The February 2 issue of Business Week quotes the overseer of the Canadian Wheat Board, the major holder of remaining exportable wheat, as saying the U.S. is sold "terribly tight" and Canada demonstrates no hurry to enter the world market—or to sell to the U.S.—even at higher prices. Furthermore, new question arises over the availability of grain from other sources such as the European Community. (France's surplus will evidently be sold to other community members not the U.S.)

Morton Sosland, the editor and publisher of *Milling and Baking News*, is reported as noting that significant amounts of wheat must be maintained "in the pipeline" from grower to miller to baker, since the latter are so geographically spread out.

In view of this, it would seem only reasonable for the Department to re-examine its position. We do not want wheat and flour shortages in the U.S. We do not want "regional dislocations" in the availability of wheat and flour based products. We do not want exorbitant bread and pastry prices. And, we do not want to be forced into a situation like the haphazard, ill-planned embargo we had on soybeans.

Wheat is bread on our tables and money in our foreign trade account. We must not gamble with either. But that is what we seem to be doing. The Department is taking a hands-off policy except for the suggested delaying of exports and suspension of the import quota (but not the tariff)—which could turn out to be only cosmetic in effect.

Instead, the Department should be carefully and constantly reviewing the factors—projections, exports, weather conditions, etc. It should be developing a peril point and preparing a contingency plan for use should we reach that point. It should be considering a suspension of the import duty on wheat and flour. And, it should, having learned from the dismal soybean past, be working to avoid the damaging need for an embargo. I hope that we shall never come close to an embargo, but if the Department has permitted the situation to drift to the point where "drastic" action and some controls are necessary, I hope it will at least seek to avoid the principal pitfalls of the soybean embargo. In the dire event of a need for an embargo, it should make every effort to provide for full consultation with the importing nations involved—especially those who are traditional purchasers of our products, to prevent negation of contracts, to seek compensation for damaged parties and a priority for them when the new crop is available.

I do indeed hope that we have not blundered our way to domestic shortages and foreign over-sell. The dangers of each are fully evident. But, if we have, the lesson is the need for more—and better—planning to meet the supply/demand situation than we apparently have had in the past.

In order to avoid shortages—and even the threat of them—we need to begin improving accounting procedures, policies and mechanisms in order to preclude such developments in the future. I hope that my subcommittee can examine some of the proposals in this area—particularly ones relating to food reserves and the formulation of a food policy—in the next few weeks.

A stable and well-ordered agricultural system benefits all—producing farmers, processors, exporters, consumers and foreign purchasers alike. As I noted before, the American farmer produces more commodities more efficiently and less expensively than any farmer in the world. What we need to do is to translate the inherent strengths of the U.S. agricultural system into policy that protects our domestic needs and preserves our foreign markets. As we explore a number of production, trade and supply questions in the upcoming months, I hope you will lend your time, your efforts and your much-needed expertise to the development of such a policy.

PANAMA TREATY

Mr. THURMOND. Mr. President, an editorial entitled "Hurtful Neutrality" in the February 7, 1974, issue of the Augusta Chronicle newspaper in Augusta, Ga., deserves the attention of the Congress.

This editorial raises doubts about the wisdom of negotiating away our control of the Panama Canal.

The American people need to take an interest in what the State Department has in mind reference a new treaty with Panama.

Mr. President, I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks.

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

HURTFUL NEUTRALITY

When Secretary of State Henry Kissinger arrives in Panama today to sign a U.S.-Panamanian agreement on the guiding principles for negotiation of a new canal treaty, he will be confronted with at least one condition harmful to the national security of this country.

A case may be made, we suppose, for paying Panama a larger lease fee, and for granting an increasing amount of control over the canal which will lead eventually to complete Panamanian ownership.

When it comes, however, to the provision for canal "neutrality," which is one of the guidelines tentatively agreed upon for the process of spelling out the specific, Washington seems to be giving up too much.

Neutrality means nothing if it does not mean that the host country may enforce a ban on the passage of warships of a nation engaged in war. That might be acceptable if the deal were neutrality for others only. One essential factor in our naval stance, though, is the ability to shift naval units and supplies from the Atlantic to the Pacific, or vice versa, in time of emergency or war.

The result of "neutrality" could be the necessity of spending many more billions of dollars to make our Atlantic and Pacific fleets self-sufficient, and the shipment across country of bulky material which would move better by water in a time when rail lines might be overextended.

This could happen, ironically, at a time when Egypt might be permitting the Russian Navy, at long last, quick access to the Indian Ocean through a reopened Suez Canal.

We hope Secretary Kissinger places conditions on this requirements for neutrality of the Canal.

CONTINUING TRAGEDY IN VIETNAM

Mr. McGOVERN. Mr. President, nearly 6 years ago I have the privilege of visiting with Mr. and Mrs. Robert C. Ranson, of New York State, whose son was killed in Vietnam. They are two of the most thoughtful and patriotic Americans I know. Indeed they love their Nations with enough concern so that they have tried all in their power to call us out of the tragic mess we are creating in Vietnam with our continuing military intervention.

Recently Mr. Ransom visited Vietnam and saw not only the devastation of the war, but the continuing abuse of the American tax dollar. He reports that 80 percent of the cost of the Thieu regime in Saigon is paid for by the American taxpayer. He saw widespread evidence that this money is used not to help the people of Vietnam, but to underwrite the brutal police state of General Thieu.

The Nixon administration told us for 4 years that they were bringing "peace with honor" in Vietnam. They have brought neither peace nor honor, Mr. Ransom says.

I ask unanimous consent that an account by Mr. Ransom of his recent trip to Vietnam as printed in the New York Times of February 19, 1974, be printed in the RECORD.

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

BEREAVEMENT AND A PILGRIMAGE

(By Robert C. Ransom)

BRONXVILLE, N.Y.—When my oldest son, Mike, was killed in Vietnam nearby six years ago I never thought I would visit the now-bleak coastal plans between Quang Ngai and My Lai where he died. Last month I did.

This was a difficult pilgrimage for me because I had long since concluded that his life was wasted by his own Government in a war that his fellow countrymen want only to forget. I had reluctantly come to believe he died for a cause that had brought only discredit and shame to the United States. It was my hope that in going to Vietnam I might find some consolation for his loss if there was evidence that his sacrifice had somehow served the Vietnamese people.

I wanted to find the honor promised by our Government when we signed the Paris agreement in January, 1973. Sadly, it must be said that none is to be found. The very use of the word when applied to the conduct of the Government of Nguyen Van Thieu is a mockery.

Nor is there any peace in Vietnam. At night we lay awake listening to the sound of the guns and rockets. Responsible sources said at the time that there had been at least 119,849 casualties since the "cease-fire."

As a lawyer I welcomed the opportunity to join other Americans in a trip to assess the prospects for peace in Vietnam. I had heard much about abuses of the legal and judicial system there, but I would not have believed it had I not seen for myself what can only be called a total police state.

President Thieu's palace is a fortress surrounded by army tents, pillboxes with anti-aircraft guns, and helicopter pads. On every block in Saigon we encountered policemen and paramilitary forces equipped with United States M-16 rifles and sidearms.

We were overwhelmed with the personal impact of talking with people who had actually suffered torture and the brutality of prison life. The palpable presence of terror was everywhere—in the sure knowledge of these people that any apparent opposition to the Government, or the indication of a desire for peace, would be met with reprisals against members of their families, even young children, in the form of seizure and subjection to the inhuman incarceration so prevalent.

One of our group attended a Saigon military court where defendants were tried without benefit of counsel, given five-minute hearings, and in every case convicted of "political" crimes.

Particularly disturbing was the realization that many of the people who spoke with us, at considerable risk to their own freedom and safety, believed that once we were made aware of the facts of daily existence in South Vietnam we would be able to do something about them.

In separating fact from myth, we knew

that 80 per cent of the costs of the Thieu Government were borne by American taxpayers. Just how much of the money was used for humanitarian aid to the people was one of the myths. Unfortunately, we saw little evidence that American money was being used for anything but support of the Thieu military regime.

When I was in the northern part of the country, where my son had been, I visited an encampment in which 750 families lived who were supposed to have been resettled as part of the "return-to-village" program. They lived under appalling conditions behind barbed wire. They had not received their allotments of money and tin roofing to build new homes; they did not have their promised allowances of rice; and they were not permitted out into the fields to grow the rice, on which their lives depended. With horror, I observed a family of six, near starvation, eating a meal of chopped banana stalks just to fill their stomachs.

I visited a small primitive hospital that serviced many of the more than 100,000 civilian amputees. Nowhere did I see a sign of sophisticated American medical assistance. Instead, a small group of dedicated, privately supported workers were making valiant efforts under impossible conditions.

We heard and noted that even the food supplies paid for by the United States did not reach the intended beneficiaries because of the ever-present graft and corruption at all levels of the civilian and military bureaucracy.

The fact is that the American presence now, as before, remains a disaster, not only as a result of the wartime devastation, defoliation and displacement of people, but as a continuing financial presence that maintains a Government of military officers that clings to power no matter what the cost to peace, freedom and democratic principles.

I wish every member of Congress, before they vote more funds for President Thieu, could share my experience. The Paris peace agreement was supposed to guarantee the right of self-determination to the Vietnamese people through democratic liberties and elections. It was supposed to provide the honor in my son's death.

It is doing neither.

ENERGY AND 1974 BUSINESS CONDITIONS

Mr. BROCK. Mr. President, there is yet another case for the lifting of economic controls. Dr. Paul W. McCracken, one of the most noted economists in the Nation, recently prepared a forecast for the year 1974 for the Wall Street Journal. Within his remarks, Dr. McCracken addressed himself to the problem of an energy shortage, and its effects on business conditions.

This distinguished economists presented an interesting forecast, but the most important point was his last: Controls must be relaxed if the economy is to remain strong. Our economic situation is at best confused at this moment, but if those controls continue, it will deteriorate, and we will have to grasp at quick, unthoughtful measures to save it.

The best and most logical step is to lift those controls immediately. The judgment at the marketplace of 220 million Americans is much, much better than the judgment of controls placed on the marketplace by the Government. I ask unanimous consent that Dr. McCracken's article be printed in the RECORD.

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

ENERGY AND 1974 BUSINESS CONDITIONS

(By Paul W. McCracken)

During these December days William E. Simon, the able and effective energy czar, is fashioning a national energy program. Not far away in another office Herbert Stein, the able and resourceful chairman of the Council of Economic Advisers, is presiding over the preparation of the annual Economic Report, a document which will spell out the strategy of general economic policy for next year.

Will their efforts fit together?

A great deal hinges on whether they will. And the extent to which these two efforts link up together and make a program consistent with the needs of the times will depend not only upon the ability of public officials but also upon the extent of that public understanding which sets the boundaries within which public policy decisions can be made. So 1974 is not a lost cause, but the cause could easily be lost.

There have been few times in this century when economic policy has faced such a complex set of problems. No one needs to be reminded that we have had going one of the worst peacetime inflations in our history. During 1973 consumer prices have risen at almost a 9% per year rate, and the 10% rate of inflation for industrial prices at wholesale does not suggest dramatic relief for consumers in the months ahead. (Farm prices have, of course, risen even more rapidly, but they are not so sticky on the down side as industrial prices.) The cost-push phase of the inflationary process is apt, in fact, to become more evident and troublesome as we move into 1974.

Moreover, the long expansion that got under way after the low first quarter of 1970 (disregarding the fourth quarter air pocket caused by the auto strike) was already showing some grey hairs even before the effects of the oil embargo began to dominate thinking. Of 48 so-called leading indicators, 23 were showing weakness and only 15 signalled further strength. As would be expected these 15 largely centered in the capital goods industries, or they had to do with inventories (which relative to practically anything have remained thin in this boom). Leading indicators pertaining to such broad areas of the economy as employment, financial developments, real profits, and business formation were, however, already weak.

Even a capital goods boom could start to lose its enthusiasm if the underpinnings of the boom generally begin to weaken. The confidence businessmen have in their long-range plans depends in part on how comfortable these plans feel to them in the short run.

RECALLING CHURCHILL'S PHRASE

The Middle East war has now made peering at the economic future like the problem of a man with cataracts looking into a fog. The most reasonable assumptions about energy supplies are vexatiously difficult to come by. Like Churchill's characterization in 1939 of Russia's action, "it is a riddle wrapped in a mystery inside an enigma." Pronouncements range from skepticism about whether there is actually a problem to verdicts couched in terms that sound as if the worst had already come to pass. For those of us who have been warning that a problem was shaping up, suggestions that the problem is nothing more than a cabal of oil companies sounds like an intellectual retrogression back to witch doctors, demons and evil spirits. On the other hand, superior evasive action is required to go for a week in this era without being the recipient of a jeremiad about the Armageddon-like struggle between an implacable demand trend rising more rapidly than an equally inexorable supply curve, neither of which can be diverted in the slightest degree from the appointed path.

If the 1974 oil short-fall were to be about 17%, as the President has indicated, if oil accounts for about half of our energy, and if roughly two-thirds of the short-fall could be eliminated by supply and demand responses to price changes and other voluntary measures, then a short-fall of 2% or 3% would seem to be indicated that would bite into real output. If so an economy with a normal growth capability of roughly 4% per year would seem to be limited to a 1% or 2% rise in 1974. And since we close out 1973 already at least 1% above the year's average, this would apparently mean at best not much more than a lateral movement from where we now are on through 1974.

That, of course, is not the end of the story because it does not take account of domino effects. Some of these are almost technical in character. If one company shuts down because of a fuel problem, others, even if they have fuel, may have to close up because parts and supplies are unavailable. Some markets depend on the rate of increase in other parts of the economy. If the supply of fuel for heating homes is flat or even declines somewhat, residential construction, whose activity is largely to increase the stock of homes, must expect a sharp reduction in its market. Those who specialize in building motels in recreation areas could experience a sharp drop in their market, a drop that would seem out of proportion to reduced gasoline supplies, if vacancy rates rise in existing motels.

Some of these domino effects may be more psychological, though that does not make them any less real. The typical buyer of a new car already owns a reasonably good one. (Owners of junkers that are scrapped each year are not the year's new car buyers.) Simply with uncertainty about ready availability of gasoline, a new-car purchase is apt to move down in the list of priorities. When this is aggravated by safety and pollution equipment, which is not popular at the grass roots level and imposes substantial costs on the new car buyer, the result can be a decline in new car sales that seems and probably is out of proportion to objective facts about gasoline availability.

When we take account of these potential repercussion effects as well as the basic energy shortage itself, prognoses of a recession or even a sustained economic stagnation of Gorgonian proportions become understandable.

Understandable—but not a good guide to economic policy.

We (businessmen as well as citizens generally) always tend to under-rate the inherent capacity of the economy to adjust to these problems if we give it a chance. The image of this problem is that economic activity is welded to the short-fall of energy with a Draconic inexorability that gives us no hope for modifying the consequences.

The facts of experience, fortunately, do not support such a grim view. For one thing the relationship between economic growth and the rise in energy consumption shows two striking characteristics. One is that on the average we achieve somewhat more than a 1% increase in real output for each percentage point increase in the use of energy. There is such a thing as improving the productivity of energy per unit of output per BTU as well as output per man hour. It has been happening. During the 1960s, for example, output increased about 1.25% for each 1% of additional energy used. And if energy becomes more expensive, an enlarged energy-productivity response can also be expected.

AN IMPORTANT VARIABLE

An even more striking fact about the relationship between increases in output and in energy used is the wide variation in this relationship from year to year. In 1970 there was

a 5.6% increase in energy use with an actual decline of 0.4% in real GNP. In 1971 with a 0.4% increase in energy used real GNP rose 3.2%. Indeed, the striking thing about the relationship between the rate of growth in output and the rate of increase in energy consumed is not that it obviously exists but that it is so variable. This suggests that we cannot be certain what a change in energy availability will mean for economic activity.

What does all of this mean for economic policy next year? The first requirement is to be cautious about what the economy can be expected to do even with a short-fall of energy. If funeral prognoses turn out to be right, it will be less because of objective facts than because they have so scared hell out of consumers and even businessmen as to be in part self-validating. The fact that energy may be short next year does not automatically tell us what the economy can do. In 1971 we had a good gain in output with virtually no change in energy consumption. In such years as 1962, 1965, and 1968 we also got strong gains in the economy relative to the rise in energy consumption. The objective of national policy should be to add 1974 to this list.

Moreover, serious as the energy problem is, the facts about energy availability do tend to get out of focus. Petroleum still constitutes only about half of our total energy consumption. We have, of course, been doing an awesome job of managing energy policy so that jobs are now unnecessarily in jeopardy and new home builders and buyers are denied gas and forced into more expensive and less convenient forms of heating. We can also, however, reverse these perverse policies and increase domestic supplies of energy if we have the will to be sensible. And that sensibility must not only extend to but begin with the Congress.

It ought to be possible to achieve some increase in domestic energy supplies even in 1974. Coal output was increased 7% in 1972, and capacity could have been increased more this year except for an obstinate refusal earlier to examine the full consequences of overreacting to safety and pollution issues. Gas supplies can be increased if we reverse the ill-fated decision to control natural gas prices—a control whose main effect has been to reduce supplies, to put industrial jobs in jeopardy, to force many families into far more expensive fuels, and to contribute to a scarcity of new homes by limiting construction. Indeed, no single action by the Congress could contribute more to realizing housing goals for this decade, goals which the Congress itself established, than deregulating the price of natural gas.

Energy will, however, at best be short. How can we be sure that we get the most output per BTU of energy available? The first requirement will be fiscal and monetary policies that lean in a generous direction to accommodate a general expansion. They should do what they can to minimize any inadequacy of demand. These policies are probably on about the right track. As for fiscal policy, the rising trend from program commitments already on the books, according to Professor David J. Ott and his colleagues in a study published by the American Enterprise Institute for Public Policy Research, will carry outlays at or above the receipts the tax system can generate at full employment through fiscal 1975. That is all the expansiveness that we can prudently call upon fiscal policy to deliver. If monetary policy remains on a 5%–6% per year growth path, which would not be far from the average path of the last year, the monetary potential for a 7% or 8% rise in GNP would also be in place.

AN URGENT REQUIREMENT

The urgent requirement from general economic policy is to see clearly that if the economy is to make an optimum adaptation to the energy problem, with a minimum of adverse impact on employment and production, large structural adjustments must be made quickly. This will be powerfully facilitated if we loosen our control grip so that needed shifts and adjustments of prices within the economic system can occur quickly. Obviously it means large increases in energy prices primarily to set in motion the process of increasing supplies and also to encourage greater economy of use.

The Cost of Living Council's action to peel off controls are, therefore, doubly wise. They make sense in any case in order to arrest mounting distortions in the economy generally. They are urgently important as the economy faces the most severe demand for large and prompt internal adjustments since the re-conversion from World War II.

GEN. THADDEUS KOSCIUSZKO DAY

Mr. WILLIAMS. Mr. President, I am pleased to join my colleagues in the Congress in saluting Gen. Thaddeus Kosciuszko, a great patriot of Polish origin, whose ideals and devotion to freedom were far in advance of his time. In appreciation of his efforts during the Revolutionary War, Congress extended American citizenship to General Kosciuszko, a gesture none too small for a man of such courage and dedication.

The occasion for this tribute is the celebration of General Kosciuszko's birthday which fell this year on Sunday, February 10, while the Senate was in recess.

General Kosciuszko is perhaps best known as the adjutant to Gen. George Washington. Kosciuszko distinguished himself in the American war of independence as both a soldier and engineer. Because of the fortifications constructed under his direction at Saratoga, the American forces were able to win a victory cited by many as the turning point of the Revolutionary War. From 1778 to 1780, Kosciuszko was placed in charge of erecting fortifications at West Point. In the southern campaign of 1781, which crushed the remaining hopes of the British Army to achieve a victory, Kosciuszko participated magnificently as an engineer and cavalry officer.

In a letter to General Gates in 1778, Thomas Jefferson appropriately and eloquently described General Kosciuszko as "* * * a pure son of liberty as I have ever known and of that liberty which is to go to all, and not to the few or the rich alone."

Mr. President, Polish Americans have time and again exemplified their love and loyalty toward the quest of freedom for all mankind. They have served with honor in the Armed Forces of the United States since the Revolutionary War.

Mr. President, I am proud to represent over 217,000 Polish Americans who reside in my home State of New Jersey. General Kosciuszko is just one example of the many thousands of Polish Americans who have served this country with dedication in both war and peace. The anniversary of General Kosciuszko is an appropriate time to honor all of our citizens of Polish heritage.

THE FERTILIZER INDUSTRY TODAY

Mr. DOLE. Mr. President, I recently attended the Fertilizer Institute's annual meeting held in Chicago on February 4, 1974, and took note there of the current difficulties being experienced by fertilizer producers.

The condition of the fertilizer industry is of special concern to Kansas farmers, who depend heavily upon its ability to supply them with necessary nutrients for the soil. The difficulties encountered by fertilizer producers bear directly upon the adequacy of those supplies and, of course, on prices; consequently, it is important that we keep informed about those problems currently confronting the industry.

To further explain the views and outlook of the fertilizer industry. I ask unanimous consent that the text of remarks of two Kansans, Warren Dewlen, board chairman of the Fertilizer Institute and vice president for Fertilizer of Farmland Industries, and Bill Morand, executive vice president of Collingwood Grain, be printed in the RECORD.

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

STATE OF THE INDUSTRY

(By Warren Dewlen)

Not since the fertilizer industry first organized an association back in 1883 has there been such a year of action affecting the industry as we have experienced in 1974! And, never before has our industry association proved more valuable to the industry than in this past year.

Fifteen members met to form the first industry association in August of 1883 with the general conviction that such an organization was needed to collect industry statistics, consider state legislation and confer on other matters of general interest. Chemical fertilizers were still known as "artificial manures," and industry production was tagged at a whopping 800,000 tons per year, with a value of $25 million.

Last fiscal year, as you know, our industry produced 18.4 million nutrient tons with U.S. consumption at a record level of 42.5 million tons of fertilizer material—66 per cent above the 1963 figure of 28.8 million tons.

So—we've "come a long way, Baby" as a current advertising campaign goes—but we still have a unique situation: An increasingly limited domestic supply in face of an insatiable demand . . . The burgeoning pressure of exports—both fertilizer and agricultural products. The promise of improved profits in the industry—after a period of deep depression—only to be held back by restrictive economic controls. Then release of those controls on the industry when it was nearly too late—certainly too late for fall 1973 and spring 1974 as far as filling all the expected demand.

The Institute, on behalf of industry, had petitioned again and again for release from economic controls—as early as December, 1971—telling the Administration that unless the industry was released, a shortage crisis was inevitable.

Our story was simple: Phase I and II had pegged all prices to average profits of the years 1968, '69 and '70—years during which the nation's fertilizer industry recorded a return on equity of −2%, −7.5% and −1.4% of net sales; Pre-tax dollar margins for those years amounted to respective losses of 61 million, 159 million and 45 million-dollars. On these losses, the industry was to figure the per-cent profit it could make!

The Institute made the point that demand was increasing—but the industry's production capacity had not expanded because of those lean years and would not expand under present controlled conditions. We emphasized in Feb., 1972 that it was likely to be nip and tuck for industry to meet farm de-

mand, even for that spring . . . pointing to the rapid rise in farm use of fertilizer. An extremely wet spring in the Midwest postponed the problem—and added to the difficulty in convincing government that there *was* a problem. Actual fertilizer consumption in 1971–72 showed zero growth over 1970–71—41.1 million tons. In the meantime, fertilizer producers were increasing their search for overseas markets.

In late 1972, the Dept. of Agriculture told farmers that millions of additional acres would be released for crop production as the Administration found that agricultural exports was one of the few areas that could bolster the U.S. balance of trade slump. Again, the Institute and industry warned the Administration of an inpending short supply of fertilizers—and again nature and the farmer helped postpone the inevitable. Massive floods hit the Midwest—and farmers planted a little more than half of the released acreage to crops.

The result was a modest rise in fertilizer use of about 3%, and a slight *decrease* in the per acre use on corn.

Meanwhile, fertilizer exports were rising rapidly 18 to 26% higher for first few months of '73 and nearly ⅓ above the 1971–72 fiscal year. The Institute's Fertilizer Index figures showed that although the industry's production of most fertilizer products was running 85 to 95 per cent of capacity—full throttle—inventories had been plummeting every month since Jan. 1973. By mid-year inventories were 41 per cent below a year earlier—nitrogen inventories were down 54 per cent.

Still, fertilizer prices were running barely at or below the non-inflationary levels of the 1950's while all other major inputs in farm production had risen dramatically—even under controls.

In August and September the controversy came to a head, precipitated primarily by the fact that wheat farmers in the Texas, Oklahoma areas couldn't get ammonia for fall wheat acreage.

Letters from farmers, dealers, constituents came into Congress and government at a fantastic rate. All at once everybody wanted to know about the fertilizer situation.

Then, Secretary Butz released another 19 million acres of cropland for planting in Spring 1974 and predicted that U.S. farmers would be short about one million tons of nitrogen, 700,000 tons of P_2O_5 for spring unless the industry was released from controls. Translated into fertilizer materials at farm gate, this meant 3½ to 4 million tons short—or 10 per cent of the amount used by farmers in '72–73.

With mounting pressures from farmers, Congress, U.S.D.A. and industry—the Cost of Living Council de-controlled industry Oct. 25, 1973.

Meanwhile, the arthritic pains of the nation's crippling energy crisis gradually crept into every arm of the economy—and the fertilizer industry certainly has been no exception.

NATURAL GAS

The need for natural gas in ammonia production likely has occupied most of our thoughts on energy. The ammonia industry alone uses 2% of the 22 trillion cubic ft. of natural gas used in the U.S. annually.

Of all the uses of fossil fuels, the only one to enter the food chain directly is the use of natural gas as a hydrocarbon building block for anhydrous ammonia and urea. An average of 36,000 to 40,000 cu. ft. of gas is needed to produce one ton of ammonia.

Anhydrous ammonia production *capacity* of 86 plants in the United States is about 17 million short tons annually.

Essentially all of this production depends upon reforming of natural gas to produce the hydrogen-nitrogen mix for ammonia (NH_3) synthesis.

At present, there are no economic alternatives to natural gas for ammonia production in the U.S. In short, our nitrogen industry is dependent on natural gas. And, for the consumer, much of his food supply is likewise dependent on the same material.

PHOSPHATE AND POTASH

Although natural gas is not a feedstock for phosphate and potash, the other two primary fertilizers, significant quantities are used in processing the mined ore into usable fertilizers. It is estimated that domestic annual production of 4.4 million tons of potash fertilizers utilizes 9.3 billion cubic feet of natural gas, and 42 million tons of phosphate rock, 12.1 billion cubic feet.

The Federal Power Commission has assigned all industries that use gas as feedstock a Number 2 priority rating on natural gas use. But this applies *only* to gas shipped or piped interstate and for "firm" contract. Fully half of our plants must rely upon gas from *intra* state lines and 22 per cent are on interruptible contract. In 1970, gas service interruptions caused a loss of some 117,000 tons of potential ammonia production; in 1971—164,000 tons; in 1972 at least 188,000 tons and likely nearer 200,000 tons. What it will be this winter, is anyone's guess.

MIDDLE DISTILLATES

For middle distillate fuels, The Fertilizer Institute projects the industry will need 13% more this year than last year for a total of nearly 204 million gallons of No. 2 Diesel, Fuel Oil and Kerosene.

In addition, tremendous amounts of #5 Fuel Oil and gasoline are required. For instance, in phosphate rock refining for fertilizer we use more than 2 gallons fuel oil per ton rock. With rock production exceeding 40 million tons each year, nearly 90 million gallons of fuel oil are required for this product alone.

The new Federal Mandatory Petroleum Allocation Regulations, as you know, call for farming to receive 100% of current needs including ". . . services directly related to the planting, cultivation, harvesting, processing and distribution of fiber, timber, tobacco and food intended for human consumption and animal feed."

The Fertilizer Institute certainly interprets this to include fuel needs for production, transport and custom application of fertilizers which are definitely "directly related" to production of food and fiber for human and animal needs.

In addition to our industry's needs for fuel are the requirements for other energy as well. During 1972, the Florida phosphate producers reported nearly 800 hours of production lost because of electrical power outages in that state.

TRANSPORTATION

The problems of rail transport of fertilizer products are always with us. At this point they seem little improved over previous years. During the fall, the TFI weekly car survey showed that producers were getting only about 50% of the cars they asked for.

Barge transport of fertilizers is jeopardized each spring by threat of flood—and, this year, an additional factor is the fuel shortage. One industry specialist has estimated that more than 500,000 tons of fertilizers arrived too late for spring '73 because of flood delays.

WHAT ABOUT 1974?

Now the big question—what can we expect this spring and next year in the way of supply?

This past year, 1972–73, the industry delivered 42.5 million tons of fertilizer material. This current year, it's estimated that we'll be called on to deliver an additional 10% or 4.25 million tons more for a total demand of 47 million tons.

When the industry was de-controlled, producers committed themselves to serve the domestic market as fully as possible. Exports were diminished. For the current fiscal year, new production and old plants back on stream should add about 570,000 tons *capacity* for ammonia, and 526,000 tons of P_2O_5 capacity. Translated from nutrient tons to finished fertilizers, that's about two million tons . . . or 5% of last year's use—if all of the announced capacity comes on stream. Potash is in adequate supply, as you know, but transportation still tends to plague shipments of this nutrient across Canadian borders.

For 1974–75, prospects appear better. Another 625,000 tons of ammonia capacity are scheduled; and 1.7 million tons of P_2O_5, much of which likely is already contracted.

That makes a total additional capacity by June, 1973 of 1,195,000 tons ammonia capacity and 2,226,000 tons P_2O_5 capacity. Will it all see actual production? The answer is open for conjecture with the energy situation to consider, the problems facing phosphate producers regarding EPA effluent requirements, and on and on. I needn't remind you that it takes a long time to translate production *capacity* into warehouse inventory.

At any rate, the current fertilizer supply will fall short of demand for the first time in recent memory. Why? There is no one reason, nor one culprit.

The government certainly bears a large responsibility for its "head-in-the-sand" approach to the industrys' problems during Phase I and II. And for the rapid release of crop acreages for production without a warning to any of the producers of farm production input items. But neither the government or industry foresaw the world crop failures that would kick off an upward spiral in international demand for U.S. food and feed grains—and fertilizers—nor was the dollar devaluation foreseen that made U.S. exports so lucrative.

Fertilizer prices have risen dramatically since Oct. 25, of course. Indications are now that a period of more stable price levels have set in through June. But with Sept. No. 2 corn continuing to sell close to $3.00 a bushel, oats at $1.60 and July wheat at nearly $5.00 per bushel, the farmer is mainly interested in "Will I get the fertilizer that I need."

In early December, farm gate prices on fertilizer had moved up an average 40 to 50 per cent of pre-Oct. 25 prices.

Even if prices increase an average 75 per cent or more, this will add only 7 or 8 cents to the farmer's cost of producing a bushel of corn—only about 9 or 10 cents per bushel of wheat—only a penny per pound for cotton.

The farmer knows he gets his money's worth out of fertilizer. It's been a good value for a long time and will continue to be.

And the farmer has been getting fertilizer this past fall in larger and larger amounts than ever before. For the period July through December, 1973, the Institute's Fertilizer Index shows domestic market movement of fertilizers 15% above the same 6 months in 1972—and 1972 was higher than the period in 1971.

USDA monitors 15 states that report monthly consumption figures. On-the-farm sales of fertilizer were an average 28% higher for the months July through October for those 15 states. Many states in the Midwest and Southwest have recorded 46, 55—as high as 75 percent more fertilizer sold in the fall of '73.

So, farmers are getting fertilizer—they're not getting all they want, but they're getting more so far, than ever before.

For farmers, it is a situation that makes soil testing even more essential. Indiscriminate use of fertilizer has never been advis-

able—now it is inexcusable. It is incumbent on industry and college agronomists, extension specialists, agents and dealers to stress soil analysis and other diagnostic methods to the fullest. Perhaps there won't be enough fertilizer—but what there is must be used most efficiently.

The farmer and the fertilizer industry face similar challenges in 1974—to produce to the maximum, as efficiently as possible. The success with which those challenges are met will depend in great part on the ability of farmers and industry to work together. It's a team that's been successful in the past and it's the best bet for success this time, as well.

COLLINGWOOD GRAIN INC.,
Hutchinson, Kans., February 15, 1974.

Senator ROBERT DOLE,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR: I appreciated hearing from you today and I am enclosing a copy of the talk I gave before the Kansas State Board of Agriculture's Annual Meeting in Topeka, Kansas.

I am of the opinion that the USDA is optomistic with predictions of the fertilizer supply being some 95% of one year ago.

Kansas faces a most serious shortage of fertilizer in relation to its needs. The reasons are numerous.

1. The closing of Phillips Plant at Etter, Texas has seriously affected our supply.

2. I assume because of this closing some companies lost their trade-out and have quit doing business in certain areas of the state.

3. Some companies, because of short supply, have quit soliciting business in Kansas.

4. Some companies because of short supply are allocating fertilizer on some basis to dealers.

5. Every week I talk to dealers who have no supply—some supply but not enough and dealers who are still uncertain as to what their supply will be.

The most serious problem facing Kansas is the shortage of nitrogen. Every week that passes without major receipts of nitrogen by the dealer and the farmer lessens the likelihood that he will receive nitrogen this spring.

Major crops so necessary to our economy need nitrogen—corn, wheat, milo, to name three crops would suffer disaster without nitrogen.

We recognized that valuable nitrogen has been exported and we recognize that the shortage of natural gas limits nitrogen expansion. However, we do want you to know that any increase in export of fertilizer is not in our country's best interest and that most dealers in America are hurting for nitrogen.

The obligation of all of us as concerned citizens is to not make a play on words but to make every effort to meet the needs of United States Agriculture. We are hurting for nitrogen throughout the wheat and corn belt. We must act now to preserve this resource for our own production because when the real crisis hits it will be too late if we do not act now.

Please contact me if I can be of any additional help.

Sincerely,

WILLIAM R. MORAND,
Exec Vice President.

OUTLOOK FOR FERTILIZER 1974

The world is proud of Kansas. And I can tell you America is proud of Kansas. Kansas agriculture has just completed its biggest year and as we peek over the fence surrounding 1974 we can see that the world is still hungry—we can see that America needs, ever so much, another big Kansas harvest. Agriculture today is enjoying a good prosperity; however, agriculture today is also suffering one crisis after another. Examples are the very serious problems of fuel, fertilizer, building material, repair parts, farm equipment, labor and the big shortage of rail transportation.

All of this seemed to start when Russia made a large wheat purchase from America and the ships began loading at our ports. Throughout America but particularly in the midwest and Kansas (the grain and livestock states), the repercussions of this purchase, both good and bad, have been felt. Commodity credit disposed of their grain surpluses; the farmer for the first time in many years had a tremendous demand upon his production. The hue and cry from around the world was for more food. Part of the solution to many of the world's problems and the problems here at home is fertilizer. I want to address myself today to the critical problem facing us in the supply of fertilizer.

Recently it was quoted to me that the United States Department of Agriculture had a strong feeling that the supply of fertilizer for 1974 could be as high as 95% of last year's supply. This may sound comforting—however, to me it appears to be optomistic. The United States and Kansas face a most serious shortage of fertilizer in 1974—more than can be imagined by most of us. I feel nationally we will have 25% less fertilizer this spring than a year ago. This problem of supply comes from many sources.

1. Exports of fertilizer boomed in 1973. The world price was better than the domestic market so exports increased in 1973 between 20 and 25%.

2. Old, inefficient and uneconomical plants have been closed. One plant that could not comply with EPA has been closed. There may be others.

3. The railroads do not have enough rail cars to meet the needs of modern America. There is not enough transportation available to be timely in meeting the needs of agriculture.

4. Normally, in the summer, demand for fertilizer lessens and inventories begin to build, storage becomes a problem and product is moved to terminal storage points. This year demand continued through the summer. It never did let up—it hasn't let up—as a result inventories as of January 1, 1974 are at an all time low.

5. Farmers of America have been calling upon to produce more. More acres released for production mean more fertilizer. Fertilizer supplies will not be adequate this spring.

6. The energy crisis affects natural gas used to produce ammonia. Cold weather can further reduce our nitrogen supply. The energy crisis affects fuel, continuous delay in making mandatory allotments of fuel to agriculture is taking its toll. We need fuel for truck shipments and custom application of fertilizer.

I could go on and list other serious items affecting fertilizer supply but I want to also tell you some things we will have to do to meet our challenges during this crisis.

1. We are in a sellers market. I used to have as many as 10 salesmen selling fertilizer call on me in a single day. Today I seldom see a fertilizer salesman. Today we have to take what is available when it is available. The farmer will have to take fertilizer when it is available.

2. The dealer that was a shopper yesterday is many times without a supplier today. Farmers who were shoppers are many times without a supply today. Dealers just do not have the product. Take your supply whenever it is available.

3. I talk to dealers every week who have no supply—or 30 to 50% of what they had a year ago—some as much as a year ago and of course there are probably some with more than they had a year ago, but my point is that it is possible that many in this room will not get the fertilizer they need this spring. Don't put off purchasing your fertilizer.

4. Those who have had excellent fertilizer programs in the past may be able to rely on residual phosphate and potash in a year or so, but top production needs fertilizer particularly, nitrogen and we can not get top production without nitrogen. Apply nitrogen when available.

5. The Kansas dealer is trying hard to help the farmer meet his challenge. The Kansas dealer is anticipating federal orders for fuel and transportation. The Kansas dealer is updating equipment to apply fertilizer as economically as possible in the conservation of fuel. The Kansas dealer is taking product as orderly as possible and trying to apply the fertilizer as orderly as possible on a year round basis. The Kansas dealer is switching farm meetings from a sales approach type to a meeting that helps maximize production through good practices of soil and crop husbandry.

I close with these observations. The demands of agriculture must be met because nations rise and fall as a consequence of good or poor agriculture. Kansas is one of the greatest agriculture states in our nation.

Kansas needs attention especially in the area of fuel. Without fuel we will not be able to utilize what fertilizer we will have or harvest the crops so needed by the world. The dealers of Kansas are making every effort to help meet the needs of 1974.

WILLIAM R. MORAND.

THE CHALLENGE FACING THE CONGRESS

Mr. McGOVERN. Mr. President, in its February 16 issue, the New Republic published an assessment by the always observant, always readable "TRB" which describes the impeachment issue in terms of a challenge to the Congress.

The challenge before the legislative branch is whether it is willing to face up to what the Constitution prescribes. It is whether the Congress, when faced with such a challenge, will prove fearful of using its powers or whether it will use them as the Founding Fathers intended.

TRB expresses his confidence in the legislative skill and judgment of the chairman of the House Judiciary Committee—the distinguished Congressman from New Jersey, PETER RODINO—who carries a heavy burden in the Presidential crisis. I share that high regard for Congressman RODINO and I believe he is proceeding with care and fairness in the investigation that is his responsibility.

Mr. President, I ask unanimous consent that the article from the New Republic be printed in the RECORD.

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

TRB

EITHER/OR

The Founding Fathers made the sword and threw it in the water. Now the House of Representatives has pulled the sword out again and neither the President with all his powers nor the judiciary with all its precedents, can take it away from the coequal branch of government. The sword is, of course, the power to impeach. The right belongs solely and exclusively to one of the humblest divisions of the government, the House. What the public does not yet realize, I believe, is that the House must, and will, vote on impeachment one way or the other, up or down, yes or no.

They are all scared stiff. They are little men and excalibur frightens them. To their awed eyes it seems to leap and keen by itself. Once before it was taken out. In 1868 men with unfamiliar names, Ben Butler, Reverdy Johnson, Charles Sumner, John Sherman, Oliver P. Morton and others handled the great weapon clumsily against Andrew Johnson. The House voted impeachment, 128-47, on February 24. And the Senate failed by one vote of the necessary two-thirds to find him guilty, May 26, 35-19. A swift 91 days.

Now the sword is out again. Under the rim are the names of the men who forged it in that hot summer in Philadelphia in 1788—Washington, Franklin, Hamilton, Madison and the rest. It is a terrible instrument, a king-killer, never to be used perhaps but always to be held in reserve, to keep the executive branch of the tripartite American government under control.

The House in 1973 made an ultimate vote on impeachment inevitable when it set up the inquiry in the Judiciary Committee. If the committee brings in a bill of particulars the 435 members must vote to accept or reject it. It will be the most dangerous vote any of them ever took because whatever they do they will probably create an unforgiving minority in their constituencies. If the Judiciary Committee decides not to recommend impeachment, there will still be a vote on the basis of resolutions offered by dissident liberal members of the committee.

Impeachment, of course, does not mean finding Mr. Nixon guilty. A great many people still think it does. It amounts to voting an accusation, a probable cause. If the House acts, it means sending it on to the Senate presided over by Chief Justice Warren Burger to decide, on the basis of a fair trial and the evidence offered by managers from the House, whether or not to oust Mr. Nixon.

George Washington and James Madison and the rest of the Founding Fathers handed this awesome responsibility on to Rep. Peter Rodino, a second generation Italian-American who lives in Newark, writes poetry, plays paddle ball and would rather be seen naked than without the insignia of the Knights of Malta in his coat lapel. The Founding Fathers, I think, would have smiled grimly. They would have understood. Rodino stood on the floor of the House last week, drew himself up to his full five feet six and got approval for one of the most sweeping grants of subpoena power within the authority of the chamber to give; a grant that, significantly enough, had been asked for *unanimously* by his 38-member Judiciary Committee, composed of 21 Democrats (mostly liberals) and 17 Republicans. It means that he can subpoena just about anybody, and that his Republican opposite number, Rep. Edward Hutchinson of Michigan, can too, and that if they disagree they can go back to the full committee.

With this power, if it comes to a showdown, Peter Rodino can get about anything from the White House he wants. If Mr. Nixon is excessively obdurate he might be cited for contempt or held to have committed what is, itself, an impeachable offense. Rodino is cautious and watching every step he takes; he is an unknown quantity. Some call him timid but I think he is savvy. He has survived 25 years in a tough district, now over 50 percent black, and has remained clean in a city tainted by corruption. He knows that no bill of particulars is worth a damn that does not transcend party lines and that is not positive and specific. He is not likely to pay much attention to the secret presidential bombing of Cambodia or the rights and wrongs of Vietnam in the inquiry because many people think these are policy matters to which a Chief Executive is entitled to be mistaken. No, the issue is likely to be whether boyish-faced John Dean III last June, in the calm monotone of his testimony, was telling the truth when he declared that the President knew about Watergate, knew about the cover-up, knew about the offer of executive clemency to the burglars and the hush money, knew as Dean put it "that there was a cancer growing on the presidency and that if the cancer were not removed that the President himself would be killed by it."

Mr. Nixon, through the foil of Senate minority leader Hugh Scott, has put out the uncorroborated declaration that the White House has unspecified records that prove Dean a liar. Leon Jaworski's special Watergate prosecution force, by contrast, certifies in open court that it has no evidence that Dean perjured himself at any time in any proceeding. It looks as though Jaworski, like Archibald Cox before him, is heading for a confrontation. And again the public asks: if Mr. Nixon has the evidence to exculpate himself why doesn't he present it? And who erased the tapes?

Rep. Rodino is teamed up with special counsel John Doar, six inches taller, lean and blue-eyed—who looks as though he had stepped out of a Western movie as the quiet-voiced sheriff. From 500 recommended names Rodino winnowed him out. A Republican from the West, he served under the Kennedys and carried the burden of civil rights enforcement in the Justice Department. He is tireless, relentless and fact-oriented. Under the methodical Rodino timetable he is supposed to come up on February 20 with a report on what is an impeachable offense, and on March 1 with a survey of evidence to date and where it is leading. A possible bill of particulars by April 30? Maybe.

Meanwhile Mr. Nixon with his state of the union speech has moved into his "come and get me" stage. I may be wrong, but I sense a stiffening of congressional spine. Mr. Nixon faced them defiantly last week and practically told congressmen "you ain't got the guts."

The colorless humdrum House is deeply stirred. What is that in its hands? A great sword.

LITHUANIAN INDEPENDENCE DAY

Mr. BROOKE. Mr. President, February 16 is celebrated annually as Lithuanian Independence Day. Recognizing this I salute the indomitable spirit of the Lithuanian people. They have lived on the shores of the Baltic since time immemorial. They were unified into a single kingdom by King Mindaugas the Great 723 years ago. Since that time they have been fighting for their independence against the Teutonic knights, the Germans, and the Poles on one side and the Russians on the other. It is proof of their remarkable spiritual and ethnic strength that they have been able to preserve their historic identity against such heavy odds.

It is distressing to think how short was the period of their independence after World War I, and to realize how worthless were the words of their 1920 treaty with the Soviet Union by which the Soviet Government "voluntarily and forever" renounced "all sovereign rights possessed by Russia over the Lithuanian people and their territory." That independence lasted a bare 20 years. By 1940 Lithuania was again incorporated into Russia.

Then began the most brutal occupation of their entire history. In Lithuania some 34,000 persons were deported to the Soviet Far East from June 14 to June 21, 1941. The German attack on the Soviet Union in 1941, followed by a German occupation, brought a temporary end to the deportations, but in 1944 the Soviets reoccupied the Baltic and there were additional mass deportations. It has been estimated that about 10 percent of the population of Lithuania was deported to Siberia in 1948 and 1949. Supplementing the deportations as a means of changing the ethnic composition of the area and to replace the loss of labor, the Soviets pursued a policy of colonization with persons of Russian stock. The number of Russian settlers in Lithuania in 1959 amounted to about 8.5 percent, as compared to 2 percent before the war; in the capital of Lithuania, Vilnius, native Lithuanians became a minority.

The Soviet Government also severely persecuted the Catholic Church. In 1940 Lithuania was 85 percent Catholic and there were only two active bishops left, less than 850 priests, most of them old and infirm.

Such brutal treatment, however, has not broken the spirit of the Lithuanian people as recent events show. In 1972, 20-year-old Roman Kalanta set himself afire in protest against Soviet oppression. His death set off 2 days of street fighting in Kaunas, the second largest city in Lithuania. Several thousand youths shouting "freedom for Lithuania" fought police and paratroopers. Two policemen were reported killed and about 200 rioters were arrested. In the following 2 weeks two other Lithuanians burned themselves alive. In the previous March more than 17,000 Catholics signed a protest memorandum addressed to Secretary General Waldheim of the United Nations. In 1971 Siman Kudirka, the Lithuanian radio operator who escaped from a Soviet ship only to be handed back to his shipmates by the U.S. Coast Guard, told the court that sentenced him to 10 years in a corrective labor camp:

I do not consider Russia to be my fatherland.

There is tragically little we can do to help these proud and brave people except preserve their legal rights to independence and to keep their sufferings before the bar of world opinion. This we must do and hope for a time when their quest for national freedom is successfully ended.

LITHUANIAN INDEPENDENCE DAY

Mr. WILLIAMS. Mr. President, I wish to join my colleagues in the Senate in paying tribute to the brave people of Lithuania, who recently observed the 56th anniversary of the declaration of Lithuanian independence.

It was on February 16, 1918, that Lithuania first broke the yoke of oppression, and established a democratic way of life; one to which all free men and women aspire.

The ensuing years of democratic government demonstrated to all the world that Lithuania could exist as a viable and self-sustaining republic. The years saw not only a stable and mature political climate, but were also filled with extensive social and cultural accomplishments. Those years were proud and joyous ones indeed for all Lithuanians.

Tragically, during the outbreak of

World War II, Lithuania found herself again threatened. In 1940 Lithuanian democracy crumbled. And under the iron rule of the Soviet Union, the people of Lithuania continued to be denied all freedom of expression.

Mr. President, on the occasion of the anniversary of Lithuanian independence, I extend my warmest best wishes to the people of Lithuania and to those who trace their heritage to that proud country. And I am equally proud to represent nearly 30,000 Lithuanian-Americans, who reside in my own State of New Jersey. But, at the same time, I am saddened by the reality that there are still those in Lithuania today who are being held as virtual prisoners within their own country. To those people we offer our deepest hopes and prayers.

POSITION OF NATIONAL GUARD ON FISCAL YEAR 1975–76 FORCE REDUCTIONS

Mr. THURMOND. Mr. President, a great deal of comment has ensued as a result of the decision by the Department of Defense to reduce the force structure of the National Guard in fiscal year 1975 and fiscal year 1976.

During this year the Congress will inquire into the justification of these reductions. As a member of the Senate Armed Services Committee, I shall make a special effort to see that all of the facts are placed on the public record in order that a fair decision might be made.

Recently the Executive Council of the National Guard Association of the United States approved a statement of position on these force reductions. I ask unanimous consent that this position paper entitled "Total Force Policy", dated January 29, 1974, be printed in the RECORD at the conclusion of my remarks.

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

POSITION STATEMENT ON FORCE REDUCTIONS

The following statement of position was approved by the Executive Council of the National Guard Association of the United States at its meeting on January 29, 1974.

TOTAL FORCE POLICY

As an outgrowth of the Nixon Doctrine, which gave a new direction to this nation's international relations, the Administration in 1970 committed our defense establishment to a concept called Total Force, and concurrently to all-volunteer armed forces.

Total force in one of its applications assigned far greater importance to the maintenance of strong, effective reserve forces, to compensate for massive reductions in the costlier Active forces.

In consequence, National Guard and Reserve units have been handed a variety of high-priority, early-response missions that previously had been allotted only to fulltime troops. The new missions require Guard and Reserve forces to be ready for mobilization and deployment overseas on greatly compressed timetables.

Thus, the National Guard and Reserves have become in reality what they formerly were only in theory—a major part of the force-in-being that would have to respond on extremely short notice to any future military emergency. In fact, the Army National Guard today represents 30 percent of the entire organized Army structure and more significantly, encompasses almost half—46 percent—of all the Army's combat elements. Equally important, the Air National Guard contains 38 percent of the Tactical Air Command's total strength and 70 percent of the Aerospace Defense Command's air defense jet interceptor fleet.

This makes it obvious that neither the Army nor the Air Force can make a major commitment of forces in a crisis unless the National Guard and Reserves can rapidly mobilize forces of substantial size possessing high readiness levels upon mobilization.

There'll be no time for the leisurely "fleshing-out" of units with large numbers of filler personnel nor for extensive training after the alert is sounded.

RELATIONSHIP BETWEEN ACTIVE AND RESERVE CAPABILITIES

A long-accepted doctrine, that significant reductions in our Active forces must be balanced off by strengthening and improving our Reserve forces, is the very bedrock of the Total Force policy. Defense leaders have always accepted that doctrine as the only acceptable method by which this nation can maintain an adequate military posture in peacetime at a price Americans will accept. We are a nation that traditionally opposes large standing armies.

The National Guard has responded to the Total Force challenge by elevating its combat-readiness to unprecedented levels and concurrently restoring its strength to full authorized levels, a dual accomplishment which no other component of our Armed forces has matched.

The Army Guard is still engaged in the massive effort it launched several years ago to boost readiness levels still higher, assisted by its Active Army mentors. The Air Guard has been engaged in a similar effort, with the support of the Active Air Force, and currently can boast that an unprecedented 90 percent of its force is rated combat-ready.

A Total Force Study Group late last year launched a comprehensive study of every facet of Reserve Component organization and operations, under Department of Defense sponsorship, to seek ways to make further improvements. It is contemplated that the group will complete its studies by August, 1974, and be in a position to make realistic innovative recommendations by bringing the Reserve Components into closer conformity with national defense needs.

Without awaiting the results of this evaluation, however, Defense leaders are preparing to direct certain reductions in National Guard/Reserve force structure and manning levels, a premature and ill-conceived step to which the members of this Council strongly object. While most of the details of the pending reductions are still obscured by the "security classification" device, it is an open secret that much of the air defense structure is to be dismantled, including Air National Guard jet interceptor forces and Army National Guard Nike-Hercules units. In addition, a number of other proposals are under active consideration which could lead to further reductions in Army Guard unit structure and/or authorized strength.

This Council regards such developments as inexplicable in view of:

The increased reliance on Reserve Forces which has been proclaimed as national policy.

The steady growth in Soviet military power and its clear attempt to achieve military supremacy.

The National Guard's demonstrated ability to attain any realistic readiness and manning levels assigned to it.

The apprehensions repeatedly voiced in recent years by U.S. military leaders over the succession of strength cuts imposed by Congress.

The wastage of a valuable, irrecoverable defense asset when long-established National Guard units are inactivated and the collective experience, teamwork, individual skills and dedication of their individual members are dissipated.

The critical secondary responsibility of the National Guard, of protecting the lives and property of citizens in every State, as a State-directed adjunct of civil forces.

MILITARY VS. ECONOMIC CONSIDERATIONS

This Council recognizes that the military needs of a nation are dynamic and ever-changing, as are the kinds of military forces required to satisfy those needs. They necessarily are a product of the international environment and the potential threat represented by nations who might become our enemies. We recognize, moreover, that the structure and size of our forces are dictated by the national strategy and by the war plans those forces are designed to implement.

In consequence, we know that revisions must be made periodically in the types of units assigned to the National Guard and in the missions assigned to them. The National Guard is continually making such alterations at the behest of its parent services to insure that the overall military force structure conforms with anticipated needs.

We sense, however, that current proposals to reduce Guard and Reserve forces hard on the heels of drastic reductions in the Active forces stem more from heavy pressures to reduce defense spending at whatever cost than from sober, realistic military considerations.

This Council is particularly concerned lest insufficient consideration be given to two of the factors cited earlier: the wastage of valuable assets when Guard units are eliminated, and the Guard's success in attracting that primary ingredient of readiness, manpower, at a time when other components are steadily losing ground.

The Army and Air National Guard currently stand at the strengths prescribed for them—the traditional 400,000 for the Army Guard and 92,000 for the Air Guard. They alone among the Reserve Components can boast of such an accomplishment in the unfavorable environment which exists. Not the least of the factors on which this accomplishment rests is the State and community character of the Guard.

Guard units have been closely identified with their communities and States over periods that extend in many cases back into the last century or earlier. They are motivated by community pride to attain the goals set for them, whether strength or readiness or response to emergencies. They are deeply involved, whether as individuals or units, in the daily affairs of their communities. Their performance in times of disaster and stress are recognized and hailed. From this has grown an esprit de corps and a determination to succeed that recognizes no obstacles as insurmountable.

Guard units represent an amalgam of experience, leadership, dedication, teamwork and individual skills that can be duplicated only by a massive investment of time, energy and money. Immense sums have been spent to develop the military capability possessed by such units. It would be tragic to capriciously dissipate such assets, for once dissipated they cannot be re-created. A far more sensible course is to convert such resources to other essential tasks, when they have outlived their usefulness in their present configuration.

OUR POSITION

Members of this Council therefore express the following convictions in respect to reductions in either force structure or strength in the Army National Guard and Air National Guard:

(1) That nothing in our current military posture vis-a-vis that of Soviet Russia war-

rants a unilateral reduction in the size and capability of U.S. military forces.

(2) That the interests of the nation will be better served if all decisions regarding force structure realignments and manning levels be delayed pending completion of the Department of Defense Total Force Study Group's evaluation.

(3) That national security considerations strongly suggest the desirability of converting out-moded units, and units of marginal utility in an early-response role, to new and essential missions rather than eliminating them outright.

All who share in the responsibility for defending this nation, from the highest levels to the lowest, also share a single over-riding objective—to produce and maintain military forces of a size and capability commensurate with national security needs, at the highest attainable level of readiness, and with the lowest possible expenditure of public funds. This Association likewise is dedicated to such a goal. It is in consonance with that objective that the above convictions are expressed. We earnestly petition the President of the United States, Congress, and leaders of the defense establishment to give consideration to these views.

ECONOMICS AND SHORTAGES

Mr. BROCK. Mr. President, the energy crisis, in addition to being a hardship on the people of this country, ought to provide us with some lessons in economics as well. It is now pretty clear that, before 1973, we underestimated the influence of foreign trade on our domestic economy. International demands increased markedly for American wheat and soybeans, as well as for Arab oil. We were caught unprepared, and shortages resulted.

Yet the problems in our country are less severe than those of most European nations, economists tell us, because the American economy is more elastic. Furthermore, the Arab countries may be pricing themselves out of the energy market in the long run, according to leading Harvard economist Hendrick S. Houthakker.

His predictions, and those by his distinguished colleague from the University of Michigan, Paul W. McCracken, give us an excellent picture of the future of international exchange and the tasks yet before us. I ask unanimous consent that both articles be printed in the RECORD.

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

[From the Wall Street Journal]

THE OUTLOOK FOR PETROLEUM PRICES

(By Hendrick S. Houthakker and Michael Kennedy)

(NOTE.—Mr. Houthakker, professor of economics at Harvard University, formerly was a member of the Council of Economic Advisers under President Nixon. Mr. Kennedy is a graduate student in economics at Harvard.)

Recent increases in the price of Persian Gulf crude oil have caused serious worry in industrialized nations about their impact on the maintenance of prosperity and the balance of payments. Blind extrapolation of recent import trends does indicate an alarming situation: close to $100 billion of oil imports by 1980.

However, any extrapolation of this sort ignores the many economic factors at work in the world oil market which tend to moderate adverse consequences. Recent price changes have been so large they invalidate all projections, including those of the National Petroleum Council, that ignore the effect of prices on supply and demand.

In order to obtain a more reasonable picture of future prospects, we have constructed an economic model of the world oil market. It contains explicit representation of demand and supply relations, refinery operations and trade flows. Given key parameters, such as the responsiveness of consumption and production to price changes and the Persian Gulf export tax, the model generates internally consistent predictions of prices, quantities consumed and trade flows.

In particular, we explored the implications of the rise from $1.85 a barrel in October to $7 a barrel in December in crude oil export taxes by the Persian Gulf producers. Reasonable assumptions about demand and supply elasticities suggest that the Persian Gulf producers are pricing themselves out of export markets in the long run. That is, if they attempt to maintain a real price of $7 a barrel for their oil, their exports will be falling to low levels over the next 10 to 15 years. This conclusion does not depend on a breakdown of the current oil producers cartel, since other OPEC nations (Venezuela, Libya, Nigeria and Indonesia) are assumed to increase their production only marginally in response to price increases.

PURCHASER RESISTANCE

What are the assumptions which produce this result? One important factor in the future situation is the resistance of purchasers to price hikes. A $7 export tax in the Persian Gulf implies at least $8 a barrel landed prices in New York and Rotterdam. This is a sharp increase from price levels of only last year and will have a jarring effect on the growth of oil demand we have seen in the last few years. Switching to smaller cars, better insulation of homes and the use of coal and nuclear energy in some applications are becoming highly attractive options in the face of this price increase.

Up to now there has been little incentive to economize in the use of oil, because its price in terms of other goods has been falling. Although the magnitude of this response by users is uncertain, our statistical work suggests that oil demand will stagnate into the early 1980s, as normal increases in use due to economic growth are offset by the price jump. One must assume complete price insensitivity of oil demand to accept a simple extrapolation of recent growth trends such as those which are freqently used today in forecasting demand.

But this result only implies a freeze in current Persian Gulf export levels. At the higher price gulf producers are clearly better off than before. The key question, then, is how will supplies of non-Persian Gulf crude respond to these higher prices? We know that by the early 1980s at least four million barrels a day will be produced from the North Sea, and 2.5 million from Alaska. Since current gulf exports are 20 million barrels a day, this is a significant dent in their market, but probably not enough to break up the cartel.

The important swing factor in the supply situation is the ability of the United States and Canada to make oil production increases in response to the price hike. The most commonly accepted figure for the elasticity of supply is unity—that is, a doubling of the price implies a doubling of yearly production. Since the current Persian Gulf move doubles the world price of oil, the implication for U.S. production is 20 million barrels a day. This figure seems incredible in light of the widespread belief that there is just no additional oil in North America, apart from oil shale and tar sands.

But, as Professors Gramm and Davidson argued on this page some weeks ago, if the price is high enough, we will see more secondary recovery from existing fields, deeper drilling, and greater use of heavy oils such as those now being developed in Utah. At a domestic price of $3 per barrel these sources were not worth looking at, but now they are very profitable. Indeed, the National Petroleum Council predicted 1980 U.S. production of 13.5 million barrels a day at a 1973 price of $6.50 per barrel. Today we are up to $10.

If North American production did increase to 20 million barrels a day, Persian Gulf exports would drop to an almost insignificant four or five million barrels a day. A less elastic supply response, of course, implies less encroachment on gulf exports. It is only by assuming no increase in production from on and offshore North America in the face of higher prices could we conclude that the gulf producers' market share would not be threatened by their price policy.

A second key question, for which there is no well accepted answer, is how soon could new supplies of oil become available? Aside from the standard exploration and development lag, there are serious bottleneck problems in materials from U.S. manufacturers needed to explore the underground oil. Any sizeable increase in yearly production is going to require increased output of drilling rigs, offshore platforms and pipeline steel, for which the industrial capacity is currently inadequate. North American production cannot cut into Persian Gulf revenues until the oil is flowing. This lag may encourage OPEC to ignore the latent supply response.

Despite the existence of uncertainty about the exact magnitudes involved, the main outlines of the future are clear. The $7 export tax is a drastic revision in the world price system, and a simple minded extrapolation of past trends is suddenly irrelevant. To forecast a continued growth in gulf exports, one must assume a very slow response of both production and consumption to price changes, neither of which is supported by existing evidence. Supply and demand responses will certainly cut into shipments of oil from the Middle East. The questions are really how far and how fast. Using the currently accepted estimates of price effects, the long run answer is that gulf exports could eventually drop to very low levels. But the adjustment to such a dramatic price change will take a long time, certainly into the 1980s.

AN IMPORTANT VARIABLE

How realistic is it for the gulf producers to try to sustain a $7 export tax, in 1973 dollars, in the face of such supply and demand responses? Given the supply elasticity of unity, our model predicts that North America would be competing for the export market of the Persian Gulf by the early 1980s. And even under less optimistic assumptions, OPEC export demand will eventually weaken, and it will be able to increase revenues only by cutting prices. However, the new threat is that an erratic up and down price policy will encourage protective tariffs by consuming countries that will induce additional conservation efforts and new production of oil. The perception by gulf nations of the ability of oil consumers to react to the policy in the terms described here is also an important variable. Perhaps recent OPEC feelers about a price freeze indicate awareness that current pricing patterns are untenable.

In summary, our analysis suggests that the behavior of the oil cartel is inconsistent with reasonable projections of their ability to sell large quantities of oil in the long run. The consuming nations should not assume they are at the mercy of OPEC, even though for the moment they can do little except curtail consumption. All the talk about energy being "essential" should not blind us to the fact that it is subject to the laws of supply and demand. These laws may take some time to operate with full effect. But

they have not been abrogated. When the governments of the importing countries assemble at President Nixon's invitation they should not be misled by industry projections of an inexorable rise in demand and a lack of productive capacity in North America. Consumption is already responding to higher prices, and supply will catch up too.

[From the Wall Street Journal]

THE FEBRUARY AGENDA: A SLIM HOPE

(By Paul W. McCracken)

(NOTE.—Dr. McCracken is Edmund Ezra Day University Professor of Business Administration at the University of Michigan and former chairman of the Council of Economic Advisers under President Nixon. He is also a member of the Journal's Board of Contributors, four distinguished professors who contribute periodic articles reflecting a broad range of views.)

The volcanic explosion of oil prices will have a profound effect on the world economy, but on balance the dollar is apt to be the beneficiary. This seems to be the conventional view, and there is persuasive logic to support such a conclusion. Precisely because of this beneficial effect on the dollar, however, the effect on the U.S. economy is apt to be anything but beneficent—this quite apart from the adverse effect of oil shortages themselves.

That in the immediate sense the U.S. economy is less exposed than most other major economies to the hurricane effects of gargantuan oil price increases is clear enough. Except for Canada, which has a total energy production capability in excess of domestic requirements, the U.S. is the most self-sufficient in energy of the major industrial nations. However difficult our problems look to us, a total energy self-sufficiency of almost 90% would look like the stuff of which dreams are made in Italy with a 15% figure, to Japan with 11%, or even to Germany and the U.K. with about half of their total energy from indigenous sources. Even with ambitious estimates about what can be accomplished through economizing on the use of oil, the impact of oil prices increases on the import bill of these countries is large.

Before we break an arm patting ourselves on the back for our good fortune, at least relatively, a little pause would be in order.

Self-sufficiency in energy

[In percent]

Country:	*Oil*	*Total*
United States	74	89
Canada	98	110
Japan	0	11
United Kingdom	2	53
Germany	7	51
France	5	22
Italy	6	15

Source: Economic Outlook, December 1973. (These are 1971 figures.)

For one thing if these nations are confronted with an enlarged import bill, they will obviously be under great pressure to expand their reports.

Proportion of exports to and imports from the United States, 1973

[In percent]

Country:	*Exports*	*Imports*
Canada	66.9	65.9
France	5.3	8.1
Germany	9.3	8.4
Italy	9.8	8.3
Japan	31.3	24.9
United Kingdom	12.5	10.5

Source: Basic data from Directions of Trade, IMF, November 1973.

And it happens that the United States is a particularly large export market for some of the countries that face a particularly large problem from the rise in oil prices. Japan is, of course, the most clear-cut case. Japan must import all of its oil, and about 25–30% of its trade is with the United States. Through some combination of belt-tightening on other imports and accelerated efforts to enlarge exports Japan must find room for the higher oil import bill. And a significant part of that, if the effort is successful, will have to show up as smaller purchases of imports from the U.S. than would otherwise have occurred, and correspondingly larger exports to us.

For Japan to find much of the needed additional foreign exchange through a great leap forward in exports to Western Europe, the only other major high-income area, is not probable. These countries never have any difficulty restraining their enthusiasm over any prospect of greatly enlarged imports from Japan, and in any case they have an oil import problem themselves. We can, in fact, expect our own exports to have somewhat harder going in Western Europe also, and more vigorous efforts on their part to increase their exports to us.

The underlying requirements for these shifts to occur are already evident in the readjustments of exchange rates. The "favorable" effects on the exchange rate of the dollar may give us a new sense of pride that the much-buffeted dollar is once again an honored member of the financial club. These "favorable" effects on the dollar really mean, however, an unfavorable shift in the competitive position of the U.S. in world trade.

Moreover, this change will be coming into the picture during a year in which the industrially developed countries were probably destined to be growing at a markedly slower rate in any case. The OECD had projected for its members, who account for most of the industrial world, a growth rate in real output of only 3¾% in 1974 compared with 6¾% for 1973. Such a projection could even have been optimistic. In such countries as Germany, the U.K., Japan and France there was a shift toward more restrictive economic policies last year, and the effects of these policies were already beginning to show up in domestic economic activity.

There was, in fact, a real possibility that 1975 had the makings already of a synchronized world slump even before oil embargo and price developments further clouded the picture.

The U.S. trade position down the way in 1974 is, therefore, going to be struggling against two adverse developments. One is the great pressure that some of our important trading partners will be under to earn the additional foreign exchange required to cover their oil purchases. The shift in exchange rates to accommodate these trade adjustments, as already mentioned, has begun. While the appreciation of the dollar may temporarily have a favorable effect on our trade balance, as imports in the pipeline cost fewer dollars, the ultimate effect will almost certainly be unfavorable as our international competitive position deteriorates. (This would be the reverse of what occurred when the dollar was devalued—initially an unfavorable effect on our trade balance, followed by a sharp improvement.) And domestic economic developments in the industrial world, which are our important export markets, were also shaping up unfavorably for our trade.

To Americans, long accustomed to treating our international trade as of petty cash fund significance for domestic business conditions, it is hard to believe that these things have much significance for what happens here at home. The year 1973 demonstrated how wrong this can be even for the huge, diversified, and relatively self-sufficient American economy. While exports, for example, have traditionally been roughly 4% of our GNP (in 1972, 4.2%), the rise in our merchandise exports from the third quarter of 1972 to the third quarter of 1973 was equal to 17% of the rise in GNP. Even this, however, understates the impact of this explosion of exports on our domestic economy. Hair cuts produced by Dascola's Barber Shop in Ann Arbor or the imputed rental value of owner-occupied homes, for example, are not apt to be exported. When we eliminate these services from our GNP figures we find that during the year ending with the third quarter of 1973, the rise in our merchandise exports was equal to 31% of the rise in our production of goods.

GOOD BUSINESS ABROAD

Nor was this all soybeans and wheat. Exports of manufactured products during this period rose 39%, reflecting strong economies abroad and improved competitive conditions from the adjustment of exchange rates that began in 1971.

That these trade developments had a profound effect on our domestic economic developments last year is now evident from the facts already available. During the year ending with the third quarter of 1973 the demand for goods and services in real terms here at home rose 4½%, only slightly more rapidly than the enlargement of our capacity to produce. With the net demand from abroad added to this, however, the rise in total demand for our output in real terms rose 5½%. The addition of a full percentage point to the growth in demand for our output, at a time when resources were already under pressure, was bound to have a severe effect on our rate of inflation. The single most important thing missed a year ago in the generally poor forecasts of the 1973 rate of inflation was the synergetic effect on our trade, and therefore on our domestic economy, of the domestic expansion policies in the world's industrial economies that got in phase and the coming into full effect of the devaluations of the dollar.

Are we now facing an equally strong cumulative adverse change in our trade position during 1974? Probably not—at least of the same magnitude as the highly expansive 1973 changes. But 1973 does serve as an illustration of what can happen when governments each take actions seemingly appropriate to domestic conditions but do not take cognizance of interacting effects that tend to magnify the results.

What is now urgently in order is vastly strengthened procedures for closer cooperation in the management of domestic economic policies. And that gives the conference called for next month by the President the outside chance to be one of the year's significant developments. "Outside chance" does, of course, deserve emphasis. The conference is called about oil, not about economic cooperation. And if the participants see their function as forging a cartel of oil-consuming nations that would somehow neutralize the cartel of oil-producers, it will be another meeting about which the participants are able to report that "fruitful discussions were held" (i.e., the conference failed). In any test of wills between two such cartels, some of the consuming nations would be looking at the bottom of their oil tanks before the foreign exchange reserves of Saudi Arabia or Kuwait stopped rising.

There are, however, a couple of agenda items worthy of the participant's best. One is how to manage trade among the developed economies so that we do not have economic warfare breaking out. If each one, without regard to how it is affecting others, tries to push exports and limit non-oil imports in order to balance out even with higher oil bills, the end result will be rising trade barriers rather than rising trade. This is particularly important for the United States since, because the dollar is a key currency, we could wind up being the one against whom all the others try to develop the surplus needed to pay for oil.

NEED FOR SYNCHRONIZATION

An integral part of this problem is, of course, the coordinated management of the 1974 disinflation. This means stronger machinery for keeping fiscal, monetary, and other economic policies of the major industrial nations better synchronized and managed with a closer eye on their cumulative and interacting effects. The February conference probably will not get to these matters, but they may well constitute its one chance for success.

With the trade bill bogged down and international monetary negotiations setting as their objective re-fixing exchange rates (which, if "successful," would be a disaster), international economic cooperation did not look like a growth industry for 1974. It may still not be. The President's initiative in calling the February conference does, however, open the opportunity to start cooperating within the larger context of economic policy that could yet pull us all back from the edge of economic warfare. And that would be no mean accomplishment.

PERSONAL THOUGHTS OF COMMANDANT OF THE MARINE CORPS ON MILITARY MANPOWER

Mr. McINTYRE. Mr. President, the Navy and the Marine Corps appeared before the Armed Services Committee on February 19th in support of the fiscal year 1975 military procurement authorization request. Gen. Robert E. Cushman, Jr., Commandant of the Marine Corps, followed the Secretary of the Navy and the Chief of Naval Operations in submitting his statement to the committee. In his statement General Cushman had some personal views regarding military manpower which struck a responsive chord with me because of the very human and personal tone reflected in his words which, in substance, represent an appeal to the people of the United States for understanding and support of our sons and daughters who, of their own free will, join the military services in the best interest and tradition of the United States.

I was impressed with these very sincere observations and advised General Cushman during the hearings that I would insert his remarks in the CONGRESSIONAL RECORD. I sincerely hope that his remarks will be widely distributed and read by all Americans. Let me quote from his statement:

As to my personal thoughts regarding the future, the Marine Corps and its sister Services have set high goals of professionalism and readiness. We share the concerns of the Congress and the interests of our people and will strive to serve the Nation in the highest traditions of our heritage.

As a Service Chief, I would be remiss in my duty to the Congress, however, if I failed to report my concern for the future of the military services in the all volunteer environment.

If we are to sustain an effective all volunteer force there must be an awareness on the part of our citizens, our official circles and our media, that the profession of arms is an honorable one. A military career is a life of purpose whose ultimate goal is the protection of our nation and its traditional values. Such a purpose carries with it a high consciousness of responsibility in the conduct of the people's business. Accordingly, we hold ourselves accountable when valid criticism is directed toward our profession. We ask only that criticism be the subject of open, honest debate, giving the public the full balance of information it needs to make reasonable judgments.

The maintenance of an effective military establishment does not rest solely on the sophistication of its weaponry or the funds available to attract recruits. It rests fundamentally on the leadership, integrity and professionalism of its personnel, and on the respect they earn from their countrymen. If the Services are to attract talented young people, we must recognize that basically today's youth seek two things: a purposeful way to serve their countrymen and the public respect that grows from such service. The All Volunteer Force will be extremely difficult to sustain if the esteem for a military career becomes the victim of apathy, ignorance or malice. Loss of esteem is a major danger threatening the vitality of the Armed Services.

In a spirit of partnership with the American people I seek your help in fostering an understanding on the part of all Americans of the basic value of the profession of arms.

THE STANLEY FOUNDATION

Mr. BROOKE. Mr. President, during the past several years I have been impressed with the work of the Stanley Foundation, a nonprofit organization whose main purpose is to promote peace with freedom and justice. The headquarters of the Stanley Foundation is in Muscatine, Iowa. I am sure my colleagues from that State share my sentiments regarding the foundation.

The main focus of attention of the foundation is on the United Nations. Conferences dealing with U.N. matters are periodically convened. These include:

The Conference on the United Nations of the Next Decade which brings together international statesmen to consider problems and prospects of the United Nations. Its report recommends changes and steps considered practicable within the next 10 years.

The News Media Seminar at the United Nations attended by representatives of news media. They become familiar with news procedures at the United Nations and are briefed on United Nations activities.

The Conference on United Nations Procedures focusing on organizational and procedural reform of the United Nations. Participants come largely from the United Nations Secretariat and various Missions to the United Nations.

Other activities of the Foundation include:

The Strategy for Peace Conference which explores urgent foreign policy concerns of the United States. It attracts individuals from a wide spectrum of opinion and belief who exchange ideas and recommend action and policies.

The Center for World Order Studies, a project of the Stanley Foundation in cooperation with the University of Iowa. The center seeks to promote world peace through education and research. High priority is given to the improvement of classroom and community education to better meet the demand of the contemporary and future world community.

Occasional Papers focusing upon study toward improvement and development of international organization more adequate to manage international crises and global change and specific topical studies of U.S. foreign policy and world order.

Vantage conferences designed to anticipate and evaluate in-depth developing issues relating to U.S. foreign policy and international organization.

Early in 1974 the foundation sponsored a Conference on Ocean Survival for the purpose of acquainting Members of Congress and congressional staff with the many problems related to oceans. Experts discussed several aspects of ocean issues including resources, pollution, legal questions, and the United Nations Law of the Sea Conference. From the reports I have received this was an extremely successful endeavor.

In the coming months the Stanley Foundation will provide many Members of Congress with summaries of the conferences it sponsors. I have found such summaries to be useful in the past and believe that they will continue to be so in the future. I encourage my colleagues to avail themselves of this excellent source of information.

THE ROOTS OF THE ENERGY CRISIS

Mr. McGOVERN. Mr. President, millions of Americans are genuinely puzzled by the so-called energy crisis. They wonder, in anguish in many instances, how the strongest Nation in the history of the world could have stumbled into an energy shortage of such dimensions.

A team of reporters of the New York Times has provided a thoughtful summary of the historical background of our present dilemma, in an article by Linda Charlton, entitled "Decades of Inaction Brought Energy Gap: Lack of Coherent Policy Left Vacuum the Oil Industry Was Eager To Fill." I ask unanimous consent that this article, from the February 10 issue of the Times, be printed in the RECORD.

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

DECADES OF INACTION BROUGHT ENERGY GAP

(By Linda Charlton)

Barely three months ago, President Nixon told the nation that its energy problems had become an "energy crisis." Since then, thermostats and speed limits have dropped obediently, but the initial shock has not faded —only soured in perplexity, disbelief and cynicism.

For the last month and a half, Americans have been lining up at gasoline stations, worrying whether next week—or next summer, or next year—will be worse.

During the last two weeks oil companies have been reporting soaring profits, and more than a half-dozen Congressional committees have been looking into the methods by which they were made.

MINISTERS TO MEET

And tomorrow the foreign ministers of 13 major oil-consuming nations and organizations meet in Washington in search of common solutions to the problem.

Many Americans do not believe that a "crisis" exists. Many others are convinced of conspiracy in the back rooms of government, Arab sheiks, and huge international oil companies. Almost everyone, skeptical or simply puzzled, wants to know how the United States got here from there.

From a recent past in which Americans were urged to drive bigger cars farther, live and work in artificial climates and gauge

their national success in terms of the expenditure of apparently boundless energy, they have moved into a bleak present, a time when kilowatts and mileage must be measured with care.

An investigation by The New York Times found a complex but traceable pattern—not so much of conspiracy as of national complacency, and, above all, Government inaction going back decades. Not so much bad policy—although hindsight exposes that, too—as no policy at all. What was left was a vacuum that the oil industry was only too eager to fill, especially in the absence of significant countervailing forces.

SECRET 1950 DECISION

There were decisions made and decisions avoided. A secret, top-level Government decision in 1950 made it more profitable to drill for oil overseas. A 1956 national commitment to a concrete web of highways made more people even more dependent on the larger, less economical cars happily provided by Detroit.

A blinkered consciousness led environmentalists to ignore the possible consequences of their successes. A crucial Supreme Court ruling made natural gas too attractive to the wrong users. A system of oil import quotas instituted in the Eisenhower Administration for "national security" endured through 14 years of political bargaining, through a "little arrangement" in the Kennedy years and a "just darned complicated" decision in the Nixon Administration.

"I wish it were as simple as a conspiracy," said Walter J. Levy, a noted independent oil economist, in a recent interview.

"Just damn foolishness," is the diagnosis of John F. O'Leary, a former deputy assistant Secretary of the Interior for Mineral Resources.

Stewart Udall, Interior Secretary in the Kennedy and Johnson Administrations, admits: "We didn't have a national energy policy."

And Frank N. Ikard of the American Petroleum Institute says, "The Federal Government absolutely refused to recognize or come to grips with this problem until 90 days ago.

"Government energy policy has been formulated in Dallas and Houston and rubber-stamped here in Washington," said S. David Freeman, a former White House energy adviser who now heads the Ford Foundation's energy project.

"The ad hoc, diffuse and often conflicting approaches to individual energy issues that have characterized the past will not be adequate for the future," M. A. Wright of Exxon told the Senate Interior Committee in 1971.

"We got to where we are by mistaken public policy," said Prof. M. A. Adelman of the Massachusetts Institute of Technology, a leading academic oil economist.

There have been many warnings that a shortage was coming. They have been largely ignored.

There was the 1952 report by the President's Materials Policy Commisison, better known as the Paley Report, warning of the "extraordinarily rapid rate at which we are utilizing our materials and energy resources."

There was the 1966 annual report of the Atlantic Richfield Company which, while underestimating the growth in demand for oil, warned flatly that "the nation faces the prospect of a domestic energy gap."

There was a National Intelligence Estimate sent to the White House in the spring of 1973 predicting that renewed conflict in the Middle East would surely mean an oil cutoff.

"There was just no way to get people interested in energy when prices were low," said Mr. Freeman, the former head of the Energy Policy Staff of the Office of Science and Technology at the White House. "If the lights are on and the bills are low, nobody cares."

Now, everyone cares.

FOUR DECADES OF GROWTH

Like a number of others, Mr. Freeman looks back for root causes to the New Deal days of the Nineteen-thirties, when, in his words, there were "great social reasons for priming the pump"—for encouraging the use of power by making it available cheaply.

As David Lilienthal, first chairman of the Tennessee Valley Authority, exulted, no function of T.V.A. was more vital than that of electric-rate yardstick, to demonstrate "that drastic reductions in electric rates [would] result in hitherto undreamed-of demands for more and more electricity . . ."

The New Deal premise, based on faith in unlimited growth and unlimited resources, has worked. Energy consumption in the United States has soared beyond the fondest hopes of the New Deal's visionaries. It has more than doubled in the last 20 years, so that by 1972 the United States with 6 percent of the world's population was using one-third of the total world production of energy.

Since 1947, annual consumption of petroleum products has gone from 1.9 billion barrels to 5.6 billion; the use of electricity went from 1,774 kilowatt hours per person in 1947 to 7,800 per person in 1971, when of course, the population was larger. If the rest of the world consumed energy at the same rate, it has been estimated that the world's total energy resources would be depleted by the year 2010.

As important as the amount of energy in looking for the roots of the present situation is the type of energy consumed. Coal, the country's most abundant source of energy, comprising 88 per cent of total reserves, became more difficult to extract and was being superseded even before the new environmental awareness of the nineteen-sixties dealt a major blow to its usefulness.

Oil and gas essential

The United States now is a country that runs on petroleum and natural gas. Together they supply about three-quarters of its energy needs—partly because of a designed way of life predicated on the notion of supplies so ample as to be, in effect, limitless.

At the end of World War II, Americans took to the skies and the highways. The railroads, overworked and undermaintained during the war, were exhausted, inefficient and unattractive. They could not—and, many say, did not really try to—compete with the new glamor of airplanes for long-distance travel; worn-out rolling stock had no allure for veterans who had shining new automobiles to take them to their split-level houses in that post-war phenomenon, the suburbs.

And suburbs, where most Americans live now, were themselves designed on the premise of the individual automobile that has become a national gospel. Since the end of the war, ridership of trains has declined by 83 per cent, although trains are 12 times more efficient than cars in terms of fuel consumption.

During these same postwar years natural gas, a by-product of oil drilling that for many years was simply "flared" or burned off, emerged as a major factor.

Clean-burning and cheap, and heavily promoted by the industry with the "Gas Heats Best" slogan, it has been the fastest-growing energy source, in terms of consumption, over the last 20 years. Today it provides about one-third of the country's total energy consumption.

But by 1972, natural gas was scarce; in 21 states, it was so scarce that no new customers were accepted. Since 1968 more natural gas has been sold in the United States each year than has been found in terms of new reserves, or potential supply. Gas production, despite its accelerating popularity, has declined.

One reason for this—and in the view of many, one of the milestones on the road to the present situation—was a 1954 Supreme Court decision known as the Phillips Petroleum ruling. This, in effect, ratified and expanded the powers of the Federal Power Commission to regulate the price of natural gas at the wellhead—that is, to keep it down.

CITIES PHILLIPS DECISION

Mr. Ikard of the American Petroleum Institute, asked for his views of the factors contributing to the present situation, cited the Phillips decision immediately, saying that it set "an unrealistic price for natural gas, encouraged the [uneconomic] use of gas. It was not the kind of regulation that would do anything but have the disastrous result of discouraging the development of new supplies."

Joseph C. Swidler, the retiring chairman of the New York State Public Service Commission and chairman of the Federal Power Commission from 1961 through 1965, put the matter differently. In settlement conferences with gas companies over pricing, he said, the companies "would never commit themselves to increasing the supply. Their spirit was, 'When are you guys going to recognize we've got the trump here and we're not going to drill until we get our price?' "

Lee White, chairman of the Federal Power Commission from 1966 to 1969, agreed that natural gas had been widely misused and over-used in industry and by utilities. "It's a national scandal, when a utility uses gas as a boiler fuel," he said.

In the same year as the Phillips case there was another, little noticed government decision. According to Mr. O'Leary, who is a fuel economist and also served as director of the Bureau of Mines in the Interior Department, the oil industry—not then, as now, deeply invested in the coal industry—persuaded the Eisenhower Administration to abandon its investment in research aimed at advancing the gasoline-from-coal technology developed in Germany during the war.

Mr. O'Leary believes that this, and the failure to continue other fuel-conversion research, was "the most serious error in energy policy made during the postwar years."

It was two years later, in March, 1956, that one of the many ignored prophets spoke his piece. M. King Hubbert, then a petroleum geologist with Shell, now with the United States Geological Survey, told a meeting of petroleum engineers in Texas that, on the basis of past consumption and of his estimate of reserves, the peak of United States oil production would be reached by 1971 at the latest. It was, in fact, reached in 1970.

This prediction flouted the popular wisdom of the time, which was, he said, "in effect, that we didn't have to worry about oil in our lifetime." Such was the disbelief and consternation, he said, that Shell deleted his prediction when it published his paper.

In frantic efforts to "avoid this unfortunately ominous date," he said, new graph curves were devised projecting reserves at far higher levels that "postponed this to the end of the century." And it was this higher figure that was incorporated in a report to the President by the National Academy of Science made in January 1963.

Mr. Udall lamented: "It's a kind of commentary that I didn't know about him [Hubbert] in all my years in Interior, never spoke to him."

In the same year as Mr. Hubbert's prophecy, the United States committed itself to its biggest peacetime public works project, building the 42,000-mile interstate highway network. At the time, it had widespread support—from both political parties, from economic planners, from industry and labor. Now, many see it as a turning-point, a national commitment to the automobile that was an inducement to build them larger and

more powerful, and a powerful disincentive to expansion of mass transit.

By 1970, indeed, transportation accounted for one-quarter of total United States energy consumption, and the automobile used 55 per cent of that amount.

In 1959, the Eisenhower Administration adopted one of the most controversial policies in the long history of oil company-Government relations. For reasons stated as being based largely on the desire to protect the "national security" against an overdependence on foreign oil, oil imports were to be restricted on a quota basis.

THE ENVIRONMENTAL MOVEMENT

There are some, especially in the auto industry, who lay a significant part of the blame for the energy crisis on the fledgling environmental movement. Irving J. Rubin, legislative planning manager of the Ford Motor Company, calls the Clean Air Act of 1965—the first national-level victory for the movement—a "significant" factor.

What Mr. Rubin and others in Detroit point to are the increasingly tough emission controls for new cars mandated by the act and its 1970 amendments. What they do not point out are the made-in-Detroit factors that have cut fuel efficiency even more significantly, such as air conditioning, which can cut mileage by as much as 20 per cent, and the increasing weight of automobiles. According to a study by the Environmental Protection Administration, "the most popular standard-size passenger cars have gained about 800 pounds from 1962 to 1973."

Most environmentalists concede freely that they were oblivious to the energy consequences of the conservation measures they saw as so desperately needed. Until recently, admitted Joe B. Browder, executive vice president of the Environmental Policy Center, "all of us were approaching the problem from the point of view of what was gumming-up the environment, not energy flows."

Certainly, newly aroused public awareness played a role in the increasing difficulty experienced by oil companies in finding sites for their refineries, and by utilities for their power, such as Con Edison's proposed Storm King Hydroelectric plant, and in the Government decision—after the 1969 Santa Barbara oil spill—to curtail offshore drilling for oil. It has also curbed nuclear power development.

When the first commercial nuclear power plant became operative in 1957, a major role for nuclear power was foreseen—and still is. But now, 17 years later, nuclear power provides only the smallest fraction of the country's electric power, less than 1 per cent of the total. Its development has been slowed by disputes about public and private ownership and by growing concern about safety and pollution, and—not least—by difficulties in developing the technology, which proved to be more complex than anticipated, and more costly.

The Clean Air Act also meant that, between 1965 and 1972, about 400 utilities switched their boilers from coal to oil. Now, the Government is encouraging as many as are able to re-convert, back to coal.

The most celebrated confrontation of energy development versus environmental protection was the three-year battle against construction of the trans-Alaska oil pipeline. The industry asserts that if the pipeline had started on schedule, Alaska today would be supplying as much oil as the Arabs have cut off.

The pipeline is expected to carry about two million barrels a day when it is "on stream." Total present United States daily consumption is about 18 million barrels.

The oil industry holds the environmentalists responsible for a considerable portion of the country's present problems.

"Life under the National Environmental Policy Act [a 1969 measure that required the environmental impact of any action to be taken into account in all Government decision-making and which was a legal basis for the opposition] has approached chaos," the Oil & Gas Journal editorialized in 1972. The Journal is generally regarded as a reliable reflection of the industry viewpoint.

OIL, ARABS AND TAXES

Both domestically and internationally, the mixture of oil and politics has long been a blend of public interest and venality, of patriotism and profit. It was Winston Churchill who, in 1914, first definitely identified the control of oil with national interest when he urged the British Government to buy a controlling interest in the Anglo-Persian Oil Company.

The American oil industry, with a little help from the State Department, first gained a foothold in the Middle East in 1928. It won a concession in Saudi Arabia in 1933—now known as the Arabian American Oil Company (Aramco) and the richest oil operation in the world.

World War II interrupted the pursuit of petroleum riches overseas but only heightened the importance of control over petroleum resources. Harold Ickes, Secretary of the Interior under President Roosevelt, strongly suggested that the United States should enter the oil business directly as Britain had done—a suggestion strongly discouraged by the oil industry.

For the major multinational oil companies, and the oil-consuming countries, the nineteen-fifties and most of the nineteen-sixties were years in which there were few challenges to their dominance from the oil producing countries. What few there were, such as the attempted nationalization of the Iranian oil industry in 1953, were quickly beaten back.

During the postwar era—indeed for 25 years—the price of oil held steady for the most part, at less than $2 a barrel. Oil company profits, however, did not—they rose. The tax benefits enjoyed by the industry contributed significantly to this prosperity, although they did provide a focus for what grumbling there was about the industry.

The best-known of the industry's benefits was the 27.5 per cent depletion allowance that went into effect in the nineteen-twenties and was to remain at that level until the late nineteen-sixties, when it was cut to 22 per cent.

Depletion allowances permit producers of oil and more than 100 other minerals to take a specified percentage tax deduction against the income they receive from each producing property—oilwells, copper mines, and the like—on the theory that the producers' assets are being depleted when the mineral is removed from the ground.

Far less well-known, however, and especially profitable to the industry, was the foreign tax credit decision.

This allowed the companies to describe part of the royalty they paid to the Government of the oil producing countries as a tax, and to then credit this amount against their United States income taxes on a dollar-for-dollar basis.

Until very recently, it had been generally believed that this procedure became effective with a 1952 private ruling by the Internal Revenue Service. At recent Congressional hearings, however, it was disclosed that the decision was made secretly two years earlier and at a far higher level—by the State and Treasury Departments in 1950.

The effects were dramatic. In 1950, Aramco paid Federal taxes of $50-million; in 1951, $6-million. In 1950, Aramco paid $66-million to Saudi Arabia; in 1951, this jumped—to $110-million.

Tax policies such as these, in the view of many, have constituted strong disincentives to domestic exploration, drilling and refining.

"For a long time, our domestic corporations, the multinationals, have been operating abroad not because they wanted to but because how could they resist?," commented Lee White the former F.P.C. chairman.

The per-barrel price of crude oil was, until the late nineteen-sixties, determined unilaterally by the oil companies, not by the producing countries. A producing-stage group, the Organization of Petroleum Exporting Countries, was formed in 1960, in an effort to gain some control over prices and push them up, but for most of the decade it posed no threat to the industry's autonomy. There was a brief, abortive attempt at an oil embargo just after the 1967 Arab-Israeli war, whose failure only encouraged the view that OPEC was powerless.

In September, 1969, the power began to shift. Col. Muoammar al Qaddafi, a young devout Moslem who was also devoutly anti-Communist and anti-West, seized power in Libya. A year later in January, 1971, Col. Qaddafi began demanding higher prices for his oil. Rebuffed with what he considered an insultingly low offer, he resorted to what are now known as the "Arab salami" tactics, not against the powerful major companies but aginst the smaller independents.

The first company to yield, because it was the weakest, was Occidental Petroleum, which gave the Libyan Government a 30-cent-a-barrel increase and a higher tax rate. The other independents toppled quickly, and finally the majors fell.

What the colonel had won, the King of Saudi Arabia, the sheiks of the oil emirates in the Persian Gulf and the Shah of Iran had to have. "The companies simply held no cards," according to Walter J. Levy, the oil economist. From then on, price demands by the producing countries have leapfrogged upward.

Attempts at a united front

There have been attempts by the multinationals to form a united front, attempts supported by the United States Government. In 1970, they were given—reportedly over the unavailing protests of some in the Justice Department's antitrust division—an unpublished "business letter of review" by the department. This amounted to a guarantee of immunity from civil antitrust prosecution for banding together to negotiate jointly with Libya.

Not until June, 1971, did the energy matter seem important enough in itself for any President to devote even one "message" or major, policy-making speech, to the subject. At that time, the United States was importing about 28 per cent of its oil, more than one-third of it from the politically volatile Middle East. And consumption continued to soar unchecked.

As imports rose, there was impetus to reconsider the existing import quota program, which restricted oil imports to a set percentage of domestic production but also, some said, inhibited the expansion or construction of refineries in this country because of a resulting uncertainty about the supply of crude oil.

There had been questions about the program's efficacy before. In 1962, there was a sub-Cabinet level review of the program, and resulting suggestions for change. The system was changed, but changed precisely to the oil industry's order.

"If there was anything high on the agenda [at that time] it was the Trade Expansion Act," said one man who was deeply involved at the Administration end of things. "In order to get the votes, President Kennedy had to concede a good deal—a bloc of votes hinged on this. Senator Long [Russell B. Long, a Democrat from the oil-producing state of Louisiana] and I worked out this little arrangement."

The "little arrangement" revised the formula for the quota and, in effect, cut im-

ports, which was a major gain for the domestic producers.

Senator Long is one of a cadre of powerful men in Congress, their ranks now thinned somewhat, who represented oil-producing states and inevitably, oil interests. This platoon of power also included the late Senator Robert Kerr of Oklahoma (and the Kerr-McGee Oil Company), House Speaker Sam Rayburn of Texas, and Senate Majority Leader—later President—Lyndon B. Johnson.

The oil interests are still as Roland Homet Jr., chief counsel for the 1969 review of import quotas, describes them, "a very effective lobby, fueled by campaign financing," despite the loss of some of their Capitol Hill friends. Some 70 of the 125 members of the National Petroleum Council, an advisory committee almost all of whom are oil-company executives, contributed a total of $1.2-million to President Nixon's 1972 re-election campaign.

Pressures to go along

No single incident better illustrates the industry's clout than the fate of a Nixon's Cabinet task force report in the import quota system. The group, headed by then-Labor Secretary George Shultz, was set up in March, 1969, and released a report in February, 1970, whose majority opinion was that the quota system should be eliminated and replaced with a tariff system. President Nixon, in August, rejected the recommendation. The quota system was ultimately done away with by Mr. Nixon in April, 1973.

Mr. Ikard of the oil industry association conceded that he himself still felt it would have been "a fatal error" to have adopted the Shultz committee's recommendation.

An advance copy of the Shultz report, according to Mr. Homet, was leaked to Standard Oil of New Jersey, now Exxon, to give this largest of all oil companies time to prepare counter-arguments. A vice president of the company admitted to Mr. Homet having seen the report—whose statistical basis was figures supplied, as usual by the fuel oil companies themselves.

Philip Areeda of Harvard Law School, who was executive director of the task force, recalled: "One high official [of an oil company] told me he regretted having given us the optimistic-pessimistic data as distinct from the pessimistic-pessimistic data. In other words, he had drawersful of data. I don't mean to suggest that the oil companies are run by crooks. The nature and meaning of figures is, within any enterprise, subject to some dispute and difference of opinion. . . ."

But the report did recognize that "the Government is profoundly ignorant" in matters of reserves and other statisical material. One of its major reccommendations was that "steps be taken to gather data" independently of the oil companies.

Just why the report was rejected—first delayed "to await the outcome of discussions" with other "affected nations" and finally, in August, turned down definitely—was and still is unclear. General George Lincoln, then the director of the Office of Emergency Preparedness, said it was "just darned complicated." The opposition of many within the Administration, the explosive situation in Libya at that time and domestic politics were all thought to be factors in the decision.

Among the political reasons was George Bush, now chairman of the Republican National Committee, who was running for the Senate in Texas that fall. It was felt that his chances would be hurt if the Administration went along with the recommendation—and against the oil interests.

There is widespread agreement that, in Mr. Areeda's words, "Had the report been adopted in 1970, there would have been less question of an assured source of supply. Therefore, refineries would have been built," and some part of the present crisis eased. There is less universal caution that it might have further increased this country's dependence on Arab oil.

THE "CRISIS" BEGINS

Between the rejection of the Shultz report and last October's oil embargo, which forced the designation of "crisis" on a situation that many Americans had been only dimly aware of as even problematical, there were two Presidential energy messages, a plethora of Congresssional hearings and investigations, and legislative proposals that rarely progressed beyond the proposal stage.

The first Presidential message—in 1971—was an effort to balance accelerated growth of demand for energy with "the new emphasis on environmental protection." There were somewhat vague urgings to conserve energy, combined with new emphasis on "clean" fuel technology, in particular the development of a newer and more efficient source of nuclear power, the breeder reactor. In the second message, in April, 1973, Mr. Nixon announced the demise of the import quota program.

The first nip of what was to become the energy crisis was felt in the winter of 1972, when a severe heating-oil shortage hit parts of the nation.

"In Ehrlichman's desk"

It was, according to Martin Lobel, former energy adviser to Senator William Proxmire, a shortage "contrived" by the majors through cutbacks of inventory to force independents out of business in anticipation of what they saw as inevitable Arab nationalization. The Arab producing states could not get direct access to United States markets if there were no independents to handle their sales.

The oil industry, disputing all charges of "contrivance," says that last winter's experience was just the first widely visible sign of the difficulty the country was headed for.

Despite a widespread perception of White House inaction, John Ehrlichman, formerly President Nixon's chief domestic adviser and the man in charge of energy problems at the White House, said recently that energy was a "front-burner project" in December 1972.

But Elmer F. Bennett, a Washington lawyer with several years' experience in a high post in the Office of Emergency Preparedness, recalled a proposal that, it was believed, would provide strong incentives to expand refineries. It was "discussed and hashed out," he said, and was finally sent to the White House in the summer of 1972. It is "probably still in Erlichman's desk," he said. No action was ever taken.

Mr. Ehrlichman himself conceded, in an Associated Press interview, that the energy problem "lay pretty flat" from March 1972, when Watergate became a White House crisis, until Gov. John Love of Colorado was appointed energy czar at the end of June. And Mr. Love, he added, "Didn't have the levers [of power] available to him."

During that same hectic Watergate spring, a National Intelligence Estimate, a form of report that pulls together the thinking of all parts of the intelligence community from the State Department to the Central Intelligence Agency and the Pentagon, was sent to the White House. It warned, according to a Government official, that if there were another Arab-Israeli conflict, "there would very likely be a serious interruption in the flow of oil from the Middle East."

The chances of war in the next few months, he said, were estimated as "a little less than even," although some, particularly in the State Department, were less sanguine. And the report predicted not an embargo but "cutting off the flow of oil physically," by destroying pipelines, wells and refineries.

The apparent lack of response to this warning, he said, and to other "ample warnings" that "we were getting overcommitted to imports which were in jeopardy," was due in part to "a very simplistic view" of the Arabs that tended to discount their threats as bluff and bluster. Another factor, he added, was "the preoccupation of the Administration with other things, which just prevented them from focussing on this basic issue . . ."

PANAMA CANAL

Mr. THURMOND. Mr. President, the Veterans of Foreign Wars of the United States, under the able leadership of Commander-in-Chief Ray R. Soden, have taken an active interest in preserving U.S. rights to the Panama Canal.

Recently the VFW dispatched a letter to Secretary of State Henry Kissinger and passed a Resolution on this subject.

Both communications are sound and deserve the attention of the Congress and the Nation.

Mr. President, I ask unanimous consent that the letter and resolution be printed in the RECORD at the conclusion of my remarks.

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

JANUARY 14, 1974.

Hon. HENRY A. KISSINGER,
The Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: Since the transit of the S. S. "Ancon" through the Panama Canal on August 25, 1914, the United States has operated this waterway to the clear advantage of the international shipping community.

This record of professional competence and international responsibility has been most impressive. Since 1914 we have witnessed more than 460,000 undisturbed transits with foreign flags and foreign tonnage accounting for more than 90% of the total in both categories.

Contrast this record of accountability with, for one example, the recent actions of many oil-producing states.

Would it be in anyone's real interest to expose the strategically vital Panama Canal to terroristic acts and irresponsible stewardship?

News reports indicate that Ambassador Ellsworth Bunker and Panamanian Foreign Minister Tack have agreed upon a formula which would turn over the Canal and its adjoining Zone to Panama.

On behalf of more than 1.8 million of your fellow Americans in the Veterans of Foreign Wars of the United States, I must register with you my total opposition to the apparent drift of our policy towards a pointless accommodation with the bitterly anti-American and irresponsible government in power in Panama.

I urge upon you the strengthening of the American negotiating position specifically to include the following three points:

(a) U.S. control and defense of the Panama Canal are nonnegotiable;

(b) tensions relating to the administration of the Canal Zone be resolved on the spot without disturbing present treaty arrangements; and

(c) U.S. citizens and employees in the Canal Zone continue to meet their responsibilities under U.S. sovereignty.

If ever there is an unbroken record of an international responsibility fully and fairly met, it is the 60-year American stewardship of the Panama Canal. We have *nothing* to apologize for and a great deal to be proud of.

Panama has real problems in the areas of health, poverty, and malnutrition. It is to these real life problems their government should be turning and not to the contrived "problem" of the Canal and the Canal Zone.

Most sincerely yours,

RAY R. SODEN,
Commander-in-Chief.

RESOLUTION NO. 408: THE PANAMA CANAL ZONE

Whereas, Article II of the 1903 Convention between Panama and the United States, as modified in part by the 1936 Treaty between the two Governments, states:

ARTICLE II

The Republic of Panama grants to the United States in perpetuity the use, occupation and control of a zone of land and land under water for construction, maintenance, operation, sanitation, and protection of said canal of the width of ten miles extending to the distance of five miles on each side of the center line of the route of the Canal to be constructed; the said zone beginning in the Caribbean Sea three miles from mean low water mark extending to and across the Isthmus of Panama into the Pacific Ocean to a distance of three marine miles from mean low water mark with the proviso that the cities of Panama and Colon and the harbors adjacent to said cities, which are included within the boundaries of the zone above described, shall not be included within this grant . . .

The Republic of Panama further grants in like manner to the United States in perpetuity all islands within the limits of the zone above described and in addition thereto the group of small islands in the Bay of Panama, named Perico, Naos, Culebra and Flamenco; and

Whereas, the United States of America has fully met its obligations to Panama under existing treaty arrangements and, morever, has efficiently and responsibily accommodated an ever-increasing number of transits and amount of tonnage through the canal; and

Whereas, the revolutionary government of Panama, a product of coup d'etat, has, since June, 1971, under the guise of seeking new canal treaty arrangements, undertaken a bitter and sustained campaign of anti-American propaganda fueled in large part by Cuban and Soviet Communists; and

Whereas, given the emotionally irrational situation in Panama, a political psychological "timebomb" is being consciously fabricated by the revolutionary government of Panama set to explode to the detriment of the United States and the world shipping community, as was the case in the abortive meeting of the UN Security Council in Panama and the subsequent threat to the U.S./UN Ambassador; now, therefore BE IT

Resolved, by the 74th National Convention of the Veterans of Foreign Wars of the United States, that:

(a) U.S. control and defense of the Panama Canal are non-negotiable;

(b) tensions relating to the administration of the Canal Zone be resolved on the spot without disturbing present treaty arrangements;

(c) U.S. citizens and employees in the Canal Zone continue to meet their responsibilities under U.S. sovereignty; and that

(d) the foregoing position be again communicated to both the President and to the Congress.

GRUENING NOMINATION ENDORSED

Mr. McGOVERN. Mr. President, on February 6, I had the pleasure of announcing the nomination of former Senator Ernest Gruening for the 1974 Nobel Peace Prize. His well-deserved nomination has since been heartily acclaimed by cheers of support from Senator Gruening's former colleagues and admirers in the Congress and throughout the Nation.

On February 13 Senator Gruening was honored by his home State of Alaska with a resolution, passed unanimously in both houses of the Alaska Legislature, wholeheartedly endorsing his nomination for the Nobel Prize. This bipartisan effort so aptly illustrates the high respect held by so many for Senator Gruening and regard for his accomplishments and efforts to establish a more peaceful world. I ask unanimous consent that a copy of this resolution, along with an editorial from the Anchorage Daily News enthusiastically seconding Senator Gruening's nomination, be printed in the RECORD.

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

SENATE JOINT RESOLUTION NO. 53: IN THE LEGISLATURE OF THE STATE OF ALASKA

Be it resolved by the Legislature of the State of Alaska:

Whereas several members of the United States Congress have formally nominated Alaska's former longtime Senator and Territorial Governor for the Nobel Peace Prize; and

Whereas no American would be more deserving of this great honor as evidenced by his many years of advocating peace for all mankind and the espousal of numerous other humanitarian causes; and

Whereas Senator Gruening was an indefatigable champion of peace and his courage and foresight are demonstrated on the public record, including his Senate opposition to United States intervention in Vietnam, starting in 1963, and his continuous and ceaseless efforts both in the Congress and throughout the country to win a re-evaluation and reversal of United States policy; and

Whereas, in addition to his insatiable quest for peace in the Far East and other areas of the world, he was and remains widely known as one of our nation's and the world's leading advocates of population control since the early part of the century; and

Whereas, originally a physician, he demonstrated throughout his long and distinguished public career that he maintained as a guiding principle the espousal of man's humanity to man;

Be it resolved by the Alaska State Legislature that it wholeheartedly and enthusiastically supports and endorses the nomination of Ernest Gruening for the Nobel Peace Prize and respectfully requests the members of the Nobel Peace Prize Committee to give every consideration to the nomination of this great and distinguished Alaskan, American, and world humanitarian.

Copies of this resolution shall be sent to all members of the Nobel Peace Prize Committee.

[From the Anchorage Daily News, Feb. 13, 1974]

A HEARTY SECOND

With a combination of respect for a veteran statesman and pleasure at the good fortune of an old friend, we second—in spirit—Ernest Gruening's nomination for the Nobel Peace Prize.

All other accomplishments aside, the former senator from Alaska was a voice for peace in Vietnam when almost no one was listening. Mr. Gruening was one of the two senators to vote against the Gulf of Tonkin Resolution in 1964, earning him a lonely place as a dove among Senate hawks.

But 10 years hence, Mr. Gruening has become known as a peace prophet, whose anti-war decisions were preludes to the mushrooming peace movement. Although nearly 80 in 1964, Mr. Gruening was a spark that fired the nation's young to protest the war in Vietnam. They listened and fell in line behind a man 60 years their senior, and it was their protest that turned this country against a war nobody really wanted or needed.

Mr. Gruening was nominated by fellow leaders who eventually followed the Alaskan in the Senate effort to halt U.S. involvement in Vietnam—Sens. George McGovern, D-S.D.; Mark O. Hatfield, R-Oreg., and Frank Church, D-Idaho. In their letter to the Nobel Peace Prize Committee in Oslo, Norway, the three senators said: "Sen. Gruening's courage and foresight are demonstrated on the public record, including his Senate opposition to U.S. intervention starting in 1963 and his ceaseless efforts both in Congress and around the country to win a re-evaluation and a reversal of U.S. policy."

Ernest Gruening is now 87, and just as outspoken on matters of peace and human rights as he was in 1964. He has had a remarkable career: Physician, journalist, editor of the New York Evening Post, ambassador to Mexico, governor of Alaska and U.S. senator. He is also a scholar, historian and author. He was a champion of Alaska statehood and a champion of Alaska's Natives. He was at the head of the fight for civil rights.

Ernest Gruening as always has been a man of principle, sometimes bucking a rushing tide to stand up for his cause. His cause has always been for the dignity of man, as was the cause of Dr. Martin Luther King and Dag Hammerskjold—both recipients of the Nobel Peace Prize.

Indeed, Mr. Gruening is a man of equal stature, and his efforts for peace can stand beside theirs. It was a statement of wisdom that he was nominated. It will be a statement of wisdom if he is selected.

REFORM

Mr. BROCK. Mr. President, this new session will have many huge, complicated problems with which to deal, and we will all at some point be judged on how we face up to them. It is not an understatement to say that how we act now will contribute substantially to the preservation of our system of government in future years.

Recently, noted columnist James Reston wrote an article pointing out many of the major tasks that the Congress faces today. The point he dwelt on was that Congress has to immediately begin the task of wresting back some of the powers which it has voted away over the years. I wholeheartedly concur, and I ask unanimous consent that Mr. Reston's article be printed in the RECORD for the consideration of my colleagues.

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

LET'S HEAR FROM CONGRESS

(By James Reston)

The Congress has been asking all the tough questions lately about President Nixon and the Watergate "horrors," but now the Congress itself is going to have to come up with some remedies for the outrages it deplores.

Otherwise, it will be hard to avoid the conclusion that members of Congress, and particularly the Democratic leaders and majorities of both houses, are more interested in condemning the political scandals of the last Presidential election than in reforming the financial causes of the corruption.

This is a complicated subject, but the simple fact is that the present system of

financing Presidential and Congressional campaigns is a national disgrace, and most members of Congress who solicit funds from big givers, and most of the big givers, concede the point.

Also, it is generally agreed that now is the time if ever, while the evidence of Watergate corruption is still coming out, to get corrective legislation through the Congress, and to provide some consolation that the 1972 scandals will at least result in a more equal and corruption-proof system of paying for political campaigns.

Many members of Congress, including Hugh Scott, the Republican minority leader in the Senate, Edward Kennedy of Massachusetts, and Fritz Mondale of Minnesota, have been working on a bill that would provide public financing for both Presidential and Congressional campaigns, but many others are opposing it and the whole question is in danger of getting caught up in a parliamentary tangle.

One reason for the tangle is that the campaign financing bill already passed by the Senate would provide an equal amount of Federal funds for both major candidates in a Congressional race—a minimum amount of $90,000, for example, for candidates in the House.

Members now sitting in the House are not in general enthusiastic about this principle of financial equality. They got where they are today under the old system of private financing, and might be in trouble if any opponent had an equal chance to unseat them. So while they denounce Watergate, and proclaim the virtues of equality in Congressional campaigns, many of them exploit the complexity of the issue to oppose new legislation that might help their opponents.

Another point: The campaign financing question, while fundamental to Congressmen and campaign financing reform, is so complicated that it is seldom mentioned in the network news shows and usually winds up back in the newspapers among the Exxon ads urging people not to buy gas. Even papers that howl for campaign financing reform on their editorial pages bury the news of the legislative battle for reform in their news pages.

It may be, however, that the only thing we will get out of the Watergate tragedy is not the resignation or impeachment of the President, but new laws to control campaign financing, to outlaw the bugging of private citizens and even public servants, and to supervise the activities of White House types like Messrs. Ehrlichman and Haldeman, and powerful agencies like the C.I.A., the F.B.I. and the Internal Revenue Service.

Some members of Congress, like the two unusual Senators from Wisconsin, Proxmire and Nelson, keep looking beyond Watergate to the lessons of that silly exercise, but most of their colleagues keep concentrating on the past.

The public, and even most of the newspapers, do the same. But the promises of the President to disclose everything, which he doesn't disclose; and of Rose Mary Woods to explain everything, which she doesn't explain; and of J. Fred Buzhardt, the President's lawyer, to trust things that are almost beyond belief—only add to the confusion and doubts about the integrity of the Executive.

The question now lies with the future and the Congress, and whether the gentlemen on Capitol Hill will play politics with the problem or try to correct it.

The Congressmen have been complaining for almost a quarter of a century that their constitutional responsibilities have been taken away by the White House and by a press that looked to the President for leadership, but now they have the opportunity to pass laws to correct the political corruption they have been complaining about and benefiting from.

The issue is plain before them in bills to be passed or rejected, and while they are complicated bills, it will be interesting to see whether they vote for the interest of the nation or make the same mistake as the President and vote for their own selfish and parochial concerns.

FOREST MANAGEMENT APPROPRIATIONS

Mr. PACKWOOD. Mr. President, we have all now had an opportunity to review the proposed fiscal year 1975 budget that was submitted by the administration. Each of us has his own particular interests and, in the natural course of events, tends to concentrate on those interests in his review of the total budget.

I would like to take this opportunity to call your attention to the budget proposed by the administration for the management of the natural resources on National Forest Service holdings. In brief, the proposed budget is far from adequate to meet the needs of either today or the future. It is with respect to meeting future needs of our people, however, that the proposed budget is particularly deficient.

Our national forest lands are used by millions of people for countless reasons. Some enjoy the abundant recreational opportunities these lands provide. Others exalt in the indescribable beauty of virgin wilderness. Still others are dependent on the forest and other lands in the national forest system for their very livelihood. The needs of each can be met if only we will adequately plan and budget for the future. The needs of none will be met if we fail to do this.

It is the need for just such an approach to the management of our national forest system that prompted me to join with Senator HUMPHREY and several others to cosponsor S. 2296, the Forest and Rangeland Environmental Management Act of 1974. The Committee on Agriculture and Forestry recently reported this legislation to the Senate. The proposal deserves the support of the entire Senate, and I am hopeful that this approval will be forthcoming soon.

In the meantime, however, it is essential that we view the proposed fiscal year 1975 budget in the light of the objectives expressed in S. 2296, and, above all, to view such expenditures not simply as outlays of Federal funds, but rather as investments in the future well-being of our natural resources and the abundant good that will flow to all of our citizens.

I would direct the attention of my colleagues to an article recently published in the Portland, Oreg., Daily Journal of Commerce. This article discusses the adverse impact to be felt in the near future by just one segment of the population—that which depends on the forest for its livelihood. The story it tells, however, is just as true for any other use of the forest resource. If we do not begin today to better manage our resource, it simply will not be available for use by future generations.

I ask unanimous consent that the article be printed in the RECORD, along with the proposed budget for the Forest Service for fiscal year 1975.

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

IS LUMBER NEXT ON CRISIS LIST?

(By Robert G. Swan)

Is there a lumber and plywood crisis right around the corner? For Oregon, suffering for months now the pains of inadequate gasoline supplies, thoughts of such problems in the state's No. 1 basic industry must be considered most seriously. Where does the talk of wood products shortages come from? Actually, it has been around a long, long time. To some, the discussions are merely historic. Instant recall goes back just to the 1972–73 span when lumber demands outstripped available supplies. There is reason to assume the shortage of petroleum products will leave their slowdown on logging operations and the transport end for marketing mill production. The problem has been well summed up and the issue of a lumber and plywood crisis placed squarely on the line by a top spokesman for the wood products people. Alfred Baxter is president of the National Forest Products Assn. The San Mateo, Calif. forest industry leader comes out flatly, no mincing of words, in predicting a pending crisis. It will come as soon as home building surges to expected levels this year, the association head says in straight-from-the-shoulder manner.

"Energy is already in crisis, wood is about to be." It will come when the currently depressed housing market rises again as expected late this year. There will be a wood crisis similar to the one last spring which provoked home builders to stage a protest march of sorts on Washington, D.C. "It was that way in 1946–47, 1968–69 and 1972–73," Baxter emphasizes. "It will be that way again unless steps for increasing the supply of timber are taken. The impending wood shortage has been foreseen and documented in minute detail. We cannot permit what happened with the energy situation to happen with our most abundant renewable industrial resource." He cites three recent housing studies forecasts. The surveys point to an average demand of "between 2.3 and 2.9 million units a year until 1980." In the last three months of 1973, the most recent quartely figures available, housing starts averaged 1.5 million units on a seasonally adjusted basis.

The president of the forest products organization goes on to cite other studies. "Three studies of wood supply and demand offer evidence of what is wrong and what needs to be done. The studies," the Californian reports, "all conclude the way out of the wood supply dilemma is intensive management of forests to grow more trees for more wood fiber without undue harm to the environment." To Baxter's mind, the remedies are not too complex. Again, he cites the figure three. A remedy in three steps: First, reforest lands that are not now stocked. Second, replace the slow-growing trees in old-age stands with fast-growing young trees. Third, intensify forestry programs nationwide to accelerate tree growing on all forest lands.

More Federal money will be needed than is now appropriated, Baxter explains. "More of the revenues earned by the government through National Forest timber sales should be put back into tree growing. Funds for timber management are not expenditures but investments . . . which can yield both products and environmental dividends." Baxter is not kind in his words for the preservation extremists. A group, he cites, has bent on a reckless race to withdraw undeveloped public timberland from timber production. "A preservation coalition has lambasted every program to solve the timber supply crisis, mainly by proliferating our cases to obstruct all but their own self interests."

Some extremists, the California forest products man will tell you, preach zero growth, even though it is through growth the environmental cleanup job and improved environment must be financed. Timber management is compatible with other forest uses, Baxter reminds—almost as if to tell Oregonians they should take a look around them. Take a look at the tree farms of small operators or the massive renewing of timberland resources as undertaken by Crown-Zellerbach, Georgia-Pacific, Weyerhauser, International Paper and many others. Irresponsible some segments of the timber industry might have been, but that was longer ago than memory of most. The National Forest Products Assn. president reminds, "Timber growing and production can meet air, water and solid waste pollution control standards. And, any adverse impacts for wood are substantially less than for alternative and non-renewable materials, such as metals and plastics."

DEPARTMENT OF AGRICULTURE—BUDGET ACCOUNTS LISTING

[In thousands of dollars]

Account and functional code		1973 actual	1974 estimated	1975 estimated	Increase or decrease (—)
FOREST PROTECTION AND MANAGEMENT					
Forest Service—Federal Funds					
General and special funds:					
Forest protection and utilization 402	BA	393,786	354,937	385,367	—77,530
			90,800		
			17,160		
	O	374,818	355,300	387,462	—58,638
			90,800		
Construction and land acquisition	BA	48,795	28,443	24,147	—2,296
402	O	28,085	49,990	33,919	—16,071
Youth Conservation Corps 402	BA	3,500	10,000	10,240	240
	O	3,255	8,015	10,214	2,199
Forest roads and trails:					
402	BA	----------	6,000	----------	—140,000
Contract authority	BA	----------	134,000	----------	
Permanent	BA	----------	140,000	140,000	
Liquidation of contract authority		(158,840)	(92,200)	(121,000)	(28,800)
	O	140,618	126,628	116,000	—10,628
Acquisition of lands for national forests, special acts (special fund) 402	BA	80	94	161	67
	O	87	80	150	70
Acquisition of lands to complete land exchanges (special fund) 402	BA	----------	55	39	—16
	O	----------	55	39	—16
Cooperative range improvements (special fund) 402	BA	700	700	700	----------
	O	700	700	700	----------
Assistance to States for tree planting 402	BA	1,020	1,013	1,346	333
	O	898	1,090	1,342	252
Construction and operation of recreation facilities: Indefinite 402	BA	----------	3,278	1,260	—2,018
	O	----------	3,128	1,150	—1,978
Other general funds 402	O	8	342	----------	—342
Forest Service permanent appropriations (special funds): Permanent indefinite 402	BA	142,995	183,370	165,363	—18,007
	O	137,106	184,364	168,184	—16,180
Intragovernmental funds:					
Working capital fund 402	O	—5,227	—3,801	—3,158	643
Consolidated working fund 402	O	—1,461	1,334	----------	—1,334
Total Federal funds Forest Service.	BA	590,876	967,850	728,623	—239,227
	O	678,887	818,025	716,002	—102,023
Trust Funds					
Cooperative work: Permanent, indefinite 402	BA	61,639	63,700	67,600	3,900
	O	44,321	57,293	60,096	2,803
Total Federal funds Forest Protection and Management.	BA	590,876	967,850	728,623	—239,227
	O	678,887	818,025	716,002	—102,023
Total trust funds Forest Protection and Management.	BA	61,639	63,700	67,700	3,900
	O	44,321	57,293	60,096	2,803
SUMMARY					
Federal funds:					
(As shown in detail above)	BA	12,165,564	12,257,400	14,521,834	2,264,434
	O	10,794,324	9,754,050	9,667,274	—86,776
Deductions for offsetting receipts:					
Proprietary receipts from the public 350	BA	—152,602	—2,491	—2,718	—227
	O				
400	BA	—483,242	—433,569	—472,484	—38,915
	O				
700	BA	—39	—39	—39	----------
	O				
850	BA	—112,249	—245	—245	----------
	O				
Total Federal funds	BA	11,417,432	11,821,056	14,046,348	2,225,292
	O	10,046,192	9,317,706	9,191,788	—125,918
Trust funds:					
(As shown in detail above)	BA	95,235	110,663	117,488	6,825
	O	77,446	104,366	109,448	5,082
Deductions for offsetting receipts:					
Proprietary receipts from the public 350	BA	—32,528	45,821	—48,741	—2,920
	O				
400	BA	—62,707	—64,842	—68,747	—3,905
	O				
Total trust funds	O	—17,789	—6,297	—8,040	—1,743
Total Department of Agriculture	BA	11,417,432	11,821,056	14,046,348	2,225,292
	O	10,028,403	9,311,409	9,183,748	—127,661

THE POWER AND INFLUENCE OF THE PROFESSIONAL MILITARY ASSOCIATIONS

Mr. PROXMIRE. Mr. President, I would like to shed some light on the activities of 41 private military-oriented organizations—influential groups of military and industrial personnel which represent the unseen hand of pressure on Congress for increased defense spending.

Operating in and out of Congress, using lobbyists and educational programs, these tax-exempt organizations wield enormous influence. They have a combined membership of over 6 million, with some overlap, and total annual operating budgets of nearly $36 million.

I do not impute ulterior motives to these organizations, many of which serve their memberships well. But the sum total of their efforts—Army associations touting Army programs, Navy Reserve officers pushing new Navy programs, industry teams looking out for their business interests and veterans urging greater benefits—drives the defense budget upward.

The Pentagon complains about the budget cutting efforts of citizens groups like SANE, the Coalition on National Priorities and Project Budget Priorities, but the real power in Washington and nationwide rests in the highly organized professional military and trade associations.

Ten of the 41 organizations have annual budgets of $1 million or more including the Air Force Association, $2 million, American Legion, $8 to $9 million, Association of the United States Army, $1.5 million, Non-Commissioned Officers of the United States of America, $1.5 million, Retired Officers Association, $1.3 million, U.S. Naval Institute, $1.2 million, Veterans of Foreign Wars of the U.S.A. $5.8 million, American Security Council, $1.4 million, Aerospace Industries Association, $2.1 million, and Electronic Industries Association, $3.5 million.

Thirteen organizations have registered lobbyists or "legislative representatives" including: Air Force Sergeants Association, American Legion, Fleet Reserve Association, Marine Corps League, National Guard Association of the United States, Naval Reserve Association, Non-Commissioned Officers of the U.S.A., Reserve Officers Association of the U.S., Retired Officers Association, Veterans of Foreign Wars of the U.S.A., Motor Vehicle Manufacturers, Aerospace Industries Association, and the Electronic Industries Association.

TRADE ASSOCIATIONS MOST POWERFUL

The most sophisticated operations are conducted by the conglomerates representing hundreds of companies with specialized interests. The Electronic Industries Association has 230 affiliated companies, the Aerospace Industries Association, 48, the American Security Council, 1,500 corporate members, the National Security Industrial Association, 300 companies and the Ship Builders Council of America with 21 shipyards and 19 other allied or affiliated groups.

These conglomerates provide a go-between for ideas and information to flow from defense industry to the Pentagon. They often sponsor symposia for high ranking defense officials and industry experts on the latest military technology. Certain staff members of these associa-

tions even have been given security clearances to carry out this sensitive work.

Nearly all publish newsletters or magazines, some of them slick, expensive publications. The Air Force Association, for example, puts out Air Force magazine which strongly promotes Air Force programs and editorializes against conflicting views. The association has a 60-man staff, a membership of 10,000 with 36 State chapters and 273 local groups supported by a $2 million budget.

The Association of the United States Army publishes Army magazine. It has a membership of 90,000, a staff of 37 and a budget of about $1.5 million.

The Navy League of the U.S. publishes Sea Power and Now Hear This with a budget of $678,000, a staff of 21, and a membership of 48,000.

Nearly all of the organizations are led by active or retired military officers and high officials of defense industry. The National Defense Transportation Association, with 89 local chapters and a membership of 12,000, is headed by Robley L. Mongold of United Air Lines as chariman of the board. The National Guard Association of the U.S. is led by three generals and two colonels with a budget of $674,690 and a membership of 46,000.

The American Defense Preparedness Association publishes Common Defense and National Defense. They have a budget of $750,000 and are led by President Irving J. Minett of Chrysler Corp., Gen. Jean Engler, retired, John G. Zierdt of Beach Aircraft Corp., and Gen. William K. Ghormley.

At least 8 of the 41 are federally chartered corporations under title 36 United States Code. This does not provide them with additional financing but it does lend them national prestige and some of them have charters calling for promotion of the national defense. Among the eight federally chartered corporations are the American Legion, Association of Military Surgeons of the United States, Marine Corps League, Reserve Officers Association of the United States and certain veterans groups.

Seven groups have lobbying restrictions under their tax exempt status of section 501(c)(3) of the Internal Revenue Code which stipulates that no substantial part of their activities may be directed toward influencing legislation. The Association of Military Surgeons of the United States, Association of the U.S. Army, National Defense Transportation Association, Navy League, U.S. Naval Institute, Society of American Military Engineers and U.S. Armor Association are denied lobbying under this provision and do not have registered lobbyists. Nonetheless, their publications contain strong pro-defense spending attitudes.

SPECIAL PRIVILEGES FOR A FEW

Some organizations have taken advantage of their military contacts for special privileges. The Defense Department has confirmed that active duty Air Force personnel used Air Force facilities and official time to recruit attendance at the annual meeting of the Air Force Association and that the Air Force provided space available airlift for 10 Air Force Association officials to fly to Washington for briefings by the AFA.

Navy flag officers traveling in military aircraft to attend Navy League conventions have sometimes invited Navy League members to accompany them. Both of these practices have now been stopped, according to the Pentagon.

Mr. President, I ask unanimous consent that my correspondence with the public affairs office of the Department of Defense on this matter be printed in the RECORD along with the charts I have compiled.

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

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., January 3, 1974.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: Your letter of October 31, 1973, addressed to Mr. Terence McClary, Assistant Secretary of Defense (Comptroller), concerning the activities of nongovernmental associations has been referred to me for reply, since my office is responsible for liaison with all such associations.

Question 1. Department of Defense Policy.

Policies regarding Department of Defense relations with associations fall into two categories: individual activities and official activities.

With respect to individual activities, all Department of Defense personnel are governed by Department of Defense Directive 5500.7, "Standards of Conduct" (copy enclosed). This Directive states in part: "All DoD personnel who are members or officers of nongovernmental associations or organizations must avoid activities on behalf of the association or organization that are incompatible with their official government positions."

Policies relative to official relations are outlined in Department of Defense Directives 5500.2 and 5410.18 and in Department of Defense Instructions 5410.19 and 5410.20 (copies enclosed).

Your questions number 2 through 5 have been answered in relation to the following four organizations in which Mr. Tamman of your staff expressed specific interest: The Association of the United States Army (AUSA), The Air Force Association (AFA), The Navy League of the United States (NLUS), and The Marine Corps League (MCL).

Question 2. Recruitment of Members.

All membership drives are conducted by the organizations themselves. There has never been any official or quasi-official Service-wide program to recruit members. AUSA, AFA, and MCL: These three organizations permit active duty military personnel to become members.

NLUS: Navy regulations specifically prohibit active duty military personnel from membership in this organization. All other U.S. citizens are eligible for membership and are recruited by individual members.

Question 3. Use of Military Facilities and Equipment.

Transportation: In some past instances military transportation has been used, on a space-available basis at no additional cost to the government, for officials of two of these organizations. The Air Force has provided some space-available airlift of approximately 10 Air Force Association officials to Andrews Air Force Base, Maryland, in conjunction with the Association's annual Aerospace Development Briefings. Navy Flag Officers traveling in military aircraft to attend Navy League conventions have sometimes invited Navy League members to accompany them on a space-available basis. Such transportation is not now authorized, particularly in view of the fuel conservation measures which have restricted the number of Air Force and Navy flights of all kinds.

Equipment and Facilities: The policies in Department of Defense Directive 5500.7 are applicable and state in part: "DoD personnel will not directly or indirectly use, or allow the use of government property of any kind . . . for other than officially approved activities. Government facilities, property, and manpower such as stenographic and typing assistance, mimeograph and chauffeur services, may be used only for official government business. . . . This section is not intended to preclude the use of government facilities for activities which would further military-community relations, provided they do not interfere with military missions."

Question 4. Pressure to Join.

In all cases where military personnel are eligible for membership in any organization, any decision to join is a private, personal matter. With one exception (explained in response to Question 5) we are not aware of any improper or undue pressure exerted on Department of Defense personnel to join any organization.

Question 5. Cases of Misuse or Abuse.

In the case of the four organizations in question, the headquarters of the associated Service investigates any questionable activities which are brought to its attention. Where appropriate, corrective action is taken.

We are aware of one instance which involved a complaint to the Army Inspector General, by an NCO stationed at an Army installation in the South. This situation was promptly corrected.

Earlier this year the Department of Defense became aware of an isolated misuse of facilities on behalf of the Air Force Association. This case involved some expenditure of official time and effort to recruit attendance at the annual association meeting. We promptly issued firm policy guidance to correct the situation and to prevent a recurrence.

Question 6. Names and Financing of Associations.

In response to another recent query, we compiled a list of those military-oriented associations (except Veterans organizations) of which we are aware. In examining this two-page list (copy enclosed), you may wish to keep three points in mind:

First, these are all private, nongovernmental organizations. None has any official or quasi-official standing with the Department of Defense. None is officially endorsed by the Department of Defense. All information concerning financing of any of these organizations would have to be requested from the organizations themselves.

Second, except for the fact that each organization on the list has a specific concern with one or more aspects of the wide range of Department of Defense activities, there is no other factor which would provide homogeneity to the wide variety of interests represented.

Third, it is impossible to assure you that the list is complete. It is based on past official contacts. There may be other organizations which never have contacted this office.

I trust this information will be helpful.

Sincerely,

JERRY W. FRIEDHEIM.

Name of organization	Budget	Membership	Publications	Registered lobbyists?
Air Force Association	$2,000,000, calendar year 1973	100,000	Air Force	No.
Airborne Association	NA	10,000	Airborne Quarterly	No.
Air Force Sergeants Association	$368,000, fiscal year 1974	26,000	Sergeants; Worldwide Directory	Yes.
American Defense Preparedness Association	$750,000, fiscal year 1974	35,000	Common Defense; National Defense	No.
American Legion	$8–9 million	2,700,000	American Legion	Yes.
American Logistics Association	$835,000, calendar year 1972	6,500—1,500 firms	The Review	No.
American Veterans of WWI, II, and Korea	$500,000	250,000	National AMVET	No.
Armed Forces Communications and Electronics Association.	$300,000, fiscal year 1974	11,000	Signal	No.
Armed Forces Management Association	$40,000, calendar year 1973	2,175	Defense Manager; Proceedings	No.
Army Aviation Association of America	$100,000	10,200	Army Aviation	No.
Association of Civilian Technicians	$200,000	8,000	The Technician	No.
Association of Military Surgeons of the United States.	$350,000 fiscal year 1974	7,000	Military Medicine	No.
Association of the U.S. Army	$1,500,000 calendar year 1972	90,000	Army	No.
Catholic War Veterans of the U.S.A	$110,000, fiscal year 1974	50,000	Catholic War Veterans	No.
Fleet Reserve Association	$467,726.49, fiscal year 1973	86,623	Naval Affairs	Yes.
Jewish War Veterans of the U.S.A	$700,000	120,000	Jewish Veteran	NA.
Marine Corps Association	$200,000, calendar year 1972	23,800	Marine Corps Gazette	No.
Marine Corps League	$95,676	20,000	Marines Magazine	Yes.
Marine Corps Reserve Officer Association	$50,000	5,000	The World	No.
National Defense Transportation Association	NA	12,000	ND Talk; National Defense Transportation Journal.	No.
National Guard Association of the U.S	$674,690, fiscal year 1974	46,000	The National Guardsman	Yes.
Military Order of World Wars	Confidential	11,800	World Wars Officers Review	No.
Naval Reserve Association	$200,000	15,000	NRA News	Yes.
Navy League of the U.S	$678,000	48,000	Now Hear This; Sea Power	No.
Noncommissioned Officers of the U.S	$1.5–$1.6 million	160,000	NCOA Journal; NCOA Newsletter	Yes.
Reserve Officers Association of the U.S	$400,000	68,000	The Officer; Officer Reporter	Yes.
Society of American Military Engineers	$250,000	27,000	Military Engineer	No.
Retired Officers Association	$1,300,000, calendar year 1973	152,000	The Retired Officers Magazine	Yes.
U.S. Armor Association	$90,000, calendar year 1972	6,000	Armor	No.
U.S. Naval Institute	$1,215,000, calendar year 1973	64,000	U.S. Naval Institute Proceedings	No.
Veterans of Foreign Wars of U.S.A	$5,781,000 fiscal year 1974	1,750,000	Post Exchange, VWF Magazine; Legislative Newsletter, American Security Reporter.	Yes.
Veterans of WWI of U.S.A	$279,000	182,347	The Torch; General Order	No.
CONGLOMERATES				
American Security Council (not tax exempt)	$1.4 million	135,000 contributors; 1,500 corporate members.	Washington Report	NA.
Aerospace Industries Association	$2.1 million, calender year 1974	48 companies	Facts and Figures, Aerospace Magazine; Aerospace Perspectives; 2 Helicopter Directories.	Yes.
Council of Defense and Space Industry Association.	Funded by member organizations on rotating basis.	7 trade associations	None	No.
Electronic Industries Association	$3.5 million fiscal year 1974	230 companies	Executive Report; Electronic Market Data Book; (Various specialized publications).	Yes.
National Aeronautics Association	Not public information	150,000 individuals, corporations and other organizations.	National Aeronautics Magazine; Journal of Aerospace Education.	No.
Motor Vehicle Manufacturers	$13.3 million[1] ($4.9 operating budget)	10 companies	Automobile Facts and Figures	Yes.
National Security Industrial Association	$547–563,000	300 companies	NSIA News	No.
National Aerospace Service Association	$60,345	21 companies	NASSAgram	NA.
Shipbuilders Council of America	$350,000	21 shipyards; 19 other allied and affiliated groups.	Shipyard Weekly; Statistical Quarterly; Merchant Marine Ship Builders Report; Naval Ship Builders Report.	No.

[1] Not included in budget total in release ($36 million).

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

FOREST AND RANGELAND ENVIRONMENTAL MANAGEMENT ACT OF 1974

The PRESIDING OFFICER (Mr. HATHAWAY). Under the previous order, the Senate will now proceed to the consideration of the unfinished business, S. 2296, which will be stated by title.

The legislative clerk read as follows:

A bill (S. 2296) to provide for the protection, development, and enhancement of the national forest system, its lands and resources; and for other purposes.

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

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

Mr. HUMPHREY. Mr. President, it is my privilege to rise to support this bill. I am very proud to do so and to be able to present to the Senate for consideration S. 2296, the proposed Forest and Range Land Environmental Management Act of 1974.

I wish to make note of the fact that due to an error in printing, some of the names of the cosponsors of S. 2296 were omitted in the bill as reported. Therefore, I submit for the RECORD the following complete list of the cosponsors of S. 2296: HUMPHREY, AIKEN, ALLEN, ABOUREZK, BELLMON, CLARK, DOMENICI, EASTLAND, GRAVEL, HATFIELD, HATHAWAY, HOLLINGS, HUDDLESTON, JACKSON, MAGNUSON, MANSFIELD, McGEE, McGOVERN, McINTYRE, METCALF, MONDALE, MOSS, NELSON, PACKWOOD, STENNIS, STEVENSON, and TALMADGE.

Mr. President, this bill was reported unanimously by the Committee on Agriculture and Forestry. It has wide-ranging endorsements both from the conservation community and the timber industry.

I believe it is the next giant step that must be taken if we are to bring our national forest system back into shape while at the same time providing new stature and responsibility to the U.S. Forest Service in the Department of Agriculture.

It provides a solid basis for natural resource planning and action while at the same time offering full public participation and congressional scrutiny into the effectiveness of the husbandry of the Forest Service.

While the bill does not have the total endorsement of the administration, the report which the committee received on the bill indicates that there is considerably sympathy with the concepts in it. We believe that there is a willingness on the part of the administration to join the Congress in seeing to it that all of the renewable resources of our national forest system are protected and renewed for the various uses to which the American people wish for them, whether that be wilderness, timber harvesting, wildlife management, and protection or recreation.

This bill provides for the first time for a true assessment of the status of the national forest system, which will show the importance of the interrelationships of all of the resources which must be managed in accordance with the provisions of the Multiple-Use, Sustained-

Yield Act of 1960. Only in this way can goals be set for the future in a reasonable fashion.

Under our present system we tend to consider each of these resources as a separate entity, unrelated to anything else. I believe that this is one reason why we have allowed the national forest system to decline to its present poor state, in which 5 million acres need reforestation, and another 13 million acres need stand improvement. Further, since we have tended to put most of our emphasis on trees, we have no way of telling at this time what the Federal response should be toward improving other resources within the system.

The goal of this legislation is to enable public and private initiative to meet the full range of opportunities to secure for our people the benefits that can be secured from the roughly 600 million acres of rangeland and 750 million acres of forest land we possess.

The bill envisages direct Federal action on the lands administered by the Federal Government, and encouragement to the States and the private sector to meet their opportunities backed by research at Federal, university, and other levels.

The bill provides for a continuous assessment of resources and uses. The first assessment will be made in this year and presented to the Congress on December 31, 1974.

The next assessment, and each one thereafter, will be made at the end of the decade.

Each assessment will be used for a decade, but they may be updated to reflect new facts needed for decisionmaking purposes.

The assessment will provide a regular and comprehensive data base, on a multiple resource basis, that will enable the Federal Government to set a consistent course while enabling the States and the private sector to likewise consider short- and long-term factors in resource actions.

The program is developed from the assessment and will describe in detail for a 5-year period what the Federal effort should be. This will include the plans on Federal lands, the cooperative efforts needed under Federal programs, and the research that will go forward to meet unsolved problems. The program will be updated annually so that a 5-year projection of needs and goals is available.

The annual budget request will thus be presented against a background of goals that the Congress will have considered based upon an executive recommendation.

The bill provides that the public will have had an opportunity to express itself on what the goals ought to be and why.

In addition to setting up the mechanism to develop a logical plan for the future, the bill also looks toward making the necessary improvements in 5 million acres of national forest which are in need of reforestation and over 13 million additional acres in need of stand improvement. Likewise, backlogs of range land restoration, watershed treatment, fish and wildlife habitat restoration, soil conservation, recreational facility installation, and other similar tasks would be put on the same schedule. These backlogs are scheduled for elimination by the year 2000, subject to the limitations set forth in the bill.

These backlogs would be attacked on a comprehensive basis, because the thrust of the legislation is to make certain that the concepts of multiple-use are applied in a sustained-yield manner. The goal is to have intensive management applied based on the standards in the 1960 act—always bearing in mind that the outputs of resources are to be secured with a proper regard for the ability of the national forest lands to supply these outputs.

I ask unanimous consent that the letter of the Comptroller General and the digest of his report of February 14, 1974, "More Intensive Reforestation and Timber Stand Improvement Programs Could Help Meet Timber Demand," be included at this point in my remarks.

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

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., February 14, 1974.

Hon. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture and Forestry, U.S. Senate.

DEAR MR. CHAIRMAN: Enclosed is a copy of our report to the Congress on how more intensive reforestation and timber stand improvement (TSI) programs by the Forest Service could help meet timber demand.

The report recommends that the Secretary of Agriculture, in subsequent reports on reforestation submitted to the Congress pursuant to a September 1972 act (Public Law 92-421), include:

Information on the total national forest TSI needs and the Forest Service plans for and progress toward fulfilling such needs.

Information on Forest Service headquarters and field offices progress in improving land inventory data and fund allocation procedures to insure that reforestation and TSI funds are applied first to those areas where such work will result in optimum timber growth and other multiple-use benefits, such as improved recreational, watershed, or wildlife areas.

The report also recommends that the Forest Service require its field offices to set target dates for completing the planned improvements in the land inventory data and fund allocation procedures.

By letter dated October 29, 1973, the Chief, Forest Service, stated that, as the result of our review, the Forest Service had already resolved or improved most of the indicated or expected problems cited. He substantially agreed with our recommendations and cited actions that would be taken to implement them. We have recognized the Chief's comments in the body of the report and have included his letter as appendix II.

The report states that, the Congress, in determining annual funding levels for reforestation and TSI work on national forest land, may wish to consider Forest Service progress in improving land inventory data and fund allocation procedures to insure that funds are used on a priority basis and to reduce the large backlog of land needing reforestation and TSI.

The report suggests that, if the Congress desires to accelerate reforestation and TSI programs, it could (1) increase regular appropriations from the general funds of the Treasury, (2) enact legislation to provide for earmarking and appropriating for reforestation and TSI part of the annual net timber sale payments remaining in the National Forest Fund after all other distribution requirements have been met, or (3) amend the Knutson-Vandenberg (KV) Act to provide for setting aside, on a sale-by-sale basis, enough KV funds to fully cover the cost of reforestation and TSI needed in timber harvest areas and, in connection with such change, provide for annual congressional review of the total amount set aside.

The report points out that, in considering legislation, the Congress should explore with the Department whether administrative limitations should continue to be imposed on the percentage of timber payments that can be set aside for reforestation and TSI.

The Associate Director, Office of Management and Budget, in a letter dated October 12, 1973, stated that our report raised important questions about the legal and administrative limitations of the amount of funds set aside for financing reforestation and TSI. Although he made no specific comments about the source of funding, he stated that the appropriate level of reforestation and TSI investments should be determined by insuring that (1) the investment returns are equal to or greater than returns possible from alternate uses of available funds and (2) the most productive investments are made first. The Associate Director's comments are recognized in the body of the report, and a copy of his letter is included in the report as appendix I.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

DIGEST: COMPTROLLER GENERAL'S REPORT TO THE CONGRESS—MORE INTENSIVE REFORESTATION AND TIMBER STAND IMPROVEMENT PROGRAMS COULD HELP MEET TIMBER DEMAND

WHY THE REVIEW WAS MADE

GAO wanted to find out whether the Forest Service's reforestation and timber stand improvement programs provided for the best possible timber growth on national forest land.

Harvesting, fire, insects, disease, and other causes have deforested much of the Nation's timberlands. Effective programs for reforesting and carrying out timber stand improvements, such as thinning trees on overstocked land, are essential to achieving sustained timber yield from national forests.

FINDINGS AND CONCLUSIONS

The growing demand for timber, expected shortages, and rising prices for such products as lumber and plywood are causing much concern.

Obtaining the best timber growth on national forest land will require accelerated reforestation and timber stand improvement and better land inventory data and fund allocation procedures to insure that available funds are used on the highest priority work.

A report issued in April 1973 by the President's Advisory Panel on Timber and the Environment said the intensity of forestry practices in the 1970s will greatly affect the amount of timber harvested in the 1980s and 1990s. The Panel concluded that a more adequate and timely method of financing management programs for Federal forest land is essential.

The national forest timber yield in fiscal year 1973 was 12.4 billion board feet. The Forest Service estimates that, by intensifying its forest management practices, it can increase the yield to about 20 billion board feet annually by the year 2000. A major portion of this increase will result from reforestation and timber stand improvement work on the estimated 18-million-acre backlog of national forest land needing such work.

The Forest Service acknowledges its land inventory data and fund allocation proced-

ures have not been adequate to insure that available funds are used where reforestation and timber stand improvement would result in the best possible timber growth and other multiple-use benefits, such as improved recreational, watershed, and wildlife areas.

Work needed

The Forest Service finances reforestation and timber stand improvement with appropriated funds and funds authorized by the Knutson-Vandenberg Act of 1930 to be collected for that purpose from timber purchasers. Appropriated funds may be used in both harvest areas and other deforested areas. Knutson-Vandenberg funds may be used only in areas where timber has been harvested.

The Forest Service's application of legal and administrative limitations has precluded it from setting aside enough Knutson-Vandenberg funds to finance reforestation and timber stand improvement needed in harvest areas, and it has used appropriated funds to offset such deficits. As a result, the large backlog of reforestation and timber stand improvement work has not been reduced.

For fiscal years 1968 through 1973, the President's budget requests for reforestation and timber stand improvement totaled about $51.8 million less than the Forest Service's estimated need.

Congressional appropriations for those years included about $7.4 million more than requested, part of which the Office of Management and Budget impounded.

Backlogs have persisted for many years even though:

The Congress enacted legislation in both 1949 and 1972 giving special authority for appropriating funds to reforest large acreages of denuded national forest land.

Timber sold from national forests over the years has returned substantial funds to the Treasury. For fiscal years 1968 through 1972, the return totaled about $838 million.

The Forest Service said about half of the reforestation and timber stand improvement backlog areas need to be studied to determine whether they should be used for timber production.

According to the Forest Service, the reforestation and timber stand improvement needed on the other areas would cost about $724 million and could be done in 10 years.

The final budget requests for fiscal year 1974 included $23.1 million for both reforestation and timber stand improvement. This was $16.8 million less than the Forest Service's estimated need for that year.

The 1974 appropriations act included $32.1 million for reforestation and timber stand improvement—$9 million more than the final budget request.

Forest Service records show that, as of June 30, 1971, needed reforestation and timber stand improvement in harvest areas would cost an estimated $55 million more than the amount of Knutson-Vandenberg funds available. The deficit is understated significantly because not all harvest areas were included.

Legislation passed in 1972 required that the Secretary of Agriculture report to the Congress annually on the scope of the total national forest reforestation needs, plans, and progress. The legislation does not provide for the timber stand improvement backlog.

Plans to improve land data and fund allocation procedures

In 1971 officials of the Forest Service and the Office of the Inspector General in the Department of Agriculture reported long standing inadequacies in available data on location, size, and condition of areas needing reforestation and timber stand improvement.

These officials also reported a need to establish a system for using such data to see that available funds were directed to areas where work would result in optimum timber growth or other benefits.

In June 1972, the Forest Service adopted a plan to improve its land inventory data and fund allocation procedures. The plan, however, did not include target dates for implementing improvements at the field locations. GAO's inquiry in June 1973 indicated that although some progress had been made, resolution of the problem would be gradual over several years.

Because of the legislative objective of managing the forests for sustained yield to meet the Nation's growing demand for timber and because of the problems in meeting that demand, all reasonable efforts should be made to optimize timber growth on national forest land. Carrying out the congressional intent of accelerating reforestation will require increased funding and improved management to insure that funds are used on the highest priority work.

RECOMMENDATIONS

The Secretary of Agriculture, in the subsequent reports on reforestation submitted to the Congress pursuant to a September 1972 act, should includue:

Information on the total national forest, timber stand improvement needs and Forest Service plans for the progress toward fulfilling such needs.

Information on Forest Service headquarters and field offices progress in improving land inventory data and fund allocation procedures to insure that reforestation and timber stand improvement funds are applied first to those areas where such work will result in optimum timber growth and other multiple-use benefits, such as improved recreational, watershed, or wildlife areas.

The Forest Service should require its field offices to set target dates for completing planned improvements in the land inventory data and fund allocation procedures.

AGENCY ACTIONS AND UNRESOLVED ISSUES

The Office of Management and Budget said the GAO report raised important questions about legal and administrative limitations on the amounts of funds that are set aside for financing reforestation and timber stand improvement. It agreed on the need for an operational system for identifying priority timber investment opportunities.

Agriculture said that, as the result of the GAO review, it already had taken action to resolve or improve most of the problems cited. It substantially agreed with GAO recommendations and cited actions it would take to implement them.

It also said that, of the three suggested alternatives for increasing funds for needed reforestation and timber stand improvement (see following section), increases in the regular appropriations would be the most appropriate.

MATTERS FOR CONSIDERATION BY THE CONGRESS

In determining annual funding levels for reforestation and timber stand improvement programs, the Congress may wish to consider Forest Service progress in improving land inventory data and fund allocation procedures to insure that funds are used on a priority basis and to reduce the large backlog of land needing reforestation and timber stand improvement.

If the Congress desires to accelerate reforestation and timber stand improvement programs, it could

Increase regular appropriations from general funds of the Treasury,

Enact legislation to provide for earmarking and appropriating for reforestation and timber stand improvement work part of the net timber sale payments remaining in the National Forest Fund after all other distribution requirements have been met, or

Amend the Knutson-Vandenberg Act to provide for setting aside, on a sale-by-sale basis, enough funds to fully cover the cost of reforestation and timber stand improvement needed in timber harvest areas and could also provide for annual congressional review of the amount set aside.

In considering such legislation, the Congress should explore with the Department whether administrative limitations on the percentage of timber sale payments set aside for reforestation and timber stand improvement should continue.

Mr. HUMPHREY. While various persons are debating whether or not the allowable cut of timber can and ought to be increased, there is substantial evidence that reforestation work is badly lagging on areas which are now being cut over for timber sales.

I note this bill does not get into the question of how much we are cutting or methods of forest land cutting now in litigation.

However, forests that are not replanted will not produce new trees. Not only is the Forest Service budget insufficient to increase the growth of timber on land previously cutover or burned, but the funds are also insufficient to keep planting and stand improvement apace of current levels of cutting. Intensive management, as intended under this legislation insofar as it relates to timber production, means taking the opportunity to get cutover forest immediately back into sound production and growing timber at a site's potential.

An excellent perspective on the extent to which all vital Forest Service programs of national forest system management, cooperation with States, and research are funded well below needed levels is shown in the following material from the hearings on this bill. I ask unanimous consent that the table be printed at this point in my remarks.

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

FOREST SERVICE, FISCAL YEAR 1974

[In thousands of dollars]

	Forest Service request	Department request	President's budget
Forest land management:			
National forest protection and management:			
Timber resource management:			
(a) Sales administration and management	77,545	69,269	69,469.0
(b) Reforestation and stand improvement	39,900	29,136	23,136.0
Recreation-public use	63,418	47,573	41,343.0
Wildlife habitat management	15,000	8,452	7,802.0
Rangeland management	16,700	14,787	14,287.0
Soil and water management	19,200	10,853	10,123.0
Mineral claims, leases, and special uses	10,600	8,017	6,667.0
Land classification, adjustments, and surveys	17,666	9,585	9,085.0
Forest fire protection	48,494	32,982	32,127.0
Maintenance of improvements for fire and general purposes (including communications)	11,800	9,100	8,576.0
Forest advanced logging and construction	9,600		
Payments to employees' compensation fund	2,300	2,300	2,300.0
Subtotal, national forest protection and management	332,223	242,054	224,915.0
Water resource development related activities	6,800	4,022	4,022.0
Fighting forest fires	4,275	4,275	4,275.0
Insect and disease control	13,500	10,585	10,585.0
Cooperative law enforcement program	7,500	2,710	2,527.0
Total, forest land management	364,298	263,646	246,324.0
Forest research:			
Forest and range management research:			
Timber management research	17,846	11,746	11,746.0
Watershed management research	8,497	6,266	6,266.0
Wildlife habitat and range research	6,773	3,473	3,473.0
Forest recreation research	3,203	1,103	1,103.0
Subtotal, forest and range management research	36,319	22,588	22,588.0
Forest protection research:			
Fire and atmospheric sciences research	8,978	7,378	7,378.0
Forest insect and disease research	15,930	9,830	9,830.0
Subtotal, forest protection research	24,908	17,208	17,208.0
Forest products and engineering research:			
Forest products utilization research	11,431	9,131	9,131.0
Forest engineering research	1,478	1,478	1,478.0
Subtotal, forest products and engineering research	12,909	10,609	10,609.0
Forest resources economics research:			
Forest survey	5,033	3,433	3,433.0
Forest products marketing research	2,330	2,030	2,030.0
Forest economics research	3,407	1,407	1,407.0
Subtotal, forest resource economics research	10,770	6,870	6,870.0
Total, forest research	84,906	57,275	57,275.0
State and private forestry cooperation:			
Cooperation in forest fire control	30,000	24,000	16,000.0
Cooperation in forest tree planting	550	325	325.0
Cooperation in forest management and processing	10,000	5,000	5,000.0
General forestry assistance	5,660	2,435	2,435.0
Total, State and private forestry cooperation	46,210	31,760	23,760.0
Total, forest protection and utilization	495,414	352,681	327,359.0
Cooperative range improvements	700	700	700.0

	Forest Service request	Department request	President's budget
Construction and land acquisition:			
Development of recreation-public use areas:			
Budget authority	11,000	2,798	
Program level	11,000	2,798	1,452.9
Water resource development construction:			
Budget authority	15,400	2,329	47.0
Program level	15,400	2,329	1,772.0
Construction for fire, administration, and other purposes:			
Budget authority	49,300	4,001	1,103.0
Program level	49,300	4,001	2,241.0
Research construction:			
Budget authority	16,091	394	
Program level	16,091	394	134.0
Pollution abatement:			
Budget authority	31,300	31,300	23,148.0
Program level	31,300	31,300	31,300.0
Land acquisition, Weeks Act:			
Budget authority	1,380	1,300	1,200.0
Program level	1,380	1,300	1,200.0
Total, construction and land acquisition:			
Budget authority	124,471	42,122	25,498.0
Program level	124,471	42,122	38,099.9
Forest roads and trails:			
Cash:			
Federal-Aid Highway Act	200,000	150,845	87,700.0
10-percent fund	36,400	38,500	40,900.0
Budget authority:			
Federal-Aid Highway Act			
10-percent fund	36,400	38,500	40,900.0
Program level	236,600	174,370	111,800.0
Acquisition of lands for national forest, special acts	370	294	94.0
Acquisition of lands to complete land exchanges	55	55	55.0
Assistance to States for tree planting	2,500	1,020	1,020.0
Construction and operation of recreation facilities	3,546	2,925	3,546.0
Scientific activities overseas (special foreign currency program)	3,000	3,000	1,000.0
Youth Conservation Corps	30,000		10,000.0
Additional programs proposed:			
Surface environment and mining	6,800		
Rural fire protection (proposed legislation)	7,000		
Urban and community forestry	1,200		
Alaska Native Claims Settlement Act	1,047		
Forestry incentives (proposed legislation)	10,000		
Subtotal—appropriated funds:			
Budget authority	722,503		410,172.0
Program level	922,703		493,673.9
Expenses, brush disposal:			
Budget authority	15,000	18,000	18,000.0
Program level	18,538	19,157	19,157.0
Forest fire prevention:			
Budget authority	250	250	250.0
Program level	275	275	275.0
Restoration of forest lands and improvements:			
Budget authority	50	50	50.0
Program level	50	50	50.0
Payment to Minnesota	260	259	259.0
Payments to counties, national grasslands	554	549	549.0
Payments to school funds, Arizona and New Mexico	75	115	115.0
Payments to States, national forests fund	90,800	56,012	102,012.0
Cooperative work, Forest Service (trust fund):			
Budget authority	43,000	55,000	55,000.0
Program level	46,632	50,348	50,348.0
Grand total:			
Budget authority	872,492	611,532	586,407.0
Program level	1,079,887	743,932	666,438.9

Mr. HUMPHREY. Mr. President, the table shows how harshly and illogically the three vital elements of the Forest Service program, forest land management, State and private forestry and research were cut in the executive budget process. While the Forest Service has been cut back before, this year, fiscal year 1974, was especially severe. The Forest Service in fiscal year 1974 was permitted to ask for barely 60 percent of the funds needed. Only the timber sale and range programs had budget requests above 67 percent of the amount Forest Service presented as necessary. Timber sales requests were cut 11 percent and range requests were cut 15 percent as the budget was put together. Reforestation was slashed by 43 percent. Recreation was cut by 35 percent with recreation construction slashed 87 percent. Soil and water management money was reduced by 38 percent. Research was cut 33 percent, as was forest fire protection. Cooperation with States and private owners was neatly cut in half.

Appropriated fund requests for vitally needed forest roads was reduced by 53 percent. In fact, this fund was slashed so deeply that there was only $8 million available for actual forest road construction with appropriated funds. On the other hand, timber revenues were reduced by $179 million so that the burden of building timber roads was carried by the counties who had their share of forest revenue reduced by close to $50 million as a result of this upside-down policy of reverse revenue sharing.

One important thing that this legislation does is revise the priorities for funding roads. If the Executive wants to conduct a truly smaller road program by not asking for the entire current authorization, he will be required to reduce the "revenue taking" method of road construction by an equal amount. The Committee on Agriculture and Forestry carefully considered the plea of the administration that this language be modified. If the record for the past few years, including the fiscal 1975 budget, had shown that the abuse of the "backdoor authority" had ended, the committee, I am sure, would have considered the plea. However, this has not been shown.

The upcoming budget shows that again a mere $8 million will be available for appropriated road construction while backdoor revenue reduction to secure timber road construction at the expense of the counties will balloon to a record $187 million.

May I say to my colleagues that means local areas in many parts of America, that are having a hard time making it, will have their revenues cut from public funds. The counties are going to lose 25 percent of $187 million.

And, if last year's performance is reenacted, the backdoor spending overrun will cause this figure to rise well over $200 million, and the county loss to over $50 million.

It was the careful judgment of the committee that it should not place an absolute limit on securing needed road construction by reducing the price of timber sold so that the purchaser could do the work. However, the committee did decide that the Executive should have to first use the authorization in law, the "front door spending" authority in order to be able to use the backdoor method.

In other words, use the money that is appropriated and authorized before you start taking away from the counties that are hard pressed for local needs.

The fiscal year 1975 budget as proposed, does very little to protect the national forests and amplify the uses possible in a conservative manner. As one looks at the budget, it is dismally striking that it fails to define either short term needs or long term opportunities. In reading it, one gets the feeling that this budget year is the only year in our lives. Virtually every major program is at a standstill even though on paper the dollars requested seem to have risen.

When one lifts the pages of the budget and looks beneath the figures, we see that time after time the proposed increase is merely to cover Pay Act increases and increased GSA rentals for space.

In other words, no long term protection, no picking up of backlogs which have been accumulating for years with unmet needs, no additional funds for reforestation or other programs on these Federal forest and range lands.

The acres reforested will drop by 13,000 and the acres of timber stands improved will decline by 15,000. The recreation budget is at a standstill, as is wildlife and fish habitat management. The rangeland budget will not permit any advance in providing a greater opportunity for conservative and increased grazing. The vital soil and water management program is actually slashed by over half a million dollars. Better minerals management will not be sought.

The necessary forest fire protection program will be cut by over $2 million—despite the fact that the Nation literally weeps every time a forest fire destroys hundreds of millions of dollars of valuable timber. Insect and disease control efforts will likewise be cut back one-quarter of a million dollars, even though it is well known now that at least 10 major insects may provoke epidemic attacks next year.

One of the insect control areas that will suffer the biggest cuts is methods improvement. In 1973 almost $1 million was spent on this needed effort. Next year barely $150,000 will be sought. Changes in the ability to apply insecticides increase the need for methods improvement work. In at least 28 States, forest insects pose serious threats to both public and private forests.

The act of August 10, 1971 authorizes the Secretary of Agriculture to cooperate with State and local governments in the enforcement of State and local laws on national forest lands. Considering the vocal expressions of this administration on the subject of law and order one would expect to see that the program of cooperative law enforcement would have escaped the budgetary knife. It has not. It is cut about $960,000 or 40 percent.

Forest research is generally cut back with watershed, wildlife, range recreation, and fish habitat research taking the biggest cuts. Cooperations with the States in fire control and tree planting is virtually frozen, although there is a small increase for cooperation with the States in developing better sawmilling systems, and in general Forestry Assistance to expand private timber marketing.

In addition, I would note that counties which contain national forest land derive a 25 percent share of revenues from timber harvesting and other resource sales. In fiscal year 1975 the counties will begin to reap the sad results of the almost 100 percent reliance on construction roads by reducing the price of national forest timber so that the timber purchaser must build the road under the timber sale contract. At a time in the economy when rural counties will need all the help they can get, they are going to have their payments cut by $12.5 million. With 25 percent of the national forests within areas now experiencing economic disrtress—the hard core areas as defined by the Department of Commerce—this is hardly the time to cut back on the proper economic assistance that those counties are entitled to expect to support their local schools and roads.

What is needed by the people who use the national forests—and this includes the people who live in and near the national forests as well as far away—is a system of program planning and budgeting that assures that the purposes of the national forests can be realized. The present way in which needs and opportunities are focused, programs are described and budgets presented and displayed is simple not adequate. The broad perspective that is required, in the interest of progressive conservation of our natural resources is totally lacking. Adoption of this legislation will go far toward enhancing the way in which we meet our obligations in planning a forest program that makes sense and is farsighted.

Finally I would address how this bill recognizes the importance of the multiple use concept. The concept of multiple-use management is well established in the National Forest System and it includes five basic uses: forest production, forage production, fish and wildlife production, water production and outdoor recreation, including wilderness. Of the 187,000,000 acres in the National Forest System, half provide these five basic uses and another 28 percent have at least four uses. Considering the fact that the national forests are about half range and half forested land, this demonstrates the high degree to which multiple-use is applied. Another 40 million acres has three of the multiple-uses.

In fact only about 1 percent of the National Forest System is reserved exclusively for a single purpose such as a leased summer homesite, or a campground.

There are some who think of the national forests in terms of timbercutting but the other multiple uses are equally and vitally important. The national forests annually yield almost 400 million acre feet of high-quality water. There are 20 million acres in the West that depend on this high quality water for irrigated agriculture.

Virtually every major western city and many in the East depend upon the mountains of our national forests for the pure water that the residents and industries need. Much of this water does "double duty" flowing through hydroelectric plants on its way to a second use and even a third use. Over 3 million head of livestock graze on the National Forest System ranges and many of the calves that eventually reach a Midwest feedlot get their start on these rangelands.

The fish and wildlife species of the Nation also depend on the national forests. There are, in fact, almost 60 species of endangered fish and wildlife that are found on these lands.

In 1972 the national forest system provided 184 million visitor days of recreational use to Americans. Over 30 percent of this use was camping and picnicking. Almost 30 million visits were for hunting and fishing, about 7 million visits involved winter sports and over 5 million visits were for boating. Another 4½ million visits were for waterskiing and swimming. The list of uses and type of uses is virtually endless.

There should not be the slightest doubt that the American people use their national forests and they want them to be managed so that these many uses can be sustained.

Mr. President, the goal of this legislation is to reform the way short- and long-term decisions are made by providing a comprehensive factual base for all who have to participate in the process. The bill avoids making decisions before the facts are in.

It is not a panacea approach. When the assessment and program come forth these will be subject to wide and careful public scrutiny. I am sure that when we in the Congress hold the review that the bill requires as a condition precedent to enacting a set of goals for the decade ahead, there will be a wide range of views presented. We can expect a constructive and healthy debate as to how we should proceed for the future development and use of our Nation's forest land and rangeland.

If we all approach the task of charting the future with the national interest in mind, I have no doubt that we can chart a wise course. The subsequent budget process each year will benefit because we will be dealing with facts rather

than fantasies and emotions. The continual review process will enable the Executive and the Congress, with public input and support, to revise our goals on a timely basis. We will be able to raise or lower our sights with the knowledge of what is likely to be the result.

While this is a major undertaking, progress has been good. I am pleased that the House Committee on Agriculture has already held hearings on the companion to this bill that was introduced by Representative RARICK, the able chairman of the Subcommittee on Forests.

It is my hope that as he reviews the bill we are enacting and compares it with the original version that he will agree that it is a good bill.

And might I add that this bill has had inputs from practically every organization in America concerned with our forests—public and private, conservation and environmentalists, people who are interested in the forests, the timber interests, people interested in water. All people who have been concerned are brought into the formulation and legislative language in the bill.

In the weeks before July 31, 1973, when S. 2296 was introduced, and after, the staff of our committee worked very diligently to assist in securing the best possible bill.

I compliment the staff who worked many hours, days, and even weeks with groups who are vitally interested in the legislation and in what we were attempting to do. Mr. Harker T. Stanton, committee counsel, who retired on December 31, 1973, after a long and able career, and Michael R. McLeod, his capable successor helped perfect the language of the bill as it moved through its several steps. Mr. Sam Thompson, who serves as staff to Mr. EASTLAND, the chairman of the subcommittee that handled the bill did an outstanding job in the arduous task of perfecting it. Mr. James Thornton and Mr. James E. Giltmier along with Mr. Thompson ably conducted a number of the working sessions with national conservation leaders, eliciting comments, reconciling differences, and presenting useful ideas as the bill moved along. Finally, Mr. Robert Wolf, assistant chief of the Environmental Policy Division of the Congressional Research Service in the Library of Congress, worked with the staff, the committee, and various groups from the beginning effectively developing essential facts, analyzing issues, helping to perfect language for the bill and reports, and briefing members of the committee.

This bill has come along quickly and has achieved wide support because many people have worked hard to help the committee devise an act that addresses the causes of the problems rather than treating the symptoms. For the National Forest System we have concluded that the Multiple-Use Sustained-Yield Act of 1960 is an effective basic vehicle. Earlier we strengthened the cooperative forestry program authority. We concluded that the existing Federal, university, and other research authorities are adequate. When the assessment and program come before the Congress, further legislative needs can be then considered as required.

Probably the best measure of how broad and complete the support is for S. 2296 is shown by this summary of the views of witnesses from our hearings on November 20, 1973. Mr. President, I ask unanimous consent that these be printed in the RECORD along with excerpts from the committee report.

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

FOREST AND RANGELAND ENVIRONMENTAL MANAGEMENT ACT OF 1974

MAJOR PROVISIONS OF THE BILL

The bill would encourage wise and orderly development of the renewable resources of our forest, range, and associated lands. It would—

(1) require the Secretary of Agriculture to prepare a National Renewable Resource Assessment not later than December 31, 1974, and to update it during 1979 and each tenth year thereafter;

(2) expand the resource surveys under 16 U.S.C. 581h to include all renewable resources, and change the appropriation authorization therefor from $5 million annually to the amount needed;

(3) require the Secretary to prepare a Forest Service Renewable Resource Program not later than December 31, 1974, to cover the five fiscal years beginning July 1, 1975, and at least each of the next four fiscal decades, and to update such Program each five years thereafter to cover at least each of the four fiscal decades beginning after such updating;

(4) require transmission of the Assessment and Program to Congress in 1975 and after each updating, and adoption of policy resolutions by Congress within one year after such transmission (to be modified as necessary at the beginning of each new Congress);

(5) require expenditure of funds appropriated to carry out such policy, except to the extent the Appropriation Act provides for discretion, or events occurring after enactment of the appropriation prevent the accomplishment of its purpose;

(6) require an annual progress report by the Secretary;

(7) require national forest system management to be on a current basis by the year 2000;

(8) encourage the use of appropriated funds for forest road and trail construction by requiring a reduction in construction financed by purchasers of forest products whenever appropriation requests or expenditures are reduced below the amount authorized or provided;

(9) direct the Secretary to consider avoiding use of purchaser road construction authority in a manner that would unduly affect forest revenues and payments to a particular county; and

(10) require Forest Service offices to be located near Forest Service operations.

BACKGROUND

In 1876, the Congress created the Bureau of Forestry, in the Department of Agriculture. This began the era of concern for forests and rangelands and resources. In a period that culminated in 1911, when the Committee reported and the Congress enacted the Weeks Law, the Forest Service was fashioned as the core of Federal multiple-use sustained-yield renewable resource management, research and assistance to private landowners.

On January 10, 1924 in the 68th Congress, Senator Charles McNary of Oregon issued a report on reforestation of public and private lands. The conclusion of that report was that the United States was not practicing the kind of husbandry that would insure an adequate supply of timber for the Nation's growing uses in the years to come.

The Clarke-McNary Act enacted June 7, 1924 (43 Stat, 653) broadened the cooperation in fire control, assistance to landowners and other cooperative ventures. In 1928 the McSweeney-McNary Act (45 Stat. 699) authorized a broad program of investigations, experiments and research in growing, managing and utilizing trees, forest products, forage, wildlife, weather and water.

In 1933 Senator Royal S. Copeland chaired a comprehensive effort which produced Senate Document 12. This "National Plan for American Forestry" (73d Congress, 1st Session) was presented by the Secretary of Agriculture in response to the leadership of Senator Copeland. In the 74th Congress in response to S. Res. 289, a document called, "The Western Range" (Senate Document 199) was also presented to the Congress.

On March 24, 1941, during the 75th Congress, Senator John Bankhead of Alabama issued another report which called for better management of public and private lands to insure that our woodlands would be a national asset rather than a liability. Significantly, the report indicated Congress had a full appreciation that the several and varied multiple uses of the forests were important to the American people.

The report talked of sustained yield, which Congress dealt with in the Multiple-Use Sustained-Yield Act of 1960. It recommended incentives for commercial forest production on small private land holdings, which the Committee on Agriculture and Forestry dealt with as part of the Agriculture and Consumer Protection Act of 1973. The report also called for better management of the National Forest System, pointing out the compelling needs for reforestation and the protection of those forest values which the public finds essential.

The debate over conservation goals and the ways to attain them has continued for years. It is not likely to diminish soon. Over the past two decades there have been several efforts to develop a National Conservation Policy. Temporary committees were proposed. The Executive has been active in this regard.

In the 1950's there was Mission 66 for the National Parks, a program for the National Forests, and a public land management plan. All of these were directed toward Federal lands. All of them were followed through with varying levels of action.

It is against this background that the need for this legislation emerges. One of the areas of repeated concern in recent years has revolved around our forests and rangelands. The debate has encompassed both policy in its broadest terms of national direction and goals, and operating procedures and silvicultural practices.

The Committee on Agriculture and Forestry surveyed the general situation in cooperation with many of the concerned public and private groups. The Committee concluded that in terms of the Congressional function to make policy, and for the purposes of improving Executive-Congressional relations, the primary need was to improve the methods by which the Nation secures information on long-range goals and then sets into motion policies and programs which are both flexible and yet sustained over a long period.

The wise and proper management of our Nation's forest and range-land is of paramount concern to the Committee.

While nearly all of our farm land is privately owned, a sizeable portion of the Nation's forest and rangeland is held by the national goverment. This places on the Federal establishment a substantial role as a land manager, along with an important function as a catalyst to provide for sensible husbandry of private lands, insofar as this meets the national interest.

However, to reach conclusions about what ought to be done on the Federal lands, we need knowledge about the current and likely

private actions. Reaching conclusions on how the public effort can help the private effort requires a comprehensive understanding of the whole picture.

In preparing this legislation, the Committee refrained from attempting to determine in advance what National Policy ought to be. That is not the goal of this legislation.

Instead, a course was charted which is designed to produce a National Assessment of the total picture and of specific needs. When the facts of the Assessment are in, a Program will be developed with full public participation, resulting in a common base for subsequent budget requests and action.

The process of fact-finding and goal setting is to be followed up by a detailed process of program evaluation which will determine if the effort being made is accomplishing the mission set forth.

COMMITTEE CONSIDERATION

Questions relating to the condition and use of our renewable resources have increased in number and intensity over the last decade. Each issue has been raised independently and has been put forward with its own body of "facts". The result has been an extended debate over what are the facts, a further extended debate over how one issue relates to others as well as whether the issue raised is a symptom rather than a cause. Time after time the quest has been for a quick and simple solution to the issue in the form it seemed to surface.

One school of thought has been that many "issues" would resolve themselves if only the Federal structure were reorganized. Combining agencies, shifting duties, and moving offices have been recommended as reforms under the theory that form and structure determine substance. The Committee had before it a number of these "issues" ranging from posposals to treat specific resource problems to broader concerns, including organizational issues.

In June, 1973, the Subcommittee on Environment, Soil Conservation and Forestry held public hearings on an Executive proposal to move certain Forest Service offices and to abolish others as well as legislation dealing with issues of National Forest management.

One bill was S. 1775, popularly known as the Timber Supply Act. Because the version before this Congress also dealt with export issues it was referred both to this Committee and to the Committee on Banking, Housing and Urban Affairs. That Committee divided the bill into two parts; one dealing with log exports, which went directly to the Senate Calendar as S. 1033. The other dealt with timber resources and supplies. It came to this Committee as S. 1775.

In addition, the Committee had before it S. 1996, which dealt more broadly with forest land and resources—both public and private.

The immediate crisis provided by the proposed Executive Branch effort to restructure the Forest Service caused not only an in-depth hearing, but also a determination by the Committee that the time had arrived to seek to treat basic causes rather than symptoms.

On July 19, 1973, S.J. Res. 134, which dealt with reorganization of the Forest Service, was reported by the Committee. In addition, on July 11 the Subcommittee on Foreign Agricultural Policy held a hearing on Export Control Policy and on July 30 it issued a report on the issues presented, including log and forest products exports.

However, earlier in the spring, as the Agriculture and Consumer Protection Act of 1973 was under consideration, questions of renewable resource policies on forests and rangelands came up. The Committee included in Title X of that Act the Rural Environmental Conservation Program. It contained a forestry incentives program for small woodland owners. This proposal had originally been introduced by Senator Stennis and had received considerable study.

It was in this period that the Chairman, in consultation with other Members of the Committee, directed that the staff begin to assemble background information and analyze the various issues that had arisen regarding forests and rangelands so that consideration could be given to an appropriate course of action that would have long-term benefits.

Out of this grew the outline for the Forest and Rangeland Environmental Management Act.

A series of concepts were put into legislative draft form. Meetings were held with interested groups which included conservation, industrial and local governmental representatives. On July 31, 1973, S. 2296 was introduced by Senator Humphrey and others. This bill received wide distribution, comment, and reaction.

A further series of informal meetings were held by the Committee staff at the direction of the Committee co-sponsors. In the meantime, the concepts in the bill were receiving generally favorable reaction from other Members of the Senate and the number of co-sponsors was growing.

The refinements that were developed showed that the central idea in the bill had overwhelming support, to wit: The Federal role could be met most effectively by having a comprehensive Assessment of the range and forest land renewable resources which would be the basis for a Program. This Program would be presented by the Executive reviewed in the Congress with public participation, and used as a guide to the formulation of budgets for a reasonable period ahead.

On November 7, 1973, a further revision was introduced with 25 co-sponsors and the Subcommittee held a public hearing on the bill on November 20, 1973. Following the hearing and further working sessions with interested and concerned groups, the Subcommittee on Environment, Soil Conservation and Forestry reported the bill with amendments to the full Committee in Committee Print form on December 7, 1973.

Over the next two months the Committee had the bill under advisement. On February 6, 1974, it was ordered reported by the full Committee.

During the period, on all the issues, the Committee heard approximately 100 witnesses. Far more statements were filed with it on the various bills and on the issue of organization. The informal working meetings, held by the staff, were composed of a cross-section of groups that have diverse views.

The following list of organizations were represented: the Citizens Committee on Natural Resources, the National Wildlife Federation, the Wildlife Management Institute, the American Forestry Association, the National Association of Counties, the National Parks and Conservation Association, the Association of State Foresters, the Industrial Forestry Association, the Northwest Timber Association, the National Forest Products Association, the American Pulpwood Association, the Western Timber Association, and the American Plywood Association.

The distinguished former Chief of the Forest Service, Dr. Richard E. McArdle (1952–1961), participated as a private individual.

The staff also met at length, on a number of occasions, with representatives of the Sierra Club, the Friends of the Earth, and the Wilderness Society. In addition, an even larger number of interested citizens appeared before the subcommittee and offered formal testimony.

SHORT SECTION-BY-SECTION ANALYSIS

Section 1. *Short Title.* The short title is the "Forest and Rangeland Environmental Management Act of 1974".

Section 2. *Findings.* In this section Congress makes a number of findings concerning the Nation's natural resources and the need for comprehensive inventories and planning Forest Service programs.

Section 3. *Renewable Resource Assessment.* Subsection (a) requires the Secretary of Agriculture "through the Forest Service" to prepare not later than December 31, 1974, a National Resource Assessment dealing with America's renewable resources of the forest, range, and other associated lands, and to update such assessment during 1979 and each tenth year thereafter. The Assessment would cover uses, demands, supplies, programs, and policy.

Subsection (b) amends section 9 of the McSweeney-McNary Act of May 22, 1928, to—

(1) provide for making and keeping current a survey of needs and supplies of renewable resources (rather than only of timber and forest products),

(2) authorize appropriation of such sums as may be necessary for that purpose (rather than $5 million annually).

Section 4. *Renewable Resource Program.* This section requires the Secretary of Agriculture to prepare a Program for protection, management, and development of the National Forest System. This Program will also include cooperative programs on non-Federal lands and for research. The Program would initially be prepared by December 31, 1974, and would cover the five fiscal year periods beginning July 1, 1975, and at least each of the next four fiscal decades. It would be updated each five years to cover at least each of the four fiscal decades following the updating.

Section 5. *National Forest System Resource Inventories.* This section requires the Secretary, as part of the Assessment, to maintain a continuing inventory of national forest lands and renewable resources.

Section 6. *National Forest System Resource Planning.* This section requires the Secretary as a part of the Program provided for by section 4 to develop and maintain land and resource use plans for National Forest System units. Such plans are to be coordinated with the land use planning processes of state and local governments and other Federal agencies.

Section 7. *Cooperation in Resource Planning.* This section provides for making the Assessment, resource surveys, and Program prepared under the Act available to states and other organizations in planning for renewable resources on non-Federal land.

Section 8. *National Participation.* Subsection (a) provides for the use of hearings, meetings, advisory groups, and other participatory mechanisms in developing the Assessment, Program, inventories, and planning.

Subsection (b) provides for transmission of the Assessment and Program on the first day of Congress in 1975 and following each updating thereafter.

Subsection (c) provides for hearings and, within one year after submission of the Assessment and Program, the adoption of a resolution by Congress setting policy to guide the President in framing Forest Service and related agencies' budgets for the five or ten year Program period beginning in such Congress.

Subsection (d) provides for review of such Congressional policy by each new Congress within ninety days after convening for the purpose of guiding the President with respect to budgets transmitted during the two fiscal years beginning thereafter.

Subsection (e) provides that each budget, beginning with that for fiscal 1976, shall state the extent to which it meets the Congressional policy and the reasons for recommending any course which fails to meet such policy. Any amount appropriated for purposes covered by the Congressional policy resolu-

tion would be required to be expended and could be impounded only if the Appropriation Act gives such discretion or if the President finds that because of events occurring after enactment of the Appropriation Act such expenditure would fail to accomplish its purpose.

Subsection (f) and (g) require the Secretary to file an annual report evaluating progress in implementing the Program and measuring costs and benefits.

Subsection (h) requires the reports to indicate plans for corrective action and legislative recommendations.

Subsection (i) requires the reports to be in concise summary form with detailed appendices.

Section 9. *National Forest System Program.* Subsection (a) requires the Secretary to develop and administer the renewable resources of the National Forest System in full accord with the Multiple Use Sustained Yield Act of 1960.

Subsection (a) further requires that by the year 2000 renewable resource restoration and intensive management in the National Forest System should be on a current basis, with backlogs eliminated.

Subsection (b) provides that if for any fiscal year the budget request for forest development roads and trails (including the ten percent of forest receipts available under 16 U.S.C. 501) is less than the amount authorized therefor, or if any portion of the appropriation for that purpose is impounded, the amount of construction financed by forest product purchasers under 16 U.S.C. 535(2) would have to be reduced below the preceding fiscal year by an equal amount. The purpose of this provision is to encourage the use of appropriated funds for this work, and to discourage the practice of asking for inadequate appropriations with the idea of relying on purchasers for road construction. The term "impounding" is defined.

This subsection further provides that in applying the authority for purchaser road construction, consideration is to be given to avoiding an undue effect on any particular county's share of forest receipts. Purchaser road construction results in lowering the gross forest receipts which are used in measuring payments to counties under 16 U.S.C. 500 and 501. Timber sales which include road construction via revenue reduction can be made without limit unless proscribed by failure to use appropriated funds. It is not the intent of the Committee to limit the option to use timber purchaser construction when the required level of appropriated funds has been allocated as provided above.

Section 10. *National Forest System Defined. Organization.* Subsection (a) defines National Forest System to include all lands, waters, or interests therein administered by the Forest Service.

Subsection (b) requires Forest Service field, field supervisory, and regional offices to be so situated as best to serve the public, giving priority to location in rural areas and towns near national forest and Forest Service program locations in accordance with section 901(b) of the Agricultural Act of 1970.

SECTION-BY-SECTION EXPLANATION AND JUSTIFICATION

Section 1.—The title of the legislation is the "Forest and Rangeland Environmental Management Act of 1974."

The United States consists of approximately 2.3 billion acres, of which 1.4 billion acres is natural forest and natural rangeland. Another 420 million acres are in improved pasture or cropland and the balance is in other types of land.

This legislation addresses the issues and opportunities on forest and rangeland. It is designed to secure an assessment of the resources on the ecosystems of these lands, but would exclude lands used for such purposes as orchard, crop, improved pasture, agriculture generally and industrial site, transportation, and urban use.

Section 2.—Eleven findings are made which set forth the need for this legislation:

The air, water, soil, plants and animals are cited as finite and renewable resources.

The air is affected and renewed by the living processes of plants and animals.

The soil is the thin mantle of modified organic and inorganic material that covers the earth of a depth of from a few inches to several feet. The interactions of plants and animals renew the life-giving organic components which make the soil a renewable resource.

The water is cycled and recycled by atmospheric and subterranean processes which determine its availability and viability in the life giving processes.

These are the great inter-related processors of our environment which combine and interact to maintain life by sustaining each other in a total environment.

In contrast, the mineral resources and subsurface parent soil are not considered to be renewable within the time frame which this legislation contemplates, although there are certain major mineral deposits and soils which are capable of renewal in the longer geological frame of time.

The conservation of the environment is, therefore, declared to be essential for the achievement of an ecologically healthy and economically functioning resource base.

The fourth and fifth findings take note of the rich national endowment of forests and rangelands which, by their very nature, produce, or are capable of producing—multiple renewable resources, products and benefits.

Manmade decisions have a most significant impact on the nature of the products and benefits that will be secured from forest and range land. For example:

Decisions made by man determine whether forested lands will be allocated to recreational parks, with roads and campgrounds; as scenic backdrop for a mountain vista to be preserved; as carefully guarded stands of trees protecting streams where water temperature is the key to promotion of a fishery; or as forested wilderness, which is a community of life untrammeled by man, where man may be a visitor who does not remain—an area that retains its primeval character and influence without permanent improvements or human habitation.

On the other hand, there may be areas of a forest where there is continual activity by man engaged in commercial ventures; where roads are built for long-term timber management; the trees are cut for such products as lumber, pulp and plywood; new crops of trees are encouraged by the silvicultural practices that are followed; where the trees are planted as seed or seedlings; and where the growing forest is thinned, pruned and protected from damage caused by the activities of man and natural forces.

In the main, however, forest or range will not provide simply one or two uses, but instead will be a multiple use resource, with a continual flow of benefits as the result of careful planning.

The sixth through eleventh findings indicate the central and pivotal national role of the Forest Service in the United States Department of Agriculture in securing these benefits from forests and rangelands.

The Forest Service serves both the public and private sectors in a wide variety of ways:

It develops facts on the condition and trends of the Nation's forests and rangelands. It performs essential research, and disseminates the knowledge produced. It conducts a wide range of cooperative programs with the States and private landowners to promote the wisest protection and management of resources. Finally it administers the National Forest system, which is the only comprehensive national system of Federal resource lands.

The Multiple-Use Sustained-Yield Act of 1960 gave the Forest Service the widest and most comprehensive charter, for management of the 187,000,000 acres it administers, that any Federal agency possesses.

The National Forest System provides:

recreational opportunities of varying types greater than those of the National Park System;

comprehensive opportunities for fish and wildlife activities which are broader than the Fish and Wildlife Refuges;

lands which contain the backbone of the major mountain water source system. These water source protection lands range from those which provide water to major metropolitan areas, such as Los Angeles, to vital watersheds in the Southern Piedmont and Appalachian Mountain chain;

lands which play a significant role in the economies of the livestock and timber industries.

It is important to note, however, that in terms of inherent potential productivity of forage and timber, the lands in the system rate only average. But they are admirably situated, and, in general, they are in a condition that enables them to demonstrate the several kinds of benefits and uses that can be obtained from all range and forest lands under prudent management.

Section 3.—The Renewable Resource Assessment:

The Assessment called for in this legislation is the essential fact-finding tool upon which future national policy will be built. It will be made ordinarily at the end of each decade. However, the *first* Assessment will be made in the middle of this decade.

The Assessment will be comprehensive.

It will cover all of the renewable resources associated with the forest and rangelands.

It is designed to give a long-term perspective for planning and for programs, since it will cover all resources, in order to obtain a total national focus.

It is not the purpose of this legislation to lodge solely in the Forest Service new authorities it does not now possess, and which are possessed by other agencies. It is expected that the lead role for assuring that the Assessment is properly and completely made in a timely fashion will rest with the Secretary of Agriculture, acting through the Forest Service, and that there will be good cooperation with other agencies—both public and private—to insure that the Assessment will be of maximum usefulness to all who would be expected to use it.

The Assessment is not a commitment to do specific things. It is an analysis of the present situation, of how things came to be as they are, and what the outlook may be as to where the present course will take the nation. Beyond that, it will display the opportunities for the future, and what measures will be required to realize these opportunities.

The Senate Committee on Agriculture and Forestry does not expect the first Assessment, due December 31, 1974, to be as fully complete and comprehensive as subsequent Assessments will be. An early date for submission for the first Assessment was established to draw attention to the sense of urgency that the Committee attaches to a new and vigorous approach to meeting challenges that have been avoided for too long. However, the Committee fully expects that the Assessment for the 1980's will benefit from the first effort so as to be more comprehensive and complete.

One of the most important elements of the Assessment will be the effectiveness with which it displays the totality of forest and rangeland, and the dispersion of resources by public and private ownerships and geographic regions. The full exposition of the

interrelationships between these resources will also be essential.

The amendment of the McSweeney-McNary Act makes it clear that the authority exists for the Secretary to secure all of the renewable resource information needed—either directly or through cooperation with others—and to secure the funds needed to this end.

Again, it is not expected that the Secretary will take over existing functions of other agencies, but that a high level of inter-agency cooperation will exist in order to develop the pertinent data.

Section 4.—The Renewable Resource Program:

The directives in this legislation go to the Forest Service. The lands managed by the States and local governments, as well as by private individuals and other Federal agencies are governed by whatever authorities currently exist for them.

The design of the Program will require that for the three elements of Forest Service activity (National Forest System, Cooperative Programs and Research) there will be a detailed Program year-by-year for the next five-year period. There will be a more generalized Program for the subsequent five years, and a much less detailed set of Programs for each of the following four decades.

Projections can be taken on into additional decades if this will help to show why the planned level of activity must begin at a certain time to realize a future goal.

For example, some forest ecosystems have a planning horizon of two or three times longer than 50 years. Defining current objectives may require displaying various situations for different time frames.

The Renewable Resource Program directed under this section is to consist of the Program recommended to the Congress, with the supporting reasons. However, one or more alternatives also may be set forth separately as an addendum to the recommended Program. These alternatives may be for parts of a program or consist of an alternative Program. The Act does not require submission of an alternative Program or parts thereof, but does not foreclose this.

Forest Service programs cannot be constructed in a vacuum. The Assessment will give a comprehensive picture of the sum of public and private activities and expectations, thus encouraging a comprehensive and integrated Federal approach at the very least. Programs of research will meet gaps in theoretical and applied knowledge on a timely basis. Cooperative programs will provide the type of timely assistance that will assist voluntary efforts of others.

In all aspects, the Program will have to conform to requirements of pertinent law. It is of national importance that the National Forest System be operated in full accord with the concepts set forth in various existing laws, such as the Multiple-Use Sustained-Yield Act of 1960 and the National Environmental Policy of 1969.

This legislation does not intend to change these fundamental propositions. It does not contain an authorization to accelerate or reduce the cutting of timber. It does not place any one use over another in terms of priorities. It fully continues the requirement that due consideration shall be given to the relative values and the various resources.

The Program is to cover both funding for current operations as well as investments, and the latter are expressed for good and obvious reasons. The record has shown that this has been the greatest lag in meeting investment opportunities and obligations. This has perhaps occurred because the realization of these benefits will occur in the *future*, and the avoidance of expenditure *today* always has considerable appeal.

A key feature of this legislation is that it attempts to prevent short-sighted current actions which will short-change future generations. The use of the terms "total related benefits" and "direct and indirect returns" signifies that the broadest set of standards will be applied to Assessment and Program construction, rather than some sort of narrow profit and loss statement.

The bill provides that the Program shall include, but not be limited to "(1) An inventory of a full range of specific needs and opportunities for both public and private program investments."

As to the 750 million acres of forest and 600 million acres of range land, a total national program concept is to be recommended to Congress. Obviously, the Act does not provide that the submission of a Program authorizes new public investments in private lands or private investments in public lands. The Program can recommend what the private sector ought to do in the areas under its direct management, what the public sector ought to do to aid private efforts. The Program can display how the private sector may wish to suggest investments it may propose in public lands and resources. The Committee does not express a view on the desirability of such an approach. It would keep an open mind in assessing any new concept that may be put forward.

Also Section 4(2) calls for "Specific identification of Program outputs, results anticipated, and benefits associated with investments" so that costs can be compared to related benefits and direct and indirect returns to the Federal Government. This discussion will help focus on what the Federal level of activity ought to be and the reasons therefor."

Section 4(3) provides for "a discussion of priorities for accomplishment of inventoried program needs." In estimating the proposed public effort it would be appropriate to signify the degree of certainty that the private sector will proceed with its programs on private lands.

Section 5.—National Forest Resource Inventories:

With new systems of information retrieval it is increasingly possible, and necessary, to maintain on a continuing basis, comprehensive and detailed inventories of all of the National Forest System lands and renewable resources. This data must be kept current and identify new and emerging resources and values. This section directs that this be done. It will assist in making certain that the benefits envisioned will be recognized and that oncoming problems will be quickly sensed.

The display of inter-related data, rather that the present procedure of treating each resource or use as somehow independent, will do much to assure that professional and public understanding of goals can move the total Federal effort ahead more harmoniously.

Section 6.—National Forest System Resource Planning:

The plans referred to in this Section are the basis for the Program called for in Section 4 as it relates to the National Forest System. This section sets forth that planning in the National Forest System lands will be developed and maintained and revised as appropriate. It does not provide authority in the Forest Service to institute planning on non-Federal land.

However, National Forest System plans are to be coordinated with the land use planning processes of state, local and other Federal agencies to the extent that they have such plans. This will prevent overlap and wasteful duplication. It will give the states a greater opportunity to be aware of the land use planning process within the National Forest System, and it will insure more effective coordination with this planning. Land use planning within the National Forest System is already authorized, and is being carried out under the provisions of the Multiple-Use Sustained-Yield Act of 1960. It is desirable that plans on the lands within the System give major consideration to their impact on plans developed by state or local governments. For example: the Forest Service road network has impacts on the State and local roads systems.

The further requirement that such plans shall use a systematic interdisciplinary approach to achieve integrated consideration of physical, biological, economic and other sciences, is designed to assure that a balanced, comprehensive methodology will be employed.

Section 7.—Cooperation in Resource Planning:

This section requires that the Assessments, resource surveys and Programs prepared under this legislation will be made available to States and other organizations for their planning on the protection, use and management of renewable resources on the non-Federal lands they have as their responsibility. It does not authorize Federal planning on non-Federal lands.

The Committee expects that there will be a high order of Federal inter-agency cooperation and information sharing.

This section is designed to foster a spirit of full participation and mutual leadership on the part of the much larger, and often more significant, non-Federal landowner group in the process of planning the protection, and management of the renewable resources under their charge.

The Committee takes note that 69 percent of the 1.2 billion acres of forest-range ecosystems in the contiguous 48 states are in the hands of non-Federal owners. Federal lands, including the National Forest System lands, do not possess unusual qualities of productivity which suggest that they can be relied on to provide a share of the output of any economic resource that is disproportionate to their share of the total ecosystem. Nevertheless, more intensive multiple use management is clearly necessary on the major portion of the System lands not legally placed in the Wilderness System or where other factors mitigate against intensive management. Thus the actual productivity may be brought up to the System's proportionate productivity potential as designated in the Program with full consideration of proper constraints.

Further, it is recognized that the American people look to the National Forest System to provide major opportunities for outdoor recreation and Wilderness, as well as wildlife and watershed protection. In line with this the Congress has already directed that these expectations be considered in planning programs on Federal lands.

Section 8.—National Participation:

Subsection (a) of Section 8 provides that the Secretary is to provide through regulation for the use of hearings, meetings, advisory groups and other participatory mechanism, for the development of the Assessment, Program, resource inventories and planning provided for in the legislation.

The public is rightly seeking a greater voice and participation in the decisions which go into government policy making. Therefore, the Committee has provided that the regulation process will be used to inform the public of the systems of public participation.

However, other appropriate systems of communication may also be used for the public to express itself in a comprehensive way. The Committee desires that the public know that it is truly being consulted on policy issues, and that the public input is making a difference in the Program put forth. This process should help to limit procedural controversies and improve subsequent discussions of substantive issues.

Subsection (b) of Section 8 provides for the transmission of the Assessment and Program on the first day of Congress in 1975 and following each updating as set forth in Sections 3 and 4 of the legislation.

Subsection (c) provides for Congressional hearings and, within one year after submission of the Assessment and the Program, the adoption of a resolution by Congress which sets policy to guide the President in framing budgets of the Forest Service and related agencies for the five or ten year Program period beginning in each Congress.

The intention is that the Assessment will look far enough into the future to give a responsible presentation of the long and short term outlook.

The Congress and the Executive will use the Assessment for a 10-year period, subject to possible modification, as is provided for in Subsection (d), based on new facts or significant changes.

The Program is to be set forth in detail for a five year period, year-by-year. For the second period and ensuing periods, it will not be in such annual detail, but it will show the overall effort planned for these periods. For each of the succeeding four decades, it will be in broad, yet reasonably measurable terms, so as to set goals and directions.

The Department of Agriculture recommended a change in language so that the President would only have to "consider" the Program in framing budgets, rather than using it as a "guide." The argument is made that the term "guide" restricts the flexibility of the President.

This it certainly does not do.

What the legislation does is make it clear that this Program is a "guide"; thus it is one of several possibilities. The President takes into account fiscal issues, the national defense and general welfare as other "guides" in formulating overall budget policy. He is required under this language simply to consider the Program as the guide in setting resource conservation criteria.

Subsection (e) of Section 8 requires that in the event that the President does not submit to Congress a budget that accomplishes the policy, he is to set forth the reason or reasons he has not done so. This is a clear recognition of the flexibility provided to the President, and it insures that the President's position on the environmental resource budgets involved are clearly stated.

This will require that the "trade-offs" be clearly outlined and thus it is fully consistent with the other language included in the bill inserted at the request of the Department that requires the Program in Section 4 to show "program outputs, results anticipated, and benefits associated with investments in such a manner that the anticipated costs can be directly compared with the total related benefits and direct and indirect returns to the Federal Government." Since the Department was anxious to have these detailed requirements in the formulation of the Program that the Congress will have before it to set policy, it is the view of the Committee that this same concept should follow through in the presentation of the budget. The budget like the Program therefore will require that the Executive "show and tell", in order that in each step of the process the best and most enlightened decisions can be made with all the facts before the Congress that were used by the Executive. The result will promote sound budgeting from start to finish.

Subsections (f) through (i) tie the package together, providing the Congress with information which evaluates in a detailed manner the stewardship of the Forest Service over the Program, given current budget and manpower levels.

In other words, the legislation provides for an Assessment of the situation and needs, followed by goal-setting, through the Program which is then all tied together by detailed evaluation of how the Program is being carried out.

The language of these subsections was prepared with the cooperation of the Systems Analysis Division of the General Accounting Office. It is expected that at appropriate times the General Accounting Office will assist the Committee in the evaluation process as a means of providing true oversight.

The evaluation principle is essential. Currently the Annual Report of the Chief of the Forest Service reveals very little on performance (however, this is often true of similar reports from other agencies). Further, these reports are usually issued at a time so far after the close of the fiscal year that they are of little value for budget planning purposes.

For example, the last such report was issued on April 3, 1972, and it covered two preceding fiscal years (1970 and 1971). Therefore when the budgets for fiscal years 1973, 1974, and 1975 were presented to the Congress, the public and the Congress were without a report from the Chief of the Forest Service for even the most recent year. Also the reports are not analytical and do not indicate program effectiveness except in general terms.

Subsection (g) details types of things shall be set forth but does not act to limit the scope of useful evaluations.

Subsection (h) requires that the report set forth plans for corrective action where there are shortcomings and where recommendations for new legislation are warranted.

Subsection (i) deals with the structuring of material in the body of the report and its appendices. The Annual Report now consists of a limited writeup and tables. These are of low utility and interest because, among other things, (1) they fail to reveal facts essential to meeting management objectives; (2) they do not focus on issues; and (3) they are late in being issued.

Examples of shortcomings in the last Forest Service Report are:

1. Lands Administered. These data do not reveal private inholdings and whether they impede or aid management; they do not reveal acquisition or disposal goals in terms of adjusting the pattern of land ownership via exchange or purchase; and they do not readily show the net change in ownership and the reasons therefore despite the substantial programs and authority that exists in land management.

2. Receipts and expenditures. These data are most abbreviated and do not meet any standard of fiscal explanation.

3. Recreation. There are 3 tables displayed here which give only minimal facts on which to gauge the effectiveness of recreation programs. The Use figure lists everything from camping, and gathering forest products to travel and winter sports. However, none of these is presented in a way that gives a measure of the strain on or the need for certain types of facilities and activities.

4. Big game harvest. This table lists the legal harvest of selected big game species. It gives no clue on the condition of the game habitat and totally ignores the fish, bird, and small game harvest. Even more significant there is no absolute void of analysis and data on wildlife population trends. The table on wildlife habitat improvement is so abbreviated as to give no idea of improvements in relation to need and their geographical pattern.

5. Grazing. The Chief's report gives one column to this vital area and no discussion of national forest and grassland grazing issues. The one abbreviated table shows a few national statistics on numbers of livestock grazed, numbers of permits and an unsubstantiated figure on livestock losses.

6. Timber is treated with a very limited discussion followed by tables on number, volume and value of timber sold, volume and value cut, acres given stand improvement and planting. Considering the substantial significance of both forest resource management and timber harvesting on the national forests, the treatment is totally deficient.

7. Roads and trials. This major investment program is given only the most cursory highlight and tabular treatment.

8. State and private forestry. This topic is treated more substantially than are key elements of the management of the National Forest System. However, the text and tables are not readily relatable and do not give a perspective to this important function.

9. Research. A topical approach is used without an effective overview and there is no tabular material on either funding or programs to provide a basis for judgments.

It is expected that under this legislation the Annual Report would not only be issued on a more timely basis but also would be a more useful document.

Section 9.—National Forest System Program Elements:

The 187,000,000 acres of forest and rangeland embraced in this National estate is a vital national asset. There has been a wide ranging debate over how these lands should be managed, whether management systems and practices are properly and effectively applied, and whether necessary priorities are being observed.

In this legislation, the Committee has made every effort to include concepts that are broad in character and which are designed to bring before the public and the Congress factual data on which to base future decisions.

The reforms are in method and procedure, preserving professional management flexibility to promote proper action by those charged with carrying out programs. This section sets forth broad guides in two areas.

Subsection (a) states that in full accord with the concepts for multiple use and sustained yield of products and services as set forth in the Multiple-Use Sustained-Yield Act of 1960, the Secretary shall take such action as will assure the development and administration of the renewable resources of the National Forest System. The term "development" is used in its broadest context. In cases where no activity achieves an authorized use, the proper level of "development" would be attained. At the same time, where intensive interrelated activities are required on a regular and comprehensive basis such a course would be charted.

Wise management is based upon facts and takes into account emerging, tested knowledge. Since we are constantly learning it would hardly be productive to try to cast into legislative fiat prescriptions for management.

Subsection (a) enunciates as policy the goal that by the year 2000 the renewable resources of the National Forest System will be in an operating posture whereby all backlogs of needed treatment for their restoration shall be reduced to a current basis. The purpose of this general instruction is to provide a target for planning that will assure scheduled attention for the millions of acres in the National Forest System that will benefit from such things as forest stand improvement, reforestation, recreational facility modernization and improvement. The second requirement is that by the year 2000 the major portion of planned intensive management procedure shall be installed and operating on an environmentally sound basis.

The intensive management procedures contemplated are actions that stimulate a high yield of the various resources on a balanced basis. Examples are: forest growth stimulating techniques; range management systems that encourage the timely growth of browse species; fish and wildlife habitat conditions that promote a healthy population of various species; and recreational provisions that assure constructive public use. These are the concepts well established by the Multiple-Use Sustained-Yield Act of 1960.

This two-part instruction aims to: (1) wipe out the backlog of now lagging work so

that the entire National Forest System will have the plant, animal, soil, water and air output that is ecologically sound; and (2) assure that at least half of the recognized intensive management procedures for optimum realization of future outputs will be installed and operating.

While the target year has been set, the Act does not set precise goals—quantitative and qualitative. These would be recommended in the sections of the Act which provide for the Assessment and the Program. As to action to eliminate backlogs, the Act will set three bases for reduction or termination of effort: (1) elimination of the backlog; (2) a showing that the cost to treat the balance exceeds the economic and environmental benefits; or (3) total supplies of the renewable resource of the United States are projected as adequate to meet the future needs of the American people.

These tests will act both as a spur to proper action on a timely basis and as a brake against needless actions which possess insufficiently economic and environmental benefits to justify the expenditure of funds.

It is intended that the total national situation will be used in testing and suggesting the required effort in the National Forest. It is proper, if, for example, private efforts will not raise forest restoration efforts to needed levels, for the Forest Service to seek to close the gap by growing as much timber as can be properly grown. However, it is not the intent of this Act to propose that harvest levels on the National Forest System should exceed the ability of the National Forest lands to grow timber, backed up by the action needed to grow it. Rather, the National Forest System is viewed as an entity which will make its proper national contribution if managed as an entity. Its reserves of standing timber are not a pool to be tapped because timber in other ownerships has been liquidated without regard to the sustained yield capacities of that land, or to satisfy domestic and export demands that, if met now, will exacerbate future supply problems. These are not actions consistent with the 1960 Multiple-Use Sustained-Yield Act.

Subsection (b) Forest Roads and Trails, deals with the transportation system to service the National Forest System. The Congress declares that its installation shall be carried forward in time to meet anticipated needs on an economically and environmentally sound basis and that the choice of financing methods will enhance local, regional, and national benefits.

There are two basic means for financing needed forest road construction:

(1) Direct appropriations

Under 16 U.S.C. 501, 10 percent of Forest Service receipts is allocated to road construction, currently about $40 million yearly. The biennial Highway Act sets an authorization for Forest Development Roads and Trails. In fiscal years 1972–74 it was $170 million a year. For fiscal year 1975, and fiscal year 1976 it is $140 million a year.

The combined amounts would have permitted an appropriated fund program of $193 million in fiscal year 1972, $203 million in fiscal year 1973, $211 million in fiscal year 1974 and $180 million in 1975.

In the period fiscal years 1973–75 the unfunded backlog of authorizations has risen from $327 million to $503 million due to failure to use authorizations.

(2) Backdoor spending

Authority also exists in the Act of October 13, 1974, to reduce the appraised price of timber by the "estimated" cost of the roads needed to remove that timber. This is not subject to budgetary control. The level of revenue reduction in fiscal year 1972 was $100 million, rose to $135 million in 1973, jumped to $173 million in fiscal year 1974 and is proposed at $187 million in fiscal year 1975.

For the National Forest System roads are constructed by three methods:

(1) a few roads are built by Forest Service employees using appropriated funds;

(2) some are built under contracts let by competitive bid to private road construction firms using appropriated funds; and

(3) many are built by timber purchasers (who may do it directly or sub-contract the job) being "reimbursed" by a reduction in the price paid for timber in a sale by the "estimated" cost of the road (including an allowance for profit and risk).

These three basic methods were provided for in the Act of October 13, 1964 (16 U.S.C. 532–538).

Each method has its advantages and disadvantages. Each method has a reasonable role. In each of the recent Congresses the report of the biennial Highway Act has urged the Executive to make full use of the authorization to build roads with appropriated funds and to de-emphasize dependence of securing roads under timber contracts thus, among other things, reducing timber sale revenues. The key reform in this section is to provide that in the budgetary process the entire road program will be considered as an entity.

There is no restriction in the bill on the flexibility, now in law, on the use of the authorizations, either as to allocation to road and trail construction, reconstruction, maintenance, engineering or supplementing timber purchaser construction.

However, should the Executive elect not to request the current authorization, or should it impound the amount thereof appropriated, the same reduction shall apply to the backdoor spending authority, which has adverse effects on national forest revenues, payments to counties from revenues and other elements of the road program.

The back-door spending authority is unique. It permits the Forest Service to reduce the appraised asking price for timber by the estimated cost of securing the permanent road needed to harvest the timber on that sale in order that the timber purchaser perform that task.

In fiscal year 1972 the Forest Service had a total road and trail program of $271 million of which $171 million was supported by appropriations and $100 million was supported by revenue reduction. In the process, $21 million of appropriated funds were allocated to support the engineering and supplemental financing of the revenue reduction system.

In fiscal year 1974 the Service has a $303 million total program of which $130 million was supported by appropriated funds and $173 million by revenue reduction. Further, the support cost for the revenue reduction method for engineering and supplemental construction had risen to $79 million. Even more significantly, in 1972, out of the $171 million in appropriated funds, $111 million was allocated for road and trail construction and reconstruction.

In 1974 the lesser $130 million program had been so tilted that a mere $8 million of the appropriated funds is allocated to road construction; there is no trail construction or reconstruction and the only road construction is associated with timber production.

The proposed 1975 budget further exacerbates the problems. Out of the $146 million request for appropriate funds, only $8 million will be used for construction, but $90 million will be used to supplement and engineer timber purchaser roads. The revenue reduction backdoor spending component, which is not visible in the budget, is projected for 1975 to climb to a record $187 million. It will likely be even higher since the 1974 estimate of $142 million now is projected to be a $173 million revenue loss.

One result is a "revenue taking" from counties. This taking, which was $25 million in 1972, will reach possibly $50 million in 1975. In the meantime over $30 million of current authorization will languish unused. The total unfunded contract authority for roads and trails, which was $327 million in 1973, will have risen to $503 million. Within three years, program flexibility as been eliminated.

This is the *only* Forest Service program where the agency has the authority to "appropriate" revenue without any Congressional control or any standard spelled out in law as to when and how this may be done.

For example, under the Knutsen-Vandenberg Act (16 U.S.C. 576 (b)), reforestation and stand improvement work is authorized out of revenue on lands cut over in a timber sale. There is a limitation that the fund collected may not exceed costs for the contemplated work when compared to costs on comparable national forest lands during the previous three years.

The payments, which act to reduce revenues from the sale of timber, must be deposited with the Forest Service, maintained in a special account, spent only on those lands. These payments are spent either directly by the Service or under contract to firms who bid to do reforestation or stand improvement work.

However, when timber purchasers are granted a reduced price to construct a road under a timber sale contract, the amount of reduction is based on the "estimated cost" for a road that may not have yet been designed (in fact the purchaser may subsequently design it under a design allowance in the timber contract), there is no "special account" created into which funds are placed, and thus no accountability on the part of either the Forest Service or the timber purchaser.

Since the allowance may cover both temporary roads and permanent roads, it is impossible to tell what was actually done under the "allowance." In fact, since the whole procedure is based upon the use of the "estimated cost", rather than a bid price to construct roads, the timber purchaser may incur a loss if his actual cost exceeds the Forest Service estimate or he may secure a windfall if his actual cost is less than the "estimated cost."

The Secretary has adequate rulemaking authority already to revise procedures. The reform that is proposed in this legislation goes to the broader policy issue; the unwillingness of the Executive to voluntarily follow the request by the Congress that greater use be made of appropriated funds under the Highway Act and 16 U.S.C. 501 authorizations to secure roads that will become a part of the permanent National Forest Transportation System.

There is another impact of the failure to use authorizations and reliance on revenue reductions. The allocation of appropriated funds to timber purchasers to supplement the cost of road construction and for engineering, surveys, plans and supervision of timber purchaser work jumped from $21 million in 1972 to $90 million in 1975.[1]

In the past three years, there have been growing demands upon the National Forests to provide more of every one of the multiple uses and resources and insistent demands that there be better forest management and that timber be better offered for sale. Despite all of these facts, the appropriated funds available to construct permanent roads has declined from $100 million to virtually nothing; the dependence on timber purchaser construction has almost doubled and constitutes the entire road program. In addition, the resultant revenue reductions, which in 1972 had an adverse impact on the counties of $25 million, will jump to about $50 million in 1975.

The Committee recognizes that where roads are intended only for that timber sale and

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[1] Footnote at end of article.

are not to become a part of the permanent road network that timber purchaser construction may be a mutually beneficial way to proceed.

There are also instances where a permanent road can be constructed by the purchaser under a timber sale contract, especially where the road needed would be at the standard that a prudent businessman could use in that instance. The timber purchaser should neither be expected nor forced to be a major road contractor, but rather the terms and conditions of the sale should be those which enable him to promptly cut and remove the timber thereon.

The record shows that the Executive has often failed to use the authorized levels of road funds and has substituted heavy reliance on a method that has several inherent shortcomings.

Rather than incorporate an outright curb on the use of timber purchaser construction and revenue reduction, the Committee has selected a middle course which imposes a limit on revenue reduction method of securing road construction if the budget request is for the amounts authorized as described in this subsection and whatever amount is appropriated is not subsequently impounded.

Therefore, had this subsection been in effect during this period, the Service would have been able to carry out about the same total construction program at no greater cost.

The language of the Act will maintain the essential need for flexibility but changes the order—regular authorized funding will become the first priority, and revenue reduction and back-door uncontrolled spending will become the second priority—but need not be diminished.

The Forest Service estimates that it needs a total transportation network of 338,000 miles to carry out effectively multiple-use, sustained-yield management. The present network is only 198,000 miles—less than 60 percent of need. In addition, 144,000 miles or over 70 percent of the existing network is in need of reconstruction.

Even if the Assessment shows that there is a substantial error in the current estimate, it can be seen that a very substantial backlog exists, and the currently misaligned priorities in funding are counterproductive.

The Committee has also included language at the end of this subsection which is designed to further assist the counties by requiring the Secretary to give due consideration to actions which may unduly impair the revenues that counties receive in determining where to use which fund source.

The purpose of this language is to promote a reasonable allocation of methods of securing construction of roads so that a few counties do not have their already low level of payments of revenues reduced or diminished by undue reliance on timber purchaser construction contracts in their local forest while another national forest, with more substantial payments to its counties, receives substantial assistance in road construction via appropriated funds. For example, the reliance on timber purchaser, revenue reduction construction in a county that receives a payment in lieu of taxes from the national forests of $9.00 per acre is far less than it is on one whose payments are 50 cents or only 15 cents per acre.

Section 10.—National Forest System Defined:

Subsection (a) places in law the definition of the lands that are considered to be a part of the system and incorporates the term "National Forest System" into law. The lands in the national forests are of diverse origins; some are original public domain, others were purchased under laws, or secured by donation or exchange or other means. It is the purpose of this subsection to state that all lands administered by the Forest Service are, in fact, part of a National Forest System.

Subsection (b) provides that field offices, such as District Rangers and Forest Supervisors, and Regional offices shall be so situated as to provide the optimum level of convenient, useful service to the public. Priority shall be given to the maintenance and location of facilities in rural areas and towns near the National Forest and Forest Service locations. The standards of Section 901(b) of the Act of November 30, 1970 (84 Stat. 1383), as amended, are established as the guide. This will permit the Forest Service to make orderly adjustments in the assignment of lands to a particular management unit such as a Ranger District and to adjust local field offices when these improve the service. It also would set a standard that would have to be observed in possible realignments of Regional Offices.

In its action on S.J. Res. 134 of this Congress (Report No. 93-337) this Committee expressed the need for maintaining the Forest Service's excellent organizational structure and key office location.

FOOTNOTE

[1] 16 U.S.C. 535 states:

"That where roads of a higher standard than that needed in the harvesting and removal of the timber and other products covered by the particular sale are to be constructed, the purchaser of the national forest timber and other products shall not be required to bear that part of the costs necessary to meet such higher standard, and the Secretary is authorized to make such arrangements to this end as may be appropriate." Pub. L. 88-657, Sec. 4, Oct. 13, 1964, 78 Stat. 1089.

This language prevents the Forest Service from requiring that a timber purchaser construct a road on a timber sale at either the standard needed to harvest timber in the entire drainage based upon its allowable cut or to require a road at multiple use standards, even if the Service reduces the price of the timber by an amount sufficient to cover the "estimated" cost of the higher standard road. Thus, the only way the Service can get a permanent road at the standard needed for permanent management to meet future needs when a timber purchaser is constructing the road is to supplement his allowance for the timber sale road with appropriated funds if he is willing to so cooperate.

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., November 21, 1973.

Hon. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture and Forestry, U.S. Senate.

DEAR MR. CHAIRMAN: As you requested, here is our report on Amendment 641 to S. 2296, the "Forest and Rangeland Environmental Management Act of 1973."

The Department of Agriculture agrees with the general objectives of the Amendment. Many of the activities addressed by this legislation are presently being undertaken under existing authorities. While the Amendment would broaden and strengthen existing statutory authorities, it would also limit Presidential flexibility in a number of respects. The Department of Agriculture therefore recommends enactment of the Amendment only if modified along the lines suggested herein.

The Amendment to S. 2296 sets forth various findings relating to the renewable nature of forest and rangeland resources, the role of the Forest Service in administering these resources, the need for comprehensive planning for the renewable resources of America's forests and rangelands, and the need for proper levels of funding and investments in forest and related resource management.

Section 3 of the Amendment would require the Secretary to prepare a Renewable Resource Situation Assessment which would include a detailed presentation and analysis of (1) current and anticipated use, (2) supply of and demand for renewable resources, (3) an inventory of present and potential renewable resource yields, (4) opportunities for increasing yields of goods and services, and (5) a description of Forest Service programs and responsibilities, as well as a discussion of important policy considerations expected to significantly influence the use and management of the Nation's forests and rangelands. Section 4 would provide for the development of a long-term Renewable Resource Program to be submitted by the President to the Congress for each of the next five decades. Section 5 would direct the Secretary to develop and maintain inventories of all National Forest Systems lands and resources. The Amendment would also require land use and resource planning for units of the National Forest System, cooperation with the States in resource planning, and public participation in the development of the Assessment and Program. In addition, the Amendment would require the Secretary to determine optimum management levels for the renewable resources and authorized uses of each National Forest management unit. Section 9 would also set the year 2000 as the target year when all backlogs of needed conservation treatment for the National Forest System shall be completed. The Amendment would declare the importance of a "proper system" of transportation in the National Forest System by requiring that the full amounts appropriated for forest roads, trails, and highways be requested and expended each year by the Forest Service.

Amendment 641 is an expression of concern over the demands and conflicting pressures being placed on the Nation's forest resources. The legislation is timely, as it follows closely upon the recent release of the "Report of the President's Advisory Panel on Timber and the Environment" and the "Outlook for Timber in the United States," which was prepared by the Forest Service of this Department. Both of these reports conclude that significant improvements in management of the Nation's forest and related resources must occur if future demands for these resources are to be met at reasonable prices.

A better-defined, long-range perspective on national forestry programs is a prerequisite to meeting future demands for forests and related resources. We believe that joint consideration by the Congress and the Administration of the state of the Nation's forest resources, the anticipated supply, demand, and pertinent price trends for these resources, and costs of alternative approaches related to specified program accomplishment will benefit formulation and sound national forestry goals, assist in the establishment of meaningful investment priorities, and help to assure program accomplishment.

We therefore support the basic requirements of Amendment 641 that the Secretary of Agriculture periodically develop a National Assessment and a long-range Renewable Resource Program to be transmitted to the Congress by the President with his recommendations. The Amendment would strengthen present Forest Service planning efforts by providing a stronger statutory base for the development of a long-range forest resource plan, supported by adequate analysis and resource inventories.

We have also enclosed a revision of the Amendment which incorporates a number of proposed changes. Our revision reflects and remedies two major concerns.

First, we are concerned with those aspects of the bill which would restrict Presidential flexibility and discretion in preparing annual operating plans and attendant budget requests. It is essential that the President retain the flexibility to accommodate changing economic and social conditions and to exercise his judgment in the budgetary

process on the appropriate balance among all worthy public programs. The regular appropriations process allows ample opportunities and an orderly process for questioning Presidential fiscal priorities and should continue to be relied upon as the appropriate forum for handling budget questions and issues.

Second, we urge that the scope of the Assessment and Resource Program be limited to "forest and related renewable resources." As now phrased, the Amendment would require the Secretary to assess and present programs for all renewable resources. This broad terminology could lead to an overlap and conflict with renewable resource assessment and program planning efforts performed by other agencies of the Federal government. We would prefer to define the scope of a "Forest and Related Renewable Resources Assessment" as including those matters currently within the purview of the National Forest System, State and Private Forestry, and Forestry Research responsibilities and authorities of the Forest Service.

Our detailed comments and suggestions for Amendments are included in the enclosed Supplemental Statement.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

J. PHIL CAMPBELL,
Under Secretary.

Enclosures.

Note: The Supplemental Statement follows, and the proposed revised language is on file with the Committee.

USDA SUPPLEMENTAL STATEMENT ON AMENDMENT 641 TO S. 2296 "THE FOREST AND RANGELAND ENVIRONMENTAL MANAGEMENT ACT OF 1973"

Section 2—Findings

The Amendment sets forth a number of findings which declare the importance of renewable resources, their conservation, and their wise management to the Nation's ecological and economic well-being. The findings also recognize the total mission and role of the Forest Service in managing and protecting renewable resources and specifically describe the National Forest System and its mission. In addition, the findings express the need for comprehensive inventories and planning to secure the greatest net benefit from Forest Service programs and the need for proper levels of funding and investment in the various activities and programs of the agency to assure optimum benefits.

Subsections 2(a)–(c) relate directly to policy set forth in the National Environmental Policy Act and are not unique to the purposes of this legislation. We therefore suggest that these subsections be deleted.

To simplify subsection 2(d), we suggest that this subsection be amended to read as follows:

( ) the United States is richly endowed with land bearing, or capable of bearing, forest trees and associated forage as principal vegetal cover, which lands by their very nature produce, or are capable of producing, multiple renewable resources, products, and benefits.

Subsection 2(f) recognizes the total mission of the Forest Service and defines the National Forest System. Statutory recognition of the National Forests and related lands as an identifiable public lands system would help the public understand the role of the National Forests and the contribution they make collectively to the Nation's economic and social well-being. Identifying the National Forest System in this way would parallel acts which have established and recognized the National Park System and the National Wildlife Refuge System. We suggest that this identification be accomplished through affirmative language rather than as a "finding." Section 10 of our proposed revision contains such specific language as a substitute to that found in the latter part of subsection 2(f). We therefore suggest subsection 2(f) end with the phrase "and through the management of the National Forest System" and that the remainder of the subsection be deleted.

Subsection 2(h) of the findings contains an apparent printing error and is vague. To clarify the intent of this finding, we suggest that the provision be reworded as follows:

( ) proper levels of funding for investment in the various activities and programs of the Forest Service are essential to achieving and sustaining an optimum flow of benefits from forest and related resources.

Subsections 2(i) and (m) essentially duplicate each other, as well as subsection 2(f). The purpose of these subsections is to emphasize the integral nature of the three basic program objectives of the Forest Service. Subsection (f) accomplishes this by describing the Forest Service mission. We therefore suggest that subsections (i) and (m) be deleted from the findings. Our suggested revision of subsection (k) of the Amendment eliminates language which is redundant and does not parallel basic provisions of the Multiple Use-Sustained Yield Act. Our suggested revision of subsection 2 (l) emphasizes the full range of factors that bear on Forest Service organizational design.

Section 3—Renewable Resource Situation Assessment

As indicated in our cover letter, we believe it is important to clarify the scope of the Assessment and to restrict its content to be consistent with present responsibilities of the Forest Service. Accordingly we suggest that the title of the Assessment be changed to "Forest and Related Renewable Resource Assessment." Our proposed revision rewords each reference to "renewable resources" to reflect this change.

Our ability to analyze trends and to formulate effective forestry programs depends upon comprehensive data on forestry and related resources. We therefore support subsection 3(b), which would strengthen the Forest Survey authorized by the McSweeney-McNary Act of May 22, 1928 (45 Stat. 702, as amended, 16 U.S.C. 581h). Express broadening of the focus of the current Forest Survey from surveys of timber to surveys of all forest and related resources will assure the availability of data necessary to prepare the Assessment, and will greatly assist the formulation of long-range resource plans by the Forest Service, other Federal agencies, States, conservation organizations, industry groups, and others.

Our proposed revision would also require that cost, price, and other economic factors be analyzed as a part of the Asssessment. These factors must bear on any comprehensive resource evaluation.

Section 4—Renewable resource program

We support the concept of a long-range forestry and related resources program which would present a range of alternative objectives and associated programs, related costs, accomplishment targets, schedules, and a discussion of priorities related to the various alternatives. We believe such a program could provide the Administration and the Congress with a reliable and useful perspective on national forestry needs, issues, and opportunities, and would lead to improved agency decision making and program formulation. We propose that the title of this planning document be amended to read "Forest and Related Resources Program."

Section 4 would require development of a specific ten-year program, for each of the next five decades. Under section 8 of the Amendment, the program would be sent to Congress every ten years.

We believe it is unrealistic to seek to prepare detailed program schedules and recommendations spanning a 50-year period. Economic and other considerations fluctuate so often that projections and recommendations beyond a five- or ten-year period generally lose validity and relevance.

We agree that a long-range Forest and Related Resources Program should be submitted to Congress at intervals not to exceed ten years. We contemplate that such a program would cover a ten-year projection and program period, with greater detail for the first five years.

The Program should display alternative objectives and associated programs, rather than only one program recommendation. It should include specific identification of program outputs, results and benefits as well as an inventory of program opportunities. Such a display will aid both Congress and the Executive Branch in weighing the impacts of short-term decisions, not only on future yields of forests and related resources, but on other national considerations, including fiscal and economic policy.

Appropriate amendments to provide for our suggested approach are included in sections 4 and 8 in our proposed revision of the Amendment.

For the framework for long-range planning, we would rely on the Forest and Related Resources Assessment, which, as required by section 3(a) of the Amendment, would deal with trends in resource use and demand.

Section 5—National forest system resource inventories

We recognize the need for assembling resource data on individual units of the National Forest System. The effect of section 5 would be to emphasize current on-the-ground inventory efforts under existing authority and to provide an essential base of information for developing the Assessment and Resource Program as set forth in sections 3 and 4. With a technical amendment included in our proposed revision, we would have no objection to this section.

Section 6—National forest system planning

This section would require the Secretary to develop, maintain, and revise land and resource use plans for units of the National Forest System and to use a systematic interdisciplinary approach in this planning.

Land use and resource planning are, of course, integral to the management of the National Forest System and have long been a routine component of National Forest System administration. The Forest service has adequate authority to engage in all such unit planning and has for some time now utilized an interdisciplinary mix of skills and professions in developing our land use plans. The effect of section 6, therefore, would be to give emphasis to agency land use planning efforts rather than to grant new or expanded authority.

In our proposed revision, we have added economic sciences to the listing in subsection (b).

Section 7—Cooperation in resource planning

This section would assure that the data gathered and presented in the Assessment and Resource Program are made available to the States for use in their land use planning efforts. Our proposed revision includes this section with some clarifying amendments.

Section 8—National Participation

This section provides for public participation in the preparation of the Assessment and Resource Program and review by Congress. It would also require the Secretary to promulgate regulations governing public participation.

In our proposed version, we have deleted the formal requirement for regulations in subsection (a). Regulations could still be utilized, but other means for outlining procedures for public participation may be more appropriate.

Subsection (b) establishes the schedule by which the Secretary would prepare the Assessment and Program. As covered in our discussion of section 4, we suggest that the Assessment and Resource Program be transmitted to the Congress at not less than ten year intervals.

Subsection (c) would provide that the statement of policy adopted by the Congress would be a "guide" to the President in forming the fiscal budgets. To assure Presidential flexibility or revision would provide that the statement of policy would be "considered" by the President.

Subsection (e) would require the President to qualify and quantify the degree to which each annual budget request meets the forestry policy set by each Congress and to justify any request which would fail to meet such forestry goals or policy set by the Congress. Such requirements imply that the guidelines which Congress would establish pursuant to subsection (c) would, in fact, be restraints upon the President's ability to develop the annual budget in a manner to reflect his judgment of the appropriate balance among all worthy public programs. These provisions would reduce Presidential flexibility to accommodate and reflect economic, social, and trends and fluctuations in the annual budget. We, therefore, recommend that subsection (e) be deleted. The regular appropriations process allows ample opportunities. We believe the appropriations process should continue to be relied upon as the appropriate forum for handling budgetary questions and issues.

In our proposed revision we have included technical amendments to subsection (f). As now phrased, this subsection would now call for evaluation of programs authorized by the Act. Since no programs are authorized by the Amendment, this subsection should be amended to provide for evaluation of the component elements of the Resource Program.

Section 9.—National Forest System Program

Subsection (a) would require the Secretary to determine optimum management levels for renewable resources and authorized uses of the National Forest System. We believe this provision is duplicative, and unnecessary, since the Resource Program set forth in section 4 would be an expression of various levels of mangement and would contain projections and analyses of alternative levels of resource management.

Subsection (b) would set the year 2000 as the target year for completing all backlogs of needed conservation measures on National Forest lands. This target may not be realistic and could reduce Presidential flexibility over a long period of time to frame annual budgets as he judges appropriate. The goal of reducing backlogs is one which we are striving to accomplish, but a range of circumstances created by the economy and nature herself mitigate against fixed targets. We, therefore, recommend that subsection (b) be deleted from the Amendment or rephrased to give emphasis and direction without specific target dates.

Subsection (c) would declare that a "proper system of transportation to service the National Forest System" will aid "proper attainment of goals . . ." and that methods of financing forest roads and trails can benefit local communities, regions, and the Nation. Under this provision the Forest Service would be required to request each year the full amounts available under 16 U.S.C. 501 and 23 U.S.C. 205. If the Secretary were to request less than that amount, he would have to reduce, by an equivalent sum, the value of roads constructed by timber purchasers in return for reduction of the appraised price of timber. Moreover, in using timber purchaser construction the Secretary would be directed to consider avoiding actions which would unduly impair revenue to counties within the National Forest System.

We recommend that subsection (c) be deleted. Its provisions would further restrain Presidential flexibility in developing the annal budget. The requirement that road construction by timber operators be adjusted downward when budget requests are less than the full amounts available for forest roads and trails would hinder efforts of this Department to operate in the most efficient manner and to assist in reducing Federal spending and cash outlays to help fight inflation. Moreover, it would tend to restrict our ability to use combinations of funding procedures to construct roads and trails as authorized by the Act of October 13, 1964 (78 Stat. 1039).

Section 10—Organization

This section would require that Forest Service offices be located to provide optimum levels of "convenient, useful services to the public." First priority would be given to locating and maintaining offices in rural areas.

This Department has always given emphasis to the location of USDA facilities and personnel in rural areas. In fact, the very nature of the mission of most USDA agencies necessitates that agency programs be located in rural areas. For example, in the Forest Service organization some 77 percent of agency personnel are located in rural areas in towns with less than 50,000 population, 48 percent being located in towns of less than 5,000 population.

However, we would like to point out that in the process of determining the location of USDA offices, we also consider and give high priority to such additional factors as the mix of employees skills, economy of operation, and program effectiveness. Our proposed revision of Amendment 641 reflects the importance of these factors as well as the direction relating to the location of USDA offices contained in the Rural Development Act of 1970 (84 Stat. 1383).

COST ESTIMATES

In accordance with Section 252 of the Legislative Reorganization Act of 1970, the following are the estimates of the costs that would be incurred in carrying out the provisions of the bill. These estimates were received from the U.S. Department of Agriculture.

The cost for this legislation is composed of two parts:

1. The costs associated with preparation of the Assessment, Program, inventories and associated work, and public meetings necessary to produce the basis for setting policy.

2. The "cost" to operate the policy that will be later enunciated.

Estimates of the Forest Service Additional Average Annual Positions of Civilian Employment Fund Requirements for New Programs authorized by S. 2296 are as follows:

	Current year	+1	+2	+3	+4
Man-years	0	53	53	53	53
Obligations (millions)	0	$0.7	$1.7	$2.3	$2.9

The man-years and cost estimates listed above are those associated with expanding the surveys as set forth in section 3(b) of S. 2296. The current annual authorization for the surveys is $5 million. Present man-years involved in the surveys total 131.

The provisions of the bill do not create other new authority for the Forest Service; thus, its immediate impact will not be to add new program costs. However, the budgetary review process and program evaluation process, especially those set forth in subsections (f) through (i) of Section 8, will provide more effective measures of costs and benefits, direct and indirect for courses of action. The bill thus contains useful safeguards that force critical review and reporting and thus continual program improvement.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bil, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

M'SWEENEY-M'NARY ACT OF 1928, AS AMENDED

[SEC. 9. The Secretary of Argiculture is authorized and directed, under such plans as he may determine to be fair and equitable, to cooperate with appropriate officials of each State, Territory or possession of the United States, and either through them or directly with private and other agencies, in making and keeping current a comprehensive survey of the present and prospective requirements for timber and other forest products in the United States and its Territories and possessions, and of timber supplies, including a determination of the present and potential productivity of forest land therein, and of such other facts as may be necessary in the determination of ways and means to balance the timber budget of the United States. There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, not to exceed $1,000,000 annually to complete the initial survey authorized by this section: *Provided*, That the total appropriation of Federal funds under this section to complete the initial survey shall not exceed $11,000,000. There is additionally authorized to be appropriated not to exceed $5,000,000 annually to keep the survey current.

"'The Secretary of Agriculture is hereby authorized and directed to make and keep current a comprehensive survey and analysis of the present and prospective conditions of and requirements for the renewable resources of the forest and rangelands of the United States, its territories and possessions, and of the supplies of such renewable resources, including a determination of the present and potential productivity of the land, and of such other facts as may be necessary and useful in the determination of ways and means needed to balance the demand for and supply of these renewable resources, benefits and uses in meeting the needs of the people of the United States. The Secretary shall carry out the survey and analysis under such plans as he may determine to be fair and equitable, and cooperate with appropriate officials of each State, territory, or possession of the United States, and either through them or directly with private or other agencies. There is authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.'"

SUMMARY OF VIEWS OF VARIOUS WITNESSES ON S. 2296 AT NOVEMBER 20, 1973, HEARING BY THE SUBCOMMITTEE ON ENVIRONMENT, SOIL CONSERVATION AND FORESTRY, SENATE COMMITTEE ON AGRICULTURE

1. Senator Pete V. Domenici, New Mexico: "The Forest and Rangeland Environmental Act of 1973 provides a sensible way to put this nation's long-neglected forest management house in order. It further provides that this will be done within the framework of statutory environmental safeguards and in harmony with the laws governing the adminis-

tration of the national forests. All uses of the forest are addressed with the goal of providing more of the things that people need and want and at the same time enhancing the basic resource. As this Act provides, this can be done through budget procedures that tie funds to needs in a realistic, goal-oriented manner. The nation can ill-afford to neglect its forest any longer. Future opportunities to cure this past neglect will be at the tragic expense of foregone benefits which could have added so much to the quality of our lives and our environment."

Richard E. McArdle, former chief, U.S. Forest Service under President Eisenhower:

"This is a good bill. If I were still Chief of the Forest Service this bill, if enacted, would be exceedingly helpful to me.

"In 1959 and again in 1961 the Forest Service tried to do something comparable to what is envisioned by S. 2296. To bring more order to the budgeting process we spent considerable time formulating a program for development of the national forests with long-range goals and specific plans for the decade immediately ahead. After Administration approval the plan was presented to Congress.

"This plan for orderly resource management worked well for one year. Thereafter it was ignored by those in charge of the budget-making process. There was no requirement that obliged the budget people to consider the plan. S. 2296 would overcome this reason for failure ten years ago.

"I was never in a position to know all the many considerations that must enter into making a national budget. I can, however, speak with considerable knowledge of what effect the end result of the present budget-making process has on orderly management of the nation's natural resources. The end result of the present system is helter-skelter management of natural resources.

"With respect to management of forest and range resources S. 2296 will bring order into the budget-making process. There is no requirement that programs developed as a result of S. 2296 be carried out but there is a requirement that an explanation be given for not carrying out programs that Congress has approved. At the hearings the suggestion was made that this requirement for explanation be made more flexible. If this is done you may as well toss S. 2296 out the window because you will be back to where I was in 1961. This requirement is the heart of S. 2296. I urge you to keep it and thereby recapture some of the control that Congress has lost."

3. Larry E. Naake, National Association of Counties: "The Board of Directors of NACo's Western Region District, at its recent meeting, endorsed in principle the "Forest and Rangeland Environmental Management Act of 1973" (S. 2296) that is now before your Committee.

". . . The Board of Directors asked me to convey to you their concern that your Committee retain language in the legislation which would call for the full authorizations and appropriations for roads and trails in the annual budget of the Forest Service. The language in the present bill will go a long way toward insuring such full authorization and appropriation."

4. Spencer M. Smith, Jr., Citizens Committee on Natural Resources: "We interpret this legislation to be something that would provide a long range frame of reference for establishing criteria for practices . . . a method of planning and procedure, if you will, rather than dealing with the nuts and bolts of a day-to-day operation. If this measure is enacted into law, it would appear to be most difficult, perhaps impossible, for any Administration to direct an increase in the allowable cut on the National Forests without consideration for the practices that would be required to maintain sound conservation policies nor to consider the possible adverse effects upon other users of the National Forests.

"The subject of this legislation is to provide a frame of reference and a basis for developing a long-range program. The new ingredient which makes it attractive to many of us is to put a price tag on these items and then try to provide some followup to find out whether these assessments can be carried out and what they will cost. We would not have the situation which we have been in several times where people who want certain services in the national forests cannot get them because they cannot get the money.

"All I know is we have no mechanism at the present time for evaluating a decision. And I think what we are talking about here is the need to create the kind of mechanism that will allow us to come up and analytically determine whether monetary policy, fiscal policy, international trade or our own resource base ought to prevail in such a situation. But right now we do not have a criteria by which we can make these kinds of determinations. This is what I think the bill is all about."

In regard to the problem of financing road construction, he said: "We feel that Section 9(c) properly addresses itself to this problem and affords an effective solution."

5. Daniel A. Poole, Wildlife Management Institute: "(The Institute) endorses and supports the objectives of S. 2296 as they pertain to the national forest system. We are pleased that a proposal with this thrust has emerged at a time when there is so much misunderstanding about timber supply and cutting practices on national forests and private lands. In our view, the central issue at this point in time is the urgent necessity to achieve and maintain balance in the national forest management program. Arguments over such issues as clear cutting, log exports, and all the rest are indicative of the current imbalance in the national forest program. But to attempt to react to each of these issues on an individual basis in the absence of a comprehensive game plan for the national forests is to do a disservice to the overall public interest in this immensely valuable estate."

6. Thomas L. Kimball, National Wildlife Federation: "The National Wildlife Federation is favorably inclined toward legislation which has as its objective the attainment of adequately-funded, environmentally-balanced multiple use, sustained yield management programs for national forests. Since the principles embodied in S. 2296 are conservationally sound and because the bill's general thrust is to enhance balanced multiple-use management of national forests, the Federation supports S. 2296 and urges its early passage."

7. William E. Towell, American Forestry Association:

". . . Currently, we are seeking ways to achieve better balanced use and higher funding for all forests of America. S. 2296 is one of several bills before the Congress that might help achieve these objectives. We support it in principle, if not in every detail. . . ."

Questioning by Senator Huddleston brought out these points:

Mr. TOWELL. ". . . I certainly share with Senator Bellmon—his real concern for getting rid of the backlog of planting that needs to be done and also with my friend Ed Moore who just testified on the importance of accelerating the planting backlog on the national forests in particular. This is almost a disgrace that our public forests that are in need of the reforestation may be 50 years in catching up, and I think that the Federal Government should demonstrate to private forests and industrial forests some real leadership here by getting these lands at least into ultimate maximum production. . . ."

Senator HUDDLESTON. "Do you see any great difficulty in the way the bill is structured in arriving at a general consensus by all parties that have varying interests in the forests and the use of the forests as to what the national policy ought to be?"

Mr. TOWELL. "No. You mean the procedure by which the national policy is determined?"

Senator HUDDLESTON. "Any chance that, the way it is structured now, it might result in an imbalance of the multiple use?"

Mr. TOWELL. "No, I do not think it will. As I indicated to begin with, I do not think this would have been necessary if we had been able to achieve this through the normal appropriation funding processes, but apparently we have not, so from that standpoint I support the objectives of the bill of formulating a policy in the Congress by involving the public, getting public input into that policy, and then getting the administration either to implement that policy or to justify its reason for not implementing it."

8. Hugh B. Johnson, American Institute of Architects: "We support Senator Humphrey's Amendment 641, which is in the nature of a substitute to S. 2296. However, we must qualify our endorsement by stating our belief that this legislation is only a beginning in the development of a comprehensive national forest management program. We strongly believe that a comprehensive forest management program that is truly national in its scope is essential if our country's lumber supply is to be increased without degradation of the natural environment of our forests. To achieve this type of a national comprehensive program, we must go beyond the scope of this bill and the forestry incentives program authorized by the Congress earlier this year in P.L. 93–86. We must also provide within our program for better management of the millions of acres of federally-owned forest land not in the national forests. We must encourage the efficient utilization of all privately-held forest lands, the large tracts as well as the small."

9. John F. Hall, National Forest Products Association. Mr. Hall testified in support of the bill but suggested two amendments: "We are glad to join with the administration and some of the conservation resource organizations in support of this legislation. We think it is a tremendous first step in helping to develop the undeveloped potential of the national forests, not only for timber but for wildlife, watershed, recreation, and other uses. The funding for national forests activities so far has been grossly inadequate, and as you pointed out in your opening remarks, the separate consideration of each resource activity has resulted in controversies and stress which could be avoided with a coordinated plan developed by the administration and considered by the Congress for these lands.

"As you pointed out, as was recognized, the problem here has been the deferment from year to year of large capital expenditures, and while it appared to have little impact if the capital expenditures were deferred one year, it is the culmination of those deferrals for 20 years or more which we are now having difficulties with.

". . . The first requisite towards realizing the full potential of the National Forest System is a comprehensive and coordinated plan of development. In order for such a plan to be effective it should be specified by statute. This should occur after scrutiny by Congress forms the basis for goals and policies for use in the annual budgetary-appropriation process. S. 2296 would accomplish this objective. . . ."

10. J. E. Moore, American Pulpwood Association: ". . . On behalf of the American Pulpwood Association I want to express our support of The Forest and Rangeland Environmental Management Act of 1973 (S. 2296). We feel that it is progressive legislation . . ."

". . . Federally owned forests should serve as an example and this bill, if enacted into law, will help them set that example."

11. W. D. Hagenstein, Industrial Forestry Association: ". . . We are very encouraged by the obvious strong support for S. 2296 as evidenced by its co-sponsorship by many of the leading members of the Senate. We are here today to support it in principle as a long overdue redirection and remotivation of the U.S. Forest Service which has the great responsibility for managing the National Forest System for its citizen-stockholders. . . ."

". . . Rehabilitation of idle land; better protection against insects, disease and fire; salvage of dead and dying timber before it's lost to use; better access; prompt reforestation after harvest; precommercial and commercial thinning; tree improvement through genetics; fertilization; closer utilization are all practices the Forest Service has learned from its 50-year half billion dollar research. Now is the time to apply that research to America's strongest single forest land ownership—the national forests. S. 2296 will help do it. We urge that you report it out and get your colleagues in the Senate to start the New Year with a new national forest outlook and program for the future. Our national forests can and should provide their owners—all of us—with more jobs, more timber, more grass, more wildlife, more recreation, more water, more support for local government. Give the Forest Service the green light, Gentlemen, and it will perform. Keep it red and it won't."

12. George A. Craig, Western Timber Association: "We applaud this effort to get a continuing program of investment and management for all of the resources in the National Forest System. It has much merit and is long overdue. The General Accounting Office, the President's Advisory Panel on Timber and the Environment, and the Forest Service (with its recent comprehensive report 'Outlook for Timber in The United States') have all recently reported substantial national needs for products and services from the National Forests and opportunities to meet such needs through proper investment and management."

13. John B. Veach, Jr., Appalachian Hardwood Manufacturers, Inc.: "AHMI is a trade association representing the manufacturers of hardwood lumber throughout the Appalachian Regions. AHMI believes that S. 2296 is constructive legislation which can; (1) advance the development of the National Forests and, (2) stimulate cooperative programs to increase productivity of forest lands in small private ownerships." ". . . Consideration of the needs for development of forest resources and uses other than timber production as provided in S. 2296 is sound and constructive. Hardwood timber production is entirely compatible with wildlife, recreation and watershed management. The more intensive the consideration of the management needs of these other resources, the more readily can hardwood timber cultural activities be coordinated with them."

Mr. Veach also stated: "I think Mr. Humphrey was correct, too, when he said that he thought the moment of truth had arrived and that we need to find out where we are. We need to find out where we are going. We need to make plans as to how we are going to get there. And then, and this is very important, we need to implement those plans and actually do something about them."

14. Arnold D. Ewing, Northwest Timber Association: "I do support the basic concept of the bill, . . ."

"The general concept of the bill in requiring the Forest Service to establish goals and report periodically on their accomplishments towards these goals is excellent.

"It is also gratifying that this bill under section 2(h) recognizes proper levels of funding are essential for achieving optimum potential resource benefits."

15. Joseph McCracken, Western Forest Industries Association: "Our association has concerned itself for a long time with those crucial questions of national forest policy addressed by Senator Humphrey's amendment. While there were a number of provisions in the original S. 2296 that we felt were contrary to the national goal of increased timber production on a sound environmental basis, we are pleased that the substitute language embodied in Amendment No. 641 has apparently overcome most of those problems."

Mr. McCLURE. Mr. President, I want to say at the outset that I do not oppose this measure. I support its objective. However, there are a couple of problem areas that I think need to be addressed. One of those areas having been very fully addressed by the Senator from Minnesota in his able presentation in explaining his bill, and the other, which I think needs emphasis, having been almost wholly ignored by the committee and by the report.

First let me explain my reason for interest. My State of Idaho is almost two-thirds in Federal ownership—66 percent of the State. Nearly one-third of the entire State is under the Bureau of Land Management, and over one-third of the State is administered by the U.S. Forest Service under the Department of Agriculture. So we must be concerned with the type of management applied to those public lands, and this act will have a very substantial impact on that management.

I am concerned because this bill, for the first time to my knowledge, gives a congressional recognition to the right of the administration to invade the gross receipts of timber sales that otherwise would go to the counties, where that money is expended for forest roads. There has been congressional recognition by direct enactment of certain other aspects of that problem, and there has been congressional recognition, so far as the appropriation process is concerned, of the reduction of the revenues to the counties under the 25-percent fund.

I think the committee has very properly addressed that question with a great deal of detail. But I am concerned that while we have looked at the impoundment problem and we have looked at the question of the back-door spending, we have not looked fully at the justification for the 25-percent fund going to the county, and we have not really addressed ourselves to whether or not it should be invaded, or whether it should be preserved to the counties.

What are the needs of the counties? What is the justification for diverting 25 percent of the revenues of sales to the counties? Are they entitled to that amount of money? What would have been the case if these lands had not been reserved for public ownership, and had instead gone into private ownership, and the counties and local school districts were deriving tax revenues from those lands? What would have been the result if the State were permitted to, and did indeed, levy a severance tax upon the harvesting of timber on those lands, and what would the revenues be to local and State governments if that had been the direction we had gone, instead of saying to them, "We will take and preserve Federal ownership of these lands, and, in response to the demands of local governments, we will compensate them, in effect, by giving them 25 percent of the revenues"?

Yes, indeed, the Forest Service has and the Department of Agriculture has over recent years invaded the proceeds of timber sales to a greater and greater extent, primarily because of the failure of Congress and the administration to be responsible in management of our forest reserves. A greater and greater proportion of the total management burden for the forests has fallen on the counties in which they are located, simply by subtracting from the revenues of sales the amount of the management practice which should have been paid for by the Federal Government directly. The Senator from Minnesota is exactly correct in stating that this is reverse revenue sharing. Local governments are being asked to assume a burden which is properly that of the Federal Government.

So, while I support this legislation, I am concerned that we have in the legislation now established, by congressional enactment, a sanctity, a recognition of the right of the Federal Government to invade the 25-percent fund for payment of what might better be classified as a Federal responsibility. And while I am aware that the Senator from Minnesota has carefully limited that, there is on page 21 of the committee report, following the description of the priority established, that the administration must first look to the authorized and appropriated funded programs here, we say that following that they can then exercise the back-door spending, and the report says, in the middle of page 21 of the printed report, that—

Back-door, uncontrolled spending will become the second priority—

And I emphasize the following—

but need not be diminished.

It seems to me, then, that we have by the authorizing and appropriating mechanism said to them that we will control, by authorizing and appropriation, how much of the 25-percent fund goes to the county, and the counties have not been told that. The school districts do not know that. They do not realize that we are, in this act, now saying that Congress will control, on a year-to-year basis, how much of the 25-percent fund will be available to them and how much will be expended by the Federal Government.

I think, as we get into the followup on this matter, that we must address that question, and we must ask some questions. We must ask them to tell us how they justify the 25-percent fund. We must also, in spite of this provision, give them some predictability of what the 25-percent fund will yield to them, rather than depending upon year-to-year enactment of authorizations and appropriations, in which their budgetary process has become a shambles, as the Senator from Minnesota well knows from other sources.

But aside from that reservation with regard to the 25-percent fund, and I am very concerned about it, there is another aspect here which I think the Nation as

a whole needs to be even more vitally concerned about, and that is referred to not only in this bill but also in the Multiple-Use and Sustained-Yield Act to which the Senator has made reference. That has been the most recent chapter in the Forest Service bible. This will become the latest chapter, and will replace a lot of others as the bible for their activities.

The Multiple-Use and Sustained-Yield Act does contain five directives, five priorities or categories for the use of public lands, and the Senator has detailed them. But there is another category not mentioned in the Multiple-Use and Sustained-Yield Act, and that is the nonrenewable resources, the mineral wealth of our Nation embedded beneath these public lands. Likewise, it is not mentioned in this act.

Mr. HUMPHREY. May I say why?

Mr. McCLURE. Certainly.

Mr. HUMPHREY. That is not within the direct jurisdiction of the Committee on Agriculture and Forestry. I recognize the importance of minerals and I think it is one that we will have to deal with separately. If we had given consideration to it, we would have run smack-bang into a very sizable jurisdictional problem.

Mr. McCLURE. I understand what the Senator is saying, but it seems to me that in the Multiple-Use and Sustained-Yield Act, in our directions to the Forest Service for the management of public lands, we were completely silent on this issue for the same reason. Today again we are silent on it, for the very reason the Senator has outlined. But that distorts and perverts the responsibility of the Forest Service to management of the renewable resources, with very little emphasis on the importance of the management of the nonrenewable resources in those lands. Those who have had to live with the management of the Forest Service dealing with mineral production on the Forest Service lands live in daily contact with a problem in which the managers are unaware of the needs of the minerals industry, are insensitive to the minerals industry, and ignore the minerals industry and the importance of that industry to the Nation's economy.

We are now racked by the necessity, in this country, of limiting our use of energy. Every one of us is affected in one way or another by the need for sitting in line to get gasoline at the local service station. This is the end of our recognition that we are not self-sufficient in our basic resources in this land. We are suffering from an embargo as the Arab nations seek to affect our foreign policy dealing with their concerns by withholding supplies of resources from us.

This is not the last of such actions that will be undertaken. There are 11 minerals on the critical list upon which our industry is entirely and totally dependent, and we are not self-sufficient in those 11 minerals.

The result will be that we will be subjected to greater and greater demands in a similar vein to that of the Arab oil embargo, in which price will be hostage and policy will be hostage to future demands of producing countries, and I think we must look at that very grave problem as it confronts our foreign policy in the future.

I would say to the Senator from Minnesota that I do not understand the reason why it is not addressed here. But the record should clearly show that it is not intended, by its failure to be mentioned, that Congress is not aware of its importance.

Mr. HUMPHREY. I agree entirely. I want to assure the Senator of my desire as a member of the Committee on Agriculture and Forestry to try to help and work out some kind of cooperative relationship with the Committee on Interior and Insular Affairs so that we can address ourselves to this very problem. Minerals are important in the State of Minnesota. I am aware of it from a practical point of view. I am prepared to cooperate with the Senator from Idaho to get action. We did not do it in this bill because, honestly, it was beyond our jurisdiction, as I said, and it would have delayed the reform we thought quite necessary for the forest management.

Mr. McCLURE. Could I ask this one direct question, then, for the sake of the record, that the latest expression of Congress with respect to the management of minerals on public lands, including Forest Service lands, is in the National Minerals Policy Act which Congress has enacted?

Mr. HUMPHREY. Yes.

Mr. McCLURE. It is not the intent of this legislation in any way to change the focus of that National Minerals Policy Act?

Mr. HUMPHREY. Not one bit. The Senator has stated it properly. I do not want to confuse it at all because of the Senator's unique understanding of this subject. It in no way affects the policy as established.

Mr. McCLURE. I thank the Senator for his statement. Let me conclude with one example of the necessity for passing this kind of bill, in order to modernize the management directives of the Forest Service, as we take it from the studies and the action as contemplated by this legislation. One of the basic tools in the bill has to be the inventorying of standing timber which could be harvested, the allowable cutoff under the Multiple-Use and Sustained-Yield Act calculated for the term of the life of the jurisdiction. We can reduce it to an annual basis and keep it meaningful only if an accurate inventory on a current inventory is made.

The method used now is so tedious, and so ponderous and time consuming that by the time the inventory has been made, it is completely out of date. The result is we never have any current information on which any rational decisions can be made for this year's program. That is absolutely ridiculous. This Forest Service is aware of the problem. They seem to be incapable of dealing with it. We need to take a strong direction, by this legislation, and by the follow-on legislation which will be followed, because this is not the end, but the beginning of that process.

I commend the distinguished Senator from Minnesota (Mr. HUMPHREY) for his leadership. I very much appreciate what has been done. I know of the endless hours and days and weeks that he and his staff on the committee have devoted to bringing this bill to the floor today. I know how difficult it has been. It was a monumental task. I, for one, wish to express my appreciation for the very fine way in which he has devoted himself to this task.

Mr. HUMPHREY. I thank the Senator very much. I assure him of my cooperation on the items he has brought to our attention.

Mr. McCLURE. I thank the Senator very much.

Mr. STEVENS. Mr. President, I, too, would like to congratulate the Senator from Minnesota (Mr. HUMPHREY) and the other cosponsors of S. 2296 for the fine work they have done on this particular piece of legislation. I support the concept of the bill, and in almost all respects I think it is an excellent piece of legislation.

However, for the record, I should like to point out one provision which, if not changed in the House or in the conference, could, in my opinion, be particularly ruinous to the timber industry in my State of Alaska.

This is the provision in section 9(c) in the substitute bill which is concerned with forest road policies and the financing of roads in the national forests.

I ask unanimous consent that that provision, which is the proviso beginning on page 13, line 19 to line 4 on page 14 of the bill be printed in the RECORD, so that there will be no question as to what I am addressing myself to.

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

Provided, That if in any budget year the request is for less than the sum of the two laws listed above or the appropriation enacted is apportioned or scheduled for apportionment in any lesser amount than is appropriated, the Secretary shall also reduce by an equivalent sum the utilization of the authority granted to secure the construction of roads in whole or in part by timber purchasers in return for a reduction of the appraised price of timber sold by the estimated cost of roads as provided in the Act of October 13, 1964 (16 U.S.C. 535):

Mr. STEVENS. Mr. President, if this provision becomes law, a reduction in timber purchaser road construction in a proportionate amount to the road appropriation request less than the authorizations in existing law will result.

I assume that this provision was included to force the administration to budget the full amount of the authorizations. As one who serves on the Appropriations Subcommittee for Interior Appropriations, which deal with the Forest Service requests, I must oppose this provision.

There is nothing that prevents Congress from increasing the request to the amount of the authorization, should the provision become law. If the requests for appropriations are, in fact, less than the funds authorized, there will be a reduction in the purchasers of road construction, which could mean that planned timber sales in Alaska would be postponed. The result would have an infla-

tionary effect on the balance of the sales available and the bidding for the remaining sales would escalate, and that would cause inflation in the bidding for the remainder of the sales that are available. But even worse than that, there would be a reduction in the local revenues that are derived from employment in the timber areas, with the result that it would have an adverse effect on the stability of the small communities in southeastern Alaska in particular.

I feel that the subject of jurisdiction of the development of roads is adequately covered by title 23 of the United States Code, as well as title 16 and particularly sections 532–538.

I am confident that the committees of Congress that consider forest development of roads authorizations every 3 years can work out a system whereby we can assure that the appropriations will be at an adequate level. However, while I support the bill itself, I am hopeful that the House or the conference will either delete or modify this section 9(c) so that it does not relate solely to executive action.

That is my objection. I hope the Senator understands that this means even if the request is less than the authorization, even if I am successful as a member of the Appropriations Subcommittee in increasing the amounts of actual appropriation that the request——

Mr. HUMPHREY. Which I do hope the Senator will try to do.

Mr. STEVENS. I do, every year. I assure my good friend from Minnesota that he understands, as provided in the provision in this section, that if the request itself is less, then I think we should not have the impact that this provision would have on road construction programs. We should rely on Congress to maintain the level of appropriations.

I call to the attention of my friend from Minnesota the fact that in Alaska these roads are not constructed for recreation as they might be in Oregon, Idaho, or in other forest areas, but we are logging island forests primarily there in southeastern Alaska. When we build these roads, they are built for timber access and, therefore, the timber purchasers are anxious to contribute to building the roads and we are not relying on the appropriations as you might be in other areas. This will have a major impact in my State where we do rely on timber purchasers to build the roads.

I hope that my friend from Minnesota, when he goes to conference, will attempt to work it out so that it does not have—perhaps leave out Alaska entirely——

Mr. HUMPHREY. I will try to be helpful. That is a good point the Senator has raised. It is one we can work out with the House committee as it proceeds with the bill. I will work with the Senator from Alaska and see if we cannot find a solution to the problem, which I understand. It is so difficult in this vast country to keep in mind all the variables we have. The Senator's great State of Alaska has unique features and requires, sometimes, a legislative approach that we cannot use in other parts of the country. The Senator can rest assured, I will be as helpful as I can to the best of my ability.

Mr. STEVENS. The Senator from Minnesota has been of great help to the Senator from Alaska. I am very much pleased to hear his statement and we will call it to the attention of the House Members.

Mr. HUMPHREY. Mr. President, could we have third reading of the bill now?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

Mr. STENNIS. Mr. President, as one of the cosponsors of S. 2296, I wish to commend to the favorable attention of the Senate and urge the passage of this very constructive legislation aimed at the protection and development of the national forest system.

The national forests play a very important role in our Nation, and in the State of Mississippi. Our State contains 6 national forests, containing 1,134,-238 acres. This is almost 4 percent of our total land area, and about 6 percent of our commercial forest land, so it is apparent why the national forests are important to Mississippi. Almost a fifth of our sawtimber is growing on national forest land, and of the amount that grows each year, about 60 percent is harvested, and the rest left to grow to meet the needs of the future.

The Federal Government expends very sizable amounts of money each year to operate and maintain these forests, and all of this money flows into our economy in terms of payrolls, supplies and services, and payments to the State and counties. Of the money spent by the U.S. Forest Service in Mississippi in 1973 almost $6 million was spent for forest protection and utilization, which includes management; protection against fire, insects and disease; forest research; and State and private forestry cooperation. Another $1,662,000 was paid to the State, and large amounts were expended to develop and protect water resources, provide recreation areas, build forest roads and trails, and other similar endeavors, frequently in a mutual effort with other agencies. The U.S. Forest Service in our State has over 200 full-time employees and a similar number of part-time workers.

It should be recognized that the national forests also provide very extensive recreation opportunities for our citizens. There are in Mississippi some two dozen specially developed recreation areas that receive heavy usage. All of the national forest lands, except the 400 acres in the recreation areas, is open to hunting, and the Forest Service takes special care to try to develop and maintain good wildlife habitat. Special care is also taken to prevent erosion, and to restore and reforest eroded watersheds that were the result of heavy timber cutting in the earlier third of this century.

I want to commend the U.S. Forest Service for the fine job it does in managing our national forests. They believe firmly in the multiple use of these beautiful forest lands, and our citizens, therefore, are able to enjoy the benefits of this policy.

Needless to say, there is very careful coordination of all the Federal forestry efforts in Mississippi with our State forestry commission and our State forester and his staff. I believe that at the State level we have as effective a forestry program as can be found anywhere in the Nation.

Mr. President, the legislation before us today is logical in its approach. By a national assessment it determines the nature and scope of the forest problems. It establishes a program to deal with the problems, it sets a goal, and addresses the problem of providing money to meet the goal. I strongly urge the passage of this very worthy bill.

Mr. HATFIELD. Mr. President, I am pleased to support S. 2296, the Forest and Rangeland Environmental Management Act of 1974. I believe this legislation provides a beginning in the effort to upgrade the quality of forest management in this Nation and it is for this reason that I joined with the Senator from Minnesota (Mr. HUMPHREY) in cosponsoring it.

I have been deeply concerned about the direction which the administration has been taking over the past few years in the area of natural resource management. Forestry programs have suffered due to a lack of adequate funding. The Appropriations Committees of the Senate and the House have been forced to supplement the administration's meager budget requests, but we have still failed to act sufficiently to make the investments in forest management which are necessary if we are to meet the increasing demands for recreation, watershed, wildlife, lumber, and wilderness in the coming years.

Over the past few years, the response to the need for increased utilization of our forests can be summarized in two words: study it. The Senate Banking Committee, the Public Land Law Review Commission, the old Bureau of the Budget, the President's Panel on Timber and the Environment, a White House Timber Sale Task Force, the National Commission on Materials Policy and other studies have all indicated that timber yield can be increased if proper funding is available for more intensive forest management and that this can be done in a manner which enhances other noncommodity values. But still there has been no action.

Far too frequently, the Office of Management and Budget has been responsible for the real decisions about how our forests will be managed. Forest Service officials have stated bluntly to the Appropriations Committees that they just cannot do the job expected of them at present levels of funding. In the past, funds for reforestation added by the Congress have been impounded, as well as funds for important research programs.

Out of my concern for proper and balanced forest management, I have twice introduced legislation to deal with these problems. In January of 1971 I first introduced the American Forestry Act.

This bill had as its major goals the utilization of the 300 million acres of private, nonindustrial lands which are the key to meeting future needs, the establishment of a Federal Forest Land Management Fund which would utilize timber sales receipts for improved management of Federal forests with a top priority for reforestation, the expansion of research with emphasis on wood utilization, and the creation of a public advisory board to assist the Secretaries of Agriculture and Interior in determining Federal forest policies.

Following hearings by the Public Lands Subcommittee on the American Forestry Act and a forestry bill introduced by Senator METCALF in Georgia, Oregon, New York, and here in Washington, my legislation was revised and reintroduced in June of 1973 as S. 1996. The major provisions were revised and the bill directed a renewed effort toward achieving "program balance" between commodity and noncommodity uses on Federal land. In addition, a new provision was added to direct the executive branch to submit a meaningful forest management budget.

It is primarily this last goal to which S. 2296 is addressed. The Senator from Minnesota and the members of the Senate Agriculture Committee have established a process in this legislation for providing a comprehensive assessment of our forest and range resources which will be the basis for a rational, long-range management program. All uses of our forests will benefit from this approach. It should greatly assist members of the Appropriations Committees, myself included, in drafting realistc budgets which make sense when considered from the perspective of a long-range program. The legislation also provides specifically that national forest system management will be on a current basis by the year 2000.

I congratulate the Senator from Minnesota for developing this farsighted legislation. It is perhaps particularly relevant today, when the Nation is experiencing a serious energy crisis.

Wood is the most energy-efficient material which can be used in the construction of homes. Compared to other building materials such as aluminum, steel, concrete and plastic, studies show that we will continue to rely on our forests to meet our homebuilding goals. Energy requirements in manufacture for lumber, including logging, are only one-sixth that for steel and one-fortieth for aluminum. Energy cost for the lumber in exterior walls of a typical house would be about one-fourth that for steel and one-ninth that for concrete block or aluminum.

We need to move now if we are going to provide forests for future generations. I urge my colleagues to pass this legislation and I urge my colleagues in the House of Representatives to consider it soon.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

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

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall it pass?

The bill (S. 2296) was passed, as follows:

S. 2296

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 "Forest and Rangeland Environmental Management Act of 1974".

SEC. 2. FINDINGS.—The Congress hereby finds and declares that—

(a) the air, soil, water, plants, and animals are resources that are finite and renewable,

(b) the minerals are not a renewable resource,

(c) the conservation of the environment and esthetic values is essential to achieving an ecologically healthy and economically functioning resource base,

(d) the United States is richly endowed with land bearing, or capable of bearing, forest trees as its principal vegetal cover, land bearing, or capable of bearing forage as its principal vegetal cover and other associated lands, some of which contain both types of cover, which lands by their very nature produce, or are capable of producing multiple renewable resources, products, and benefits,

(e) the maintenance and wise management of these lands and their renewable resources are vital to the Nation's vigor,

(f) the Forest Service, in the Department of Agriculture (hereinafter called the "Forest Service"), is responsible for essential programs and services which must be maintained on an integrated basis, including programs to aid private and State forest land managers through cooperative efforts to achieve resource management goals, programs of research which produce knowledge that can be disseminated to improve achievements, and through the management of the National Forest System,

(g) comprehensive inventories and planning are needed to secure the greatest net public benefit from Forest Service cooperative programs, research, and National Forest System management,

(h) proper levels of funding for investment in managing the various activities and programs of the Forest Service are essential to achieving and sustaining the optimum potential flow of benefits from renewable resources on a balanced and timely basis,

(i) the National Forest System is made up of diverse lands, in different geographic regions, with many ecological associations which vary in their relation to the lands and people in each region,

(j) the National Forest System was established and maintained for the purpose of insuring a continuing yield of net benefits and resources for the enjoyment and well-being of the citizens of the United States; that the citizens of the United States expect, and are entitled to receive, the full yield of benefits and resources as set forth in the Multiple-Use Sustained-Yield Act of 1960 (16 U.S.C. 528–531); and that there will be a continuing demand for the benefits and resources available from the National Forest System,

(k) it is essential that the organization of service to be provided to the people of the United States by the Forest Service shall be designed and maintained to meet local, regional, and national needs commensurate with the relative environmental and economic benefits and costs.

SEC. 3. RENEWABLE RESOURCE ASSESSMENT.—(a) In recognition of the vital importance of America's renewable resources of the forest, range, and other associated lands to the Nation's social and economic well-being, and of the necessity for a long term persepective in planning and undertaking related national renewable resource programs, the Secretary of Agriculture, through the Forest Service, shall prepare a National Renewable Resource Assessment (hereinafter called the "Assessment"). The Assessment shall be prepared not later than December 31, 1974, and shall be updated during 1979 and each tenth year thereafter, and shall include but not be limited to—

(1) an analysis of present and anticipated uses, demand for, and supply of these renewable resources, with consideration of the international resource situation, and an emphasis of pertinent supply and demand and price relationship trends;

(2) a general inventory of these present and potential renewable resources and opportunities for improving their yield of tangible and intangible goods and services together with estimates of investment costs and direct and indirect returns to the Federal Government;

(3) a description of Forest Service programs and responsibilities in research, cooperative programs, and management of the National Forest System, their interrelationships, and the relationships of these programs and responsibilities to public and private activities; and

(4) a discussion of important policy considerations, laws, regulations, and other factors expected to significantly influence and affect the use, ownership, and management of these lands.

(b) To assure the availability of adequate data and scientific information needed for development of the Assesssment, section 9 of the McSweeney-McNary Act of May 22, 1928 (45 Stat. 702, as amended, 16 U.S.C. 581h), is hereby amended to read as follows:

"The Secretary of Agriculture is hereby authorized and directed to make and keep current a comprehensive survey and analysis of the present and prospective conditions of and requirements for the renewable resources of the forest and range lands of the United States, its territories and possessions, and of the supplies of such renewable resources, including a determination of the present and potential productivity of the land, and of such other facts as may be necessary and useful in the determination of ways and means needed to balance the demand for and supply of these renewable resources, benefits and uses in meeting the needs of the people of the United States. The Secretary shall carry out the survey and analysis under such plans as he may determine to be fair and equitable, and cooperate with appropriate officials of each State, territory, or possession of the United States, and either through them or directly with private or other agencies. There is authorized to be appropriated such sums as may be necessary to carry out the purposes of this section."

SEC. 4. RENEWABLE RESOURCE PROGRAM.—In order to provide for consideration and periodic review of programs for management and administration of the National Forest System, for research, for cooperative State and private programs, and for conduct of other Forest Service activities in relation to the findings of the Assessment, the Secretary of Agriculture shall prepare and transmit to the President a Renewable Resource Program (hereinafter called the "Program") which shall provide in appropriate detail for protection, management, and development of the National Forest System, including forest development roads and trails, for cooperative programs on non-Federal lands, and for research. The Program shall be developed in accordance with principles set forth in the Multiple-Use Sustained-Yield Act of June 12, 1960 (74 Stat. 215; 16 U.S.C. 528–31), the National Environmental Policy Act of 1969 (86 Stat. 852; 42 U.S.C. 4321–47), and other applicable legislation. The Program shall be prepared not later than December 31, 1974,

to cover the five-year period beginning July 1, 1975, and at least each of the four fiscal decades next following such period and shall be updated no later than during the first half of the fiscal year ending June 30, 1980, and the first half of each fifth fiscal year thereafter to cover at least each of the four fiscal decades beginning next after such updating. The Program shall include, but not be limited to—

(1) An inventory of a full range of specific needs and opportunities for both public and private program investments. The inventory shall differentiate between activities which are of a capital nature and those which are of an operational nature.

(2) Specific identification of Program outputs results anticipated, and benefits associated with investments in such a manner that the anticipated costs can be directly compared with the total related benefits and direct and indirect returns to the Federal Government.

(3) A discussion of priorities for accomplishment of inventoried program needs.

SEC. 5. NATIONAL FOREST SYSTEM RESOURCE INVENTORIES.—As a part of the Assessment the Secretary of Agriculture shall develop and maintain on a continuing basis a comprehensive and appropriately detailed inventory of all National Forest System lands and renewable resources. This inventory shall be kept current so as to reflect changes in conditions and identify new and emerging resources and values.

SEC. 6. NATIONAL FOREST SYSTEM RESOURCE PLANNING.—(a) As a part of the Program provided for by section 4 of this Act, the Secretary shall develop, maintain, and, as appropriate, revise land and resource use plans for units of the National Forest System, coordinated with the land use planning processes of State and local governments and other Federal agencies.

(b) In the development and maintenance of land use plans, the Secretary shall use a systematic interdisciplinary approach to achieve integrated consideration of physical, biological, economic, and other sciences.

SEC. 7. COOPERATION IN RESOURCE PLANNING.—The Secretary shall make available the Assessment, resource surveys, and Programs prepared pursuant to this Act to States and other organizations in planning the protection, use, and management of renewable resources on non-Federal land.

SEC. 8. NATIONAL PARTICIPATION.—(a) In order that the optimum benefits will be better assured to each generation of citizens the Secretary of Agriculture shall utilize such participation, including public hearings, meetings, and advisory groups, as he deems appropriate and has provided for by regulation for the development of the Assessment, Program, resource inventories, and planning provided for in this Act.

(b) On the date Congress first convenes in 1975 and following each updating of the Assessment and the Program, the President shall transmit to the Congress, when it convenes, the Assessment as set forth in section 3 of this Act and the Program as set forth in section 4 of this Act.

(c) The Congress shall hold public hearings on said Assessment and Program, and within one year after submission to the Congress, the Congress shall by resolution establish a statement of policy which shall be a guide to the President in framing fiscal budgets for Forest Service and related agencies activities for the five or ten year Program period beginning during the term of such Congress.

(d) Within ninety days after convening, each Congress shall publicly review the statement of policy developed pursuant to subsection (c) and make such modifications as may be necessary to provide a guide to the President in framing the budgets to be transmitted to Congress during the two fiscal years beginning thereafter.

(e) Commencing with the fiscal budget for the year ending June 30, 1976, requests presented by the President to the Congress covering Forest Service and related agencies' activities shall express in qualitative and quantitative terms the extent to which the Programs and policies projected under that budget meet the policies established by the Congress in accordance with subsections (c) and (d) of this section. In any case in which such budget so presented recommends a course which fails to meet the policies so established, the President shall specifically set forth the reason or reasons for so recommending and shall state his reason or reasons for requesting the Congress to approve the lesser programs or policies presented: *Provided*, That amounts appropriated for purposes covered by the resolution described in subsection (c), as modified shall be expended for the purposes for which appropriated, except to the extent that (1) the appropriation Act provides specifically for discretion as to such expenditures, or (2) the President finds that because of events occurring subsequent to the enactment of such appropriation Act, such expenditure would fail to accomplish its purpose.

(f) For the purpose of providing information that will aid Congress in its oversight responsibilities and improve the accountability of agency expenditures and activities, the Secretary shall prepare an annual report which evaluates the component elements of the Program required to be prepared by section 4 of this Act which shall be furnished to the Congress at the time of submission of the annual fiscal budget commencing with the third fiscal year after the enactment of this Act.

(g) These annual evaluation reports shall set forth progress in implementing the Program required to be prepared by section 4 of this Act together with accomplishments of this Program as they relate to the objectives of the Assessment. Objectives should be set forth in qualitative and quantitative terms and accomplishments should be reported accordingly. The report shall contain appropriate measurements of pertinent costs and benefits. The evaluation shall assess the balance between economic factors and environmental quality. Program benefits shall be considered in a broad context and shall include, but not be limited to, environmental quality factors such as esthetics, public access, wildlife habitat, recreational and wilderness use, and economic factors such as the excess of cost savings over the value of foregone benefits and the rate of return on renewable resources.

(h) The reports shall indicate plans for implementing corrective action and recommendations for new legislation where warranted.

(i) The reports shall be structured for Congress in concise summary form with necessary detailed data in appendices.

SEC. 9. NATIONAL FOREST SYSTEM PROGRAM ELEMENTS.—(a) The Secretary shall take such action as will assure that the development and administration of renewable resources of the National Forest System is in full accord with the concepts for multiple use and sustained yield of products and services as set forth in the Multiple-Use Sustained-Yield Act of 1960 (16 U.S.C. 523–531). To further these concepts, the Congress hereby sets the year 2000 as the target year when the renewable resources of the National Forest System shall be in an operating posture whereby all backlogs of needed treatment for their restoration shall be reduced to a current basis and the major portion of planned intensive multiple-use sustained-yield management procedures shall be installed and operating on an environmentally sound basis. The annual budget shall contain requests for funds for an orderly program to eliminate such backlogs: *Provided*, That when the Secretary finds that (1) the backlog of areas that will benefit by such treatment has been eliminated, (2) the cost of treating the remainder of such area exceeds the economic and environmental benefits to be secured from their treatment, or (3) the total supplies of the renewable resource of the United States are adequate to meet the future needs of the American people, the budget request for these elements of restoration may be adjusted accordingly.

(b) The Congress declares that the installation of a proper system of transportation to service the National Forest System, as is provided for in Public Law 88–657, the Act of October 13, 1964 (16 U.S.C. 532–538), shall be carried forward in time to meet anticipated needs on an economical and environmentally sound basis, and the method chosen for financing the construction and maintenance of the transportation system should be such as to enhance local, regional, and national benefits. If for any fiscal year the budget request for appropriations for forest development roads and trails (including the amount available under the fourteenth paragraph under the heading "Forest Service" of the Act of March 4, 1913 (16 U.S.C. 501)), is less than the amounts authorized therefor, or a portion of such appropriation is subsequently impounded, the amount of construction under clause (2) of the Act of October 13, 1964 (16 U.S.C. 535), for such fiscal year shall be reduced below such amount of financing during the preceding fiscal year by an equivalent sum. For the purposes of this section, impounding includes—

(1) withholding or delaying the expenditure or obligation of budget authority (whether by establishing reserves or otherwise) appropriated for forest development roads and trails, and the termination of authorized projects for which appropriations have been made, and

(2) any other type of Executive action or inaction which effectively precludes the obligation or expenditure of authorized budget authority or the creation of obligations by contract in advance of appropriations as specifically authorized by law for forest development roads and trails.

In applying the authority granted by the Act of October 13, 1964 (16 U.S.C. 532–538), the Secretary shall give due consideration to avoiding actions which may unduly impair revenues received and thus affect adversely payments to particular counties within the National Forest System made under the sixth paragraph under the heading "Forest Service" of the Act of March 4, 1913 (16 U.S.C. 500), or under section 33 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1012), but nothing in this sentence shall be construed to reduce timber sale offerings with provisions for purchaser road construction, the net effect of which will be to increase revenues from which such payments are made to counties.

SEC. 10. (a) NATIONAL FOREST SYSTEM DEFINED.—Congress declares that the National Forest System consists of units of forest, range, and related lands throughout the United States and its territories, united into a nationally significant system dedicated to the long-term benefit for present and future generations, and that it is the purpose of this section to include all such areas into one integral system. The "National Forest System" shall include all national forest lands reserved or withdrawn from the public domain of the United States, all national forest lands acquired through purchase, exchange, donation, or other means, the national grasslands and land utilization projects administered under title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525, 7 U.S.C. 1010–1012) and other lands, waters, or interests therein which are administered by the Forest Service or are designated for administration through the Forest Service as a part of said system.

(b) ORGANIZATION.—The on-the-ground field offices, field supervisory offices, and regional offices of the Forest Service shall be so situated as to provide the optimum level of convenient, useful services to the public, giving priority to the maintenance and location of facilities in rural areas and towns near the national forest and Forest Service program locations in accordance with the standards in section 901(b) of the Act of standards in section 901(b) of the Act of November 30, 1970 (84 Stat. 1383), as amended.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended, so as to read: "A bill to provide for the Forest Service, Department of Agriculture, to protect, develop, and enhance the environment of certain of the Nation's lands and resources, and for other purposes."

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized, in the engrossment of S. 2296 to make certain technical and clerical corrections.

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

ORDER OF BUSINESS

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

REFERRAL OF THE PRESIDENT'S MESSAGE ON HEALTH

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the message from the President on health, now at the desk, be referred jointly to the Committee on Finance and the Committee on Labor and Public Welfare.

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

The message is as follows:

To the Congress of the United States:

Good health is basic to the well-being of any society, as basic as education, jobs and individual liberties. Improving the level of health in America and assuring that all Americans have financial access to quality health care remains a top priority of this Administration.

By world standards, the health of Americans is good, and our health care system is capable of delivering the finest and most modern care the world has ever known.

But there are still inequities and deficiencies. Improvements can and must be made.

The objectives we seek for health care in this country can be simply stated:

—We want all Americans to have the necessary financial resources to purchase the health care they need at reasonable prices.

—We want an adequate supply of health professionals—doctors, nurses and others—to serve our communities.

—We want a full range of health services to be used efficiently by those who need them; over-use is poor health care and bad economics.

—And we want a strong research program to find ways to prevent and cure diseases.

These are common objectives all reasonable people can agree on. But we must also reach a consensus on how best to achieve them.

Neither the private sector nor the Federal Government acting alone can assure financial access to care for all, improve the quality of services, and guarantee that biomedical research is both supported and utilized. We must rely instead upon a partnership among private physicians and institutions, State and local authorities, and the Federal Government—a partnership that builds upon the strengths of the present system and gives it new vitality.

We have already made great progress. By strengthening and expanding our partnership, we can achieve even more. I have already proposed an integrated strategy that includes a Comprehensive Health Insurance Plan as well as rapid development of Professional Standard Review Organizations, continuation of price controls in the health sector, and increased biomedical research funding. I am recommending other health proposals on planning and health manpower. Taken together, these measures represent a realistic and effective health strategy for the 1970's—a strategy to improve the quality of health care for all of our citizens. In this message, I want to review the components of that strategy and outline the additional proposals that the administration will soon be sending to the Congress.

COMPREHENSIVE HEALTH INSURANCE

Today the health insurance possessed by many Americans is often inadequate or encourages misuse of the health care system. Usually it pays for a stay in the hospital, but not for visits to the doctor's office. It will pay for only a limited number of days in the hospital. Often it fails to cover prescription and life-saving drugs, or preventive services for the young, or mental health care. Finally, while it often encourages unnecessary use of expensive services in the short run, it fails to protect our citizens against the massive financial loss from catastrophic illness in the long run.

The Comprehensive Health Insurance Plan that I recommended to the Congress two weeks ago would correct these and other deficiencies. Our plan would provide a very comprehensive package of health services. It includes preventive health services for children and pregnant mothers, dental care for children, and mental health care for all. It would provide for free choice of care, whether from traditional fee-for-service physicians or from pre-paid health maintenance organizations, and it would provide incentives to control costs. It would also eliminate duplicate billing and accounting procedures for both patients and providers. Most importantly, it would remove the threat of family bankruptcy due to the costs of catastrophic illness.

Placing health benefits within the financial reach of all Americans is the central element of our health strategy for the 1970's. But such benefits alone are not enough.

PROFESSIONAL STANDARDS REVIEW

Under my Comprehensive Health Insurance proposal, the Professional Standards Review Organizations now being established by law would be expanded to improve the quality of health care for all.

As presently contemplated, there will be a nationwide system of locally run physician organizations which will review the quality and effectiveness of medical care delivered to medicare, medicaid, and maternal and child health beneficiaries. These new organizations, called PSRO's, provide great potential for bringing about improvements in health care practices by the best possible utilization of health care facilities and services.

This program is a unique Federal effort. It recognizes that physicians at the local and State level are best suited to judge quality and appropriateness of care. Individual PSRO's will be established and operated by local physicians, although the Federal Government will pay the operating costs. A number of PSRO's are expected to be designated and set into operation by the end of this fiscal year.

CONTROLLING HEALTH COSTS

Assurance of quality is not enough. We must also avoid the cost inflation which followed the introduction of Medicare and Medicaid. Our health insurance proposal would call for States to oversee the operation of insurance carriers and establish sound procedures for cost control. Until these or other controls are in place, I recommend that our present authorities to control health care costs be continued. I am asking the Congress for such authority.

Between 1969 and 1971, when consumer prices rose at an annual rate of 5.3 percent, medical care services measured by the Consumer Price Index rose 7.7 percent a year, with hospital costs rising by over 13 percent each year. In these years leading up to the beginning of the Economic Stabilization Program, the health industry was the most inflationary sector in the American economy. As such, it was a special economic problem requiring special regulations.

Two and one-half years of controls brought the annual rate of increase in medical prices down from 7.3 percent to 3.7 percent in 1972 and 4.4 percent in 1973. The 1973 rate was below the general rate of inflation. But inflationary pressures are still strong in the medical field, so that we must maintain Federal controls until other measures are adopted under Comprehensive Health Insurance.

IMPROVING HEALTH SERVICE DISTRIBUTION

Improved professional standards and sensible cost controls should be complemented by improvements in health services.

Presently, much of our health care is delivered in a hit-or-miss fashion. Too few American communities know how to balance their health services properly.

There are too many hospital beds in many communities and not enough outpatient services; few communities are capable of delivering high-quality emergency medical care; and we do not have enough physicians and other health professionals delivering primary health care. These problems could grow more serious. Removal of financial barriers can be expected to create new demands on our health care delivery system.

We must develop a better capacity to forecast and anticipate health needs rather than having to react hurriedly after the fact. The delivery of health care must be planned and guided in the States and communities by those persons who best understand the health problems of the people and localities concerned.

There are many concrete steps to be taken. For example, we must maintain our efforts to demonstrate for local communities the benefits of comprehensive emergency medical care systems. We must also maintain our newly enlarged capacity to produce well trained health professionals, we should continue to provide incentives to train primary care physicians and we should demonstrate ways of bringing services of physicians into rural and inner city areas where doctor shortages exist. Further, we must improve our methods of quickly converting research findings into physicians' practice. The Nation should perfect a system where scarce lifesaving technology is available to serve all those who need its benefits.

To accomplish these goals, we must encourage State, local, and private authorities to modify some of the existing organizations and laws relating to health regulation, licensing, planning, production, and manpower allocation.

Existing planning agencies have faced these issues to the best of their abilities. Some have performed well, helping States and communities plan for new and improved health resources in a rational, orderly, and economical way. Others, however, have failed to bring about material improvements in the health care system and are not well suited to the demands of the future.

HEALTH PLANNING

We will shortly be submitting legislation to the Congress that would authorize the Department of Health, Education, and Welfare to support local health planning boards composed of representatives of the public, health care providers, insurers, health educators and elected officials. These boards would prepare comprehensive health plans for health care delivery systems designed to meet the needs of the people in their areas. States would continue to have the primary role of approving new facilities and would receive assistance in monitoring rate increases in the health industry.

The boards would assume the present planning activities of the Comprehensive Health Planning Program, the Regional Medical Programs Service, and the Hill-Burton program, all of which now overlap at the local level. They would coordinate the planning and activities of health care providers, third-party financing organizations, health educational institutions, and government within each area in order to promote high quality care for the public good. They would also advise on Federal health grants in the areas served to ensure consistency of such activities with regional plans.

DISTRIBUTION OF HEALTH MANPOWER

Our most important health care resource is health manpower. It is this resource upon which all else depends. Assuring that there are enough health professionals of the right kind available in the right place to provide the needed care is one of our most challenging health delivery problems.

The number of U.S. medical and osteopathic schools has grown from 92 in 1963 to 121 in 1974. Total enrollment increased 60 percent from 33,072 to 53,100 and graduates increased over 40 percent, from 7,631 to 10,900. These increases in health manpower encourage us to believe that the Nation's total supply of health professionals is becoming sufficient to meet our needs during the next decade. In fact, oversupply in the aggregate could possibly become a problem.

Without major alterations in either present enrollments in domestic schools or immigration patterns of foreign-trained doctors, we estimate that the number of physicians by 1985 will approximate 500,000. This is an increase of at least 50 percent over 1970, and would be more than three times the expected growth rate of the U.S. population during the same period. Accordingly, the number of physicians per 100,000 population should increase from 159 in 1970 to as high as 217 in 1985.

Ironically, the increase in overall physician supply has not solved the problem of maldistribution. Some rural and inner city areas still lack a sufficient supply of general practitioners, and many areas lack certain medical specialists. We must now shift our attention away from a concern with aggregate numbers toward an emphasis on solving specific health manpower problems.

HEALTH MANPOWER INCENTIVES

We will soon submit legislation to the Congress designed to maintain present enrollments but also to gradually shift the method of support for medical education from general institutional operating subsidies to direct assistance to medical students through individual loans and scholarships. Funds provided directly to institutions will be targeted on special projects such as the production of more primary care physicians.

We shall also continue our ongoing efforts to expand the training and the effective use of physician assistants. Some 3,300 of these new health professionals are now being trained as a result of Federal initiatives. They are demonstrating that they can enable physicians to practice more efficiently and thereby extend their skills to more patients. Their services would be reimbursable under our Comprehensive Health Insurance Plan.

Other measures that I have proposed would assure that qualified students would be able to receive training in health education institutions regardless of financial barriers. Under my proposed scholarship legislation, scholarships would be offered to any student who agrees to serve in programs or shortage areas of national need after graduation. I am also proposing to increase the upper limits on guaranteed loans. The loan guarantee program would provide larger annual loans to students with repayment deferred until after graduation. These would be particularly helpful to those seeking education in the health professions, but would be available in all fields. Loans for education costs are a particularly appropriate financing mechanism for health professionals who can look forward to exceptionally favorable lifetime earnings.

ENCOURAGING HEALTH MAINTENANCE ORGANIZATIONS

One of our major initiatives to improve the access to care is the encouragement of Health Maintenance Organizations. In certain instances, HMO's have proved their ability to deliver quality health care to people when and where they need it at prepaid premium rates. It may be possible to use this mechanism to extend health care services into underserved areas where individual health practitioners are unavailable.

Since 1970 we have been seeking direct authority to demonstrate the HMO concept more broadly. This past December 29, I signed legislation into law which will stimulate the development of HMO's in many different settings.

I am requesting a total of $125 million for 1974 and 1975 to begin this important new program. We expect to fund 170 HMO's during the life of this legislation. Our Comprehensive Health Insurance Plan would require employers to also offer HMO care where available, a provision that we believe will further promote HMO development.

We will use Federal funds to support feasibility and planning studies, to pay initial development costs, and to subsidize initial operating deficits of HMO's for the first three years. In addition, loan guarantees will be offered to profit-making HMO's in medically underserved areas for planning, initial development and initial operating deficits.

The HMO law I signed represents an important response to the challenge of finding better ways to improve health care for the American people. It will build on the partnership that already exists between the Federal and the private sector by allowing both the provider and the consumer of health services to exercise the widest possible freedom of choice.

HEALTH EDUCATION FOR ALL

Access to health care is also affected by the degree to which our citizens exercise their individual responsibility to maintain health, prevent serious illness, and properly use the health services which are available to them. By accepting this responsibility and acting wisely, they can prolong their lives and prevent much needless disease and disability. They can also make full and efficient use of the health services available to them.

Yet despite major efforts and investment of resources by governmental and private agencies, it is evident that the necessary knowledge is not reaching enough of our people and that many peo-

ple who have access to that knowledge do not act upon it.

During the past year I received the report of a distinguished group of professional and civic leaders whom I had asked to recommend an action program to improve health education in the United States.

On the basis of the recommendations of this group we will establish an office of health education within the Department of Health, Education, and Welfare. This new organization will bring together and coordinate the existing fragmented health education efforts now underway in many health programs and agencies. It will also evaluate the approaches we now use in attempting to encourage people to lead healthier lives and will develop more effective educational techniques.

At the same time we will work with the private sector to develop a National Center for Health Education. While the Federal Government will assist in launching the Center, we intend that it eventually be supported by private funds.

Potentially, these actions could sharply improve the effectiveness of health education through many channels, including our schools, mass media, neighborhood and community organizations and the health care system itself.

ASSURING QUALITY AND SAFETY

We are moving to improve the quality of our health care and consumer services on a number of fronts. Professional Standards Review Organizations will allow physicians to monitor and improve the quality of their own services. Health Maintenance Organizations hold promise for delivering quality care efficiently to great numbers of people, even those in rural areas. Demonstrating improved emergency medical systems can significantly improve the quality of care rendered in situations where minutes mean life or death.

But there are some elements of personal health care and management which are beyond the control of the individual and often beyond the influence of the health care system. One such area is protection against unsafe food, drugs, cosmetics and medical devices.

This year I have asked the Congress to appropriate $200 million for the Food and Drug Administration, an increase of $35 million. These added funds would allow the FDA to intensify its inspection activities and increase its research.

Furthermore, I again urge the Congress to take swift action on the legislation I proposed last year to regulate the sale of medical devices. This new authority is essential if we are to assure that new technology for the diagnosis and treatment of disease is both safe and effective.

Legislation recently submitted to the Congress would upgrade the quality of foods and drugs available to the American public. These amendments would:

—Broaden inspection authority.

—Broaden FDA's authority to inspect quality control records in food, drug, device and cosmetic factories.

—Authorize FDA to require needed record-keeping and reporting for foods, certain drugs, medical devices, and cosmetics.

—Require the labels of nonprescription drugs to show the quantity of all active ingredients.

—Authorize FDA to detain products suspected of being unsafe or contaminated.

FDA has also initiated a broad program for licensing, registering and inspecting blood banks. This extensive program should significantly reduce the chances of blood recipients contracting hepatitis.

IMPROVED CARE FOR THE AGED

In 1971 I launched a major new initiative to improve the quality of care in our nursing homes. Since then we have worked with State governments to improve their nursing home inspection efforts, and we have barred substandard facilities from participating in our Medicare and Medicaid programs. Yet many long-term care facilities in this country still do not meet accepted fire and safety standards. This situation must be corrected, and we are taking steps to improve it.

Last month the Department of Health, Education, and Welfare issued new standards to improve the quality of medical services in nursing homes caring for Medicare and Medicaid patients. Very soon, the Department will issue additional regulations to improve the medical services in these homes. As a Nation we can no longer tolerate the warehousing of our older citizens in unsanitary and unsafe facilities. They have given us much. In return they deserve quality care in their declining years that is second to none. Our efforts to expand our biomedical knowledge about diseases will, of course, improve the care that can be rendered in nursing homes.

MEDICAL RESEARCH

In addition to attacking problems of the delivery system as a means of improving our health care, we must also continue to support our basic scientific research. It is this work that will tomorrow yield the remedies to diseases that affect our people.

We will continue to give high priority to research in cancer and heart disease because these two diseases together account for more than half of all deaths each year. At the same time, however, we will not neglect research on aging, arthritis, neurological diseases, dental diseases, and other major health problems.

SEEKING A CURE FOR CANCER

Cancer, in its more than 100 forms, still constitutes one of the most devastating health problems confronting mankind. This year, the National Cancer Institute estimates that 655,000 Americans will develop cancer, and 335,000 will lose their lives from it. Three years ago in my State of the Union message I announced that the conquest of cancer was to be a new national goal. In December of 1971 I signed the National Cancer Act. Since that time, the National Cancer Institute and other institutes in the National Institutes of Health have accelerated the drive against cancer.

The intensified effort has two goals: First, the main effort is to stimulate the development of new knowledge by an intensive and coordinated research effort throughout all medical, biological, chemical and physical sciences. Secondly, we are seeking the most effective method of disseminating across the Nation vital information on the prevention and treatment of cancer.

In 1971, appropriations for the National Cancer Institute were approximately $233 million. For fiscal year 1975, I have asked the Congress to appropriate $600 million.

We have made substantial progress in bringing the results of research as rapidly as possible to a maximum number of people. The latest advances in cancer therapy are being made widely available throughout the country for patients with leukemia, Hodgkin's disease and other lymphomas. We will assure that the newest and best cancer therapies will be available to the medical community. Major studies are underway at several institutions to detect lung cancer—the major cancer killer—at its earliest stages. In addition, the National Cancer Institute has pooled its resources with the American Cancer Society to open 20 demonstration centers for the early detection of breast cancer, the leading cause of death for American women in their reproductive years.

These are only a few of the important advances in our cancer program dedicated to informing and helping the people of America today, while continuing the search for causes, cures and means of preventing all cancers.

HEART DISEASE RESEARCH

The greatest single risk to health and life in the United States is heart disease. Collectively, heart, blood vessel, lung and blood disease affect more than 30 million Americans. High blood pressure is one of the most commonly encountered forms of heart and blood vessel disease, affecting an estimated 23 million adult Americans, or between 10 and 15 percent of the population of the United States.

In my State of the Union message in 1972, I promised to give these diseases increased attention. Later that year I signed into law the National Heart, Blood Vessel, Lung and Blood Act of 1972. To implement that act, I have requested appropriations of $309 million for fiscal year 1975, an increase of 23 million over this year. Special emphasis will be placed on research to prevent heart attacks and high blood pressure. The programs in sickle cell disease will also be continued.

INTERNATIONAL HEALTH PROGRESS

We have long recognized that health problems are universal and that their solution requires international collaboration. We have been heavily involved with activities of the World Health Organization, and we have worked directly with many different countries. Among the most significant of these bilateral activities is our recent agreement with the Soviet Union.

The United States and the Soviet Union have enjoyed 16 years of fruitful relationships in the field of health. From 1958 until 1972, under a general exchange treaty between our State Department and the USSR Foreign Ministry, we have exchanged many of our best medical scientists.

Recently, HEW Secretary Caspar Weinberger, visited the Soviet Union as a guest of the Soviet Health Minister

Petrovsky. During his visit, he inaugurated a new Telex link between the Ministry of Health in Moscow and the Department of Health, Education, and Welfare here in Washington. This new "health line" provides the kind of direct communications necessary for successful fulfillment of the program's goals and has been in daily use since its inauguration.

ELIMINATION OF SMALLPOX

Finally, I am pleased to report that one of the most successful efforts ever undertaken to improve world health will soon realize its goal—the global eradication of smallpox. This is an activity originally endorsed and consistently supported by the United States.

The Eighteenth World Health Assembly in 1965, at the initiative of the U.S. Delegation, adopted a resolution declaring worldwide eradication of smallpox a major World Health Organization objective. When the program began in 1966, 45 countries reported smallpox. At the end of 1973, this number had been reduced to 11. In 1966, smallpox was endemic in 25 countries. Today it is endemic in only four. In the Americas, where smallpox was a devastating disease for centuries, not a case has been reported since April 1971.

As a result of this global effort, the probability of contracting smallpox in the United States today is virtually nonexistent. There has not been a documented case of this disease in the United States since 1949.

Because of these dramatic results, our Public Health Service has decided that routine immunization of children should no longer be required.

CONCLUSION

The policies outlined in this message can make 1974 a pivotal year in the history of health care in the United States. By preserving all that is best in our traditional medical system, and by devising the fairest, most efficient means to deal with health challenges that lie ahead, we can strike a uniquely American balance that will preserve the independence and integrity of patient and health professional alike.

"Health," wrote Thomas Jefferson, nearly two centuries ago, "is the first requisite after morality." Today, as we approach our Bicentennial as a nation, we can lay the foundations for a balanced health care system that will convert the age-old ideal of high quality health care for all into a new American reality. I urge the Congress to act rapidly on the measures I am proposing to achieve the objective we all share.

RICHARD NIXON.

THE WHITE HOUSE, *February 20, 1974.*

OWLS IN THE TOWER

Mr. MATHIAS. Mr. President, the Bible says, "By their works, ye shall know them." Mr. S. Dillon Ripley, the Secretary of the Smithsonian Institution, has undertaken a work by which I think he may be proud to be known. It is the work of restoring owls to the tower of the Smithsonian castle.

Owls have always been in short supply around Washington. I think it will be very healthy to have owls of all kinds, with or without feathers.

I hope that Mr. Ripley will be successful in attracting owls to return to the Smithsonian. It will improve the reputation of the neighborhood. I hope that the symbolism of the owls' presence will help to give us all a greater sense of the need for wisdom and balance and perspective, which we can use in these very difficult times.

Mr. President, I ask unanimous consent to have printed in the RECORD an article published in yesterday's Washington Post, entitled "Owls in the Tower."

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

OWLS IN THE TOWER

For nearly a hundred years, the tower of the old Smithsonian castle on the Mall was inhabited by owls, as all self-respecting castle towers should be. But the wisdom of the mid-fifties decided that the world should be more efficient and sanitary, and so the owls were locked out.

A decade later, S. Dillon Ripley, the new secretary of the Smithsonian and an ornithologist himself, repented on behalf of the Smithsonian. He opened the castle windows again and even printed an owl on the Institution's stationery. No takers: the owls refused to return.

So now the Smithsonian is trying an active owl resettlement program and we found ourselves at the foot of the tower early the other morning to watch a pair of barn owls (tytonidae) being moved in. Actually, there wasn't much to watch. The owls, huddling close in a small wooden cage, looked at least as scared as they looked wise.

The owls will be confined in the tower until they are settled and feel sufficiently at home to nest and breed. It may be June before that happens and, accordingly, until the tower windows can be opened to allow them to forage their own food—mainly rats, which, alas, are abundant on the Mall. Meanwhile, the Smithsonian has recruited a number of volunteers who take turns climbing four steep ladders to feed the birds.

We hope the owls do decide to make the tower their free home. We would like these ancient symbols of wisdom to acknowledge an important change in man's conventional wisdom. All that efficiency and sanitizing, we are beginning to learn, has tended to make a polluted mess of the earth. We seem willing again to live in peace with owls and the rest of nature. Let us hope the owls are willing to live with us.

Mr. ROBERT C. BYRD. Mr. President, will the able Senator yield?

Mr. MATHIAS. I am happy to yield.

Mr. ROBERT C. BYRD. "A wise old owl sat in an oak. The more he heard, the less he spoke. The less he spoke, the more he heard. Why can't we all be like that bird?" [Laughter.]

Mr. MATHIAS. I thank the distinguished Senator from West Virginia. I presume that a motion to adjourn should be in order following that oratory. [Laughter.]

INTRODUCTION OF SENATE JOINT RESOLUTION 189—POSTHUMOUS RESTORATION OF FULL RIGHTS OF CITIZENSHIP OF GEN. ROBERT E. LEE

Mr. HARRY F. BYRD, JR. Mr. President, nearly 3 years ago, on March 10, 1971, I introduced legislation to restore posthumously the full rights of citizenship of Gen. Robert E. Lee. That legislation was prompted by the discovery in the National Archives in 1970 of the bona fide amnesty oath signed by General Lee. The resolution, unfortunately, was not acted upon before the 92d Congress adjourned.

I am reintroducing this measure today.

Again I can say, as a Virginian, I take this step with much pride, and I call to the attention of the Senate that this belated action is not sectional in nature, but rather is a step that should have been taken by the Nation as a whole long ago.

I could, of course, speak at great length on the subject of General Lee's ability as a military commander and his deeds in the service of Virginia and the South. I would rather emphasize to the Senate the sterling character of General Lee, which has stood as an unequaled example of gentlemanly demeanor, both in victory and adversity.

Historians have long recognized the beneficial effects of General Lee's conduct subsequent to the War Between the States. Instead of harboring bitterness in his heart, General Lee, both by word and deed, put his full effort into healing the wounds of that tragic conflict. His actions represented the noblest attributes of our national character and were in full accord with the fervent desire for peaceful reunion so eloquently expressed by President Lincoln.

I regard President Lincoln and General Lee as two of our greatest Americans. Their character, their leadership, their courage and their ability will stand as a monument for all time.

Only 2 months after the surrender of the Army of Northern Virginia at Appomattox Court House, General Lee on June 13, 1865, applied to President Johnson for amnesty and restoration of his rights as a citizen, pursuant to the President's Amnesty Proclamation of May 29, 1865.

In furtherance of the conciliatory spirit and fairness he displayed to General Lee and his soldiers at Appomattox Court House, Gen. Ulysses S. Grant graciously forwarded the request to the President on June 20, 1865. Always have I been impressed with the magnanimity of General Grant. The endorsement of General Lee's application for amnesty and pardon follows:

Respectfully forwarded through the Secretary of War to the President, with the earnest recommendation that this application of General R. E. Lee for amnesty and pardon may be granted him. The oath of allegiance required by recent order of the President to accompany applications does not accompany this for this reason, as I am informed by General Ord, that the order requiring it has not reached Richmond when this was forwarded.

Unknown to General Lee on June 13, when he requested amnesty and restoration of citizenship, was the requirement that an oath of allegiance accompany such a request.

The next several months in General Lee's life were busy ones; during this period, he moved to Lexington, Va., and became president of what was then Washington College, the institution which is now Washington and Lee University.

On October 2, 1865, General Lee, as an example to the people of the South, laid aside his role as a military leader and became a leader of young men. On that day he was inaugurated president of Washington College and dedicated the remaining years of his life to preparing young men to be servants of the reunited States of the Union.

On that same day, General Lee, apparently having become aware of the requirement of an amnesty oath, appeared in Lexington before Charles A. Davidson, a notary public for the county of Rockbridge, Va., to whom he gave the following oath:

I, Robert E. Lee, of Lexington, Virginia, do solemnly swear, in the presence of Almighty God, that I will henceforth faithfully support, protect and defend the Constitution of the United States, and the Union of the States thereunder, and that I will, in like manner, abide by and faithfully support all laws and proclamations which have been made during the existing rebellion with reference to the emancipation of slaves, so help me God.—Signed, R. E. Lee.

I believe we can safely assume that had this oath reached the hands of the President, that General Lee's citizenship would have been restored in full. But it was lost for quite some period of time, and was discovered only a few years ago.

In the 1970 winter issue of Prologue, the journal of the National Archives, Mr. Elmer O. Parker wrote an excellent article describing the discovery of General Lee's oath among the State Department records of the National Archives. Apparently the oath was submitted separately and was never joined to General Lee's request of June 13, 1865.

I recite these facts again to the Senate in order to show that General Lee fulfilled every requirement for the restoration of his citizenship.

As is known to many, on February 15, 1869, the outstanding treason indictments against General Lee, his sons, and 14 other general officers of the Confederacy, were dismissed by the United States. Thus, the only bar to the citizenship of General Lee is the 3d section of the 14th amendment to the Constitution, which provides that no person who has previously taken an oath as an officer of the United States and is subsequently engaged in rebellion against the same, can hold office. The amendment provides that Congress, by a two-thirds vote of each House, can remove such a disability.

Mr. President, I feel that Congress should act now to restore the full rights of citizenship to one of the greatest Americans of all time.

Mr. President, I ask unanimous consent that the text of this joint resolution which I send to the desk for appropriate reference be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. GRIFFIN). The joint resolution will be received and appropriately referred; and without objection, the joint resolution will be printed in the RECORD.

The joint resolution, ordered to be printed in the RECORD, is as follows:

S.J. RES. 189

Whereas this entire Nation has long recognized the outstanding virtues of courage, patriotism, and selfless devotion to duty of General R. E. Lee, and has recognized the contribution of General Lee in healing the wounds of the War Between the States, and

Whereas, in order to further the goal of reunion of this country, General Lee, on June 13, 1865, applied to the President for amnesty and pardon and restoration of his rights as a citizen, and

Whereas this request was favorably endorsed by General Ulysses S. Grant on June 16, 1865, and

Whereas, General Lee's full citizenship was not restored to him subsequent to his request of June 13, 1865, for the reason that no accompanying oath of allegiance was submitted, and

Whereas, on October 12, 1870, General Lee died, still denied the right to hold any office and other rights of citizenship, and

Whereas a recent discovery has revealed that General Lee did in fact on October 2, 1865, swear allegiance to the Constitution of the United States and to the Union, and

Whereas it appears that General Lee thus fulfilled all of the legal as well as moral requirements incumbent upon him for restoration of his citizenship: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That, in accordance with section 3 of Amendment 14 of the United States Constitution, the legal disabilities placed upon General Lee as a result of his service as General of the Army of Northern Virginia are removed, and that General R. E. Lee is posthumously restored to the full rights of citizenship, effective June 13, 1865.

Mr. HARRY F. BYRD, JR. Mr. President, I also ask unanimous consent that a copy of General Lee's letter of June 13, 1865, to President Johnson; his letter of the same date to General Grant; General Grant's endorsement of June 16, 1865; General Grant's letter to General Lee of June 20, 1865; a copy of the oath itself, and a copy of the article by Mr. Parker be printed in the RECORD.

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

RICHMOND, VA., *June 13, 1865.*

His Excellency ANDREW JOHNSON

DEAR SIR: Being excluded from the provisions of the amnesty and pardon in the proclamation of the 29th ult., I hereby apply for the benefits and full restoration of all rights and privileges extended to those enclosed in its terms. I graduated at the Military Academy at West Point in June 1829; resigned from the United States Army, April, 1861; was a general in the Confederate Army, and included in the surrender of the Army of Northern Virginia, April 9, 1865. I have the honor to be, very respectfully,

Your obedient servant,

R. E. LEE.

RICHMOND, *June 13, 1865.*

Lieut. Gen. U. S. GRANT,
Commanding Armies of the United States:

GENERAL: Upon reading the President's proclamation of the 29th ultimo, I came to Richmond to ascertain what was proper or required of me to do, when I learned that with others I was to be indicted for treason by the grand jury at Norfolk. I had supposed that the officers and men of the Army of Northern Virginia were, by the terms of their surrender, protected by the United States Government from molestation so long as they conformed to its conditions. I am ready to meet any charges that may be preferred against me. I do not wish to avoid trial, but if I am correct as to the protection granted by my parole, and am not to be prosecuted, I desire to comply with the provisions of the President's proclamation, and therefore inclose the required application, which I request in that event may be acted on.*

I am, with great respect, your obedient servant,

R. E. LEE.

[Indorsement]

HEADQUARTERS ARMIES OF THE UNITED STATES,
June 16, 1865.

In my opinion the officers and men paroled at Appomatox Court House, and since, upon the same terms given to Lee, cannot be tried for treason so long as they observe the terms of their parole. This is my understanding. Good faith, as well as true policy, dictates that we should observe the conditions of that convention. Bad faith on the part of the Government, or a construction of that convention subjecting officers to trial for treason, would produce a feeling of insecurity in the minds of all the paroled officers and men. If so disposed they might even regard such an infraction of terms by the Government as an entire release from all obligations on their part. I will state further that the terms granted by me met with the hearty approval of the President at the time, and of the country generally. The action of Judge Underwood, in Norfolk, has already had an injurious effect, and I would ask that he be ordered to quash all indictments found against paroled prisoners of war, and to desist from further prosecution of them.

U. S. GRANT,
Lieutenant-General.

HEADQUARTERS ARMIES OF THE UNITED STATES,
Washington, June 20, 1865.

General R. E. LEE,
Richmond, Va.:

Your communications of date of the 13th instant, stating the steps you had taken after reading the President's proclamation of the 29th ultimo, with a view of complying with its provisions when you learned that, with others, you were to be indicted for treason by the grand jury at Norfolk; that you had supposed the officers and men of the Army of Northern Virginia were by the terms of their surrender protected by the United States Government from molestation so long as they conformed to its conditions; that you were ready to meet any charges that might be preferred against you, and did not wish to avoid trial, but that if you were correct as to the protection granted by your parole, and were not to be prosecuted, you desired to avail yourself of the President's amnesty proclamation, and enclosing an application therefor, with the request that in that event it be acted on, has been received and forwarded to the Secretary of War, with the following opinion endorsed thereon by me:

"In my opinion that officers and men paroled at Appomattox Court-House, and since, upon the same terms given to Lee, cannot be tried for treason so long as they observe the terms of their parole. This is my understanding. Good faith, as well as true policy dictates that we should observe the conditions of that convention. Bad faith on the part of the Government, or a contraction of that convention subjecting the officers to trail for treason, would produce a feeling of insecurity in the minds of all the paroled officers and men. If so disposed they might even regard such an infraction of terms by the Government as an entire release from all obligations on their part. I will state further that the terms granted by me met with the hearty approval of the President at the time, and of the country generally. The action of Judge Underwood, in Norfolk, has already had an injurious effect, and I would ask that he be ordered to quash all indicts found against paroled prisoners of war, and to desist from the further prosecution of them."

This opinion, I am informed, is substan-

tially the same as that entertained by the Government. I have forwarded your application for amnesty and pardon to the President, with the following endorsement thereto:

"Respectfully forwarded through the Secretary of War to the President, with the earnest recommendation that this application of General R. E. Lee for amnesty and pardon may be granted him. The oath of allegiance required by recent order of the President to accompany applications does not accompany this for the reason, as I am informed by General Ord, the order requiring it had not reached Richmond when this was forwarded.

U. S. GRANT,
Lieutenant-General."

OFFICE OF
NOTARY PUBLIC,
Rockbridge County, Va., October 2nd, 1865.

AMNESTY OATH

I, Robert E. Lee of Lexington, Virginia do solemnly swear, in the presence of Almighty God, that I will henceforth faithfully support, protect and defend the Constitution of the United States, and the Union of the States thereunder, and that I will, in like manner, abide by and faithfully support all laws and proclamations which have been made during the existing rebellion with reference to the emancipation of slaves, so help me God.

R. E. LEE.

Sworn to and subscribed before me, this 2nd day of October 1865.

CHAS. A. DAVIDSON,
Notary Public.

WHY WAS LEE NOT PARDONED?

(By Elmer Oris Parker)

Archivists have recently discovered Robert E. Lee's oath of amnesty among State Department records in the National Archives. To those historians of the Civil War and Reconstruction who believe that Lee did not satisfy the requirements for amnesty this may come as a surprise.

Facing an indictment for treason, Lee read in Richmond newspapers President Andrew Johnson's proclamation of May 29, 1865, "to induce all persons to return to their loyalty." Lee immediately informed Gen. Ulysses S. Grant that he wanted to comply with the provisions of the proclamation and enclosed "the required application." It was not in order for it was not accompanied by an oath of allegiance to the United States. Such an oath was required by an order of the President. Lee's action was premature.

General Grant attempted to justify the absence of the oath. He explained to the President that Gen. E. O. C. Ord, commanding the Department of Virginia at Richmond, informed him that the order requiring it had not reached the city when Lee's application was forwarded. Grant, therefore, earnestly recommended that amnesty and pardon be granted the old warrior.

Meanwhile, Lee had been elected president of Washington College and had proceeded on "Traveller" by easy paces to Lexington where he was inaugurated on October 2. This was an important day in his life. Not only did he take up the life of a useful citizen, he also subscribed to the amnesty oath, thereby complying fully with the provisions of Johnson's proclamation. Thus, Lee had every reason to expect he would be pardoned and restored to full citizenship.

But this never happened. Secretary of State William H. Seward gave Lee's application to a friend as a souvenir and his oath was evidently pigeonholed. Although attempts have been made in recent years to have Congress restore Lee's citizenship posthumously, all have come to naught. As far as was known Lee, after laying down his arms at Appomattox, had not sworn "to support, protect and defend the Constitution of the United States." But the discovery of his oath of amnesty proves that he had indeed done so. Furthermore, he had also sworn to "faithfully support all laws and proclamations made during the rebellion with reference to the emancipation of slaves." Lee's oath was duly executed, signed, and notarized, and for a century it has remained buried in a file in the nation's archives.

Mr. HARRY F. BYRD, JR. Mr. President, since I originally introduced this legislation in the 92d Congress, the alternative of present-day Executive pardon has been suggested as a means for more expeditious handling of this matter. I am advised that the necessity for congressional action—by the legislative process established under the third section of the 14th amendment to the Constitution—has been indicated by both the White House, through the Office of the Counsel to the President, and by the Department of Justice, through the Office of the Deputy Attorney General.

There has been a groundswell of support for my proposal from all over the Nation, which has grown ever since its original introduction 3 years ago. That it has not waned is, I believe, amply supported by the recent articles in the Washington Star-News, dated February 10, 1974, and in Time magazine, dated February 25, 1974. I ask unanimous consent that these articles be printed in the RECORD at this point.

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

GENERAL LEE'S LAST BATTLE: CITIZENSHIP

(By Brian Kelly)

RICHMOND.—Virginia's State Senate has joined the parade of those asking Congress to restore full U.S. citizenship to Confederate Gen. Robert E. Lee, the native son who died 103 years ago with his personal plea to rejoin the Union as a restored citizen still pending.

Members of the Senate agreed yesterday to a resolution asking the posthumous action with no audible dissent. Virginia's House of Delegates is expected to concur wholeheartedly.

Citing Lee's "contribution" in "healing the wounds" of the Civil War, the resolution also took note of the disappearance a century ago of an oath of allegiance that Lee swore out in 1865, after the Civil War, and dispatched to President Andrew Johnson, Abraham Lincoln's successor.

Why the necessary oath never reached Johnson remains a mystery. It turned up in the National Archives in 1970, discovered there by military archivist Elmer O. Parker, according to a spokesman of U.S. Sen. Harry F. Byrd Jr., who asked Congress in 1971 to restore Lee's citizenship.

The Lee bill, which has been endorsed by Alabama's legislature and a parade of editorialists, columnists and others, failed to win any action in the Senate Judiciary Committee in the last session of Congress, but Byrd apparently has not given up the cause of Lee's citizenship.

In the meantime, it appears Lee took two steps in 1865 to seek presidential amnesty and restoration of his citizenship, partly as a symbolic gesture designed to encourage a spirit of reunion in the shattered nation of that era.

First, in June, he sat down here and wrote a petition of amnesty to Johnson. Gen. Ulysses S. Grant, Lee's chief Union adversary, endorsed the petition and personally forwarded it to Johnson.

But Lee didn't know he also was required to swear out an oath of allegiance to the U.S. Constitution, as Grant noted in his endorsement.

Finally informed of the added requirement, Lee went on Oct. 2, 1865, the day he became President of Washington College in Lexington, Va. (now Washington and Lee University) to notary public Charles Davidson in Lexington and swore out the oath.

"He sent it," George Shanks, a legislative assistant to Byrd, said, "and that was the last that anybody saw of it until Parker came up with it in 1970."

Three years ago Byrd said, "I think we can safely assume that had this oath reached the hands of the President (Johnson), Gen. Lee's citizenship would have been restored in full."

Introduced by Democratic State Sen. Paul Manns, whose district includes Lee's birthplace at Stratford Hall, the Virginia Senate resolution says the Confederate leader "fulfilled all of the legal and moral requirements incumbent upon him for restoration of his citizenship."

The Virginia resolution also asks Congress to grant the citizenship effective June 13, 1865, the day Lee prepared his amnesty petition to Andrew Johnson here in the one-time capital of the Confederacy.

RESTORING LEE

For more than 100 years, Robert E. Lee has been something of a man without a country. Never mind that he was one of the most illustrious and magnanimous generals in U.S. history. After he surrendered his sword at Appomattox, he apparently failed to take an oath of loyalty to the U.S. Constitution, which many Confederates were obliged to do if they wished to regain the full U.S. citizenship that they had forfeited. Up to his death in 1870, he was denied citizenship. Ever since, Southern sympathizers have been trying to recover it for him posthumously.

Their seemingly lost cause revived in 1970 when a researcher discovered that there was a Lee loyalty oath, after all, buried among State Department records in a file at the National Archives. Initially, before he knew of the oath, Lee had written to the White House requesting amnesty. Later, he went to a notary and swore his allegiance, but somehow the oath never caught up with the amnesty petition.

General Lee's supporters are making a drive in this session of Congress to restore his lost citizenship. Last week the senate in Virginia, where Lee was born and died, passed a resolution calling upon Congress to correct the longstanding error. It seemed a modest enough request a century after the War Between the States.

Mr. HARRY F. BYRD, JR. Mr. President, I point out further that the Virginia Senate just recently unanimously adopted a resolution memorializing Congress to take such action.

Mr. HUMPHREY. Mr. President, will the Senator from Virginia yield?

Mr. HARRY F. BYRD, JR. I am happy to yield.

Mr. HUMPHREY. Mr. President, I am very happy that I can be present on the floor of the Senate on the occasion when the distinguished senior Senator from Virginia brings to our attention this great chapter of history and speaks of the necessity for the Congress of the United States to take affirmative action upon his joint resolution. I want to associate myself with the intent and purpose of the resolution submitted by the distinguished Senator from Virginia.

I suppose that I am what one would

call a Yankee, but I am more than that: I am an American. One great American was Robert E. Lee. I am pleased that Congress will have a chance now, as provided for under the Constitution, to take the action which we should take to restore the full rights of citizenship to this very great and decent man, who acted out of conscience as a general for the Confederacy, and acted out of conscience, may I say, as he thought, to heal the wounds between the North and the South following the terrible War Between the States.

So I wish to assure the Senator from *Virginia of my support*. I would even be honored to join him as a cosponsor, because I think this kind of legislation should pass through Congress quickly, to help set an example to the world that we know how to bind up wounds, even if the time is very, very late in our national history.

Mr. HARRY F. BYRD, JR. Mr. President, I am most grateful to my friend the splendid Senator from Minnesota. I speak not only for myself but, I am sure, for all the people of Virginia when I express to him my warm thanks and appreciation.

Mr. President, I ask unanimous consent that the name of the able Senator from Minnesota (Mr. HUMPHREY) be added as a cosponsor of the joint resolution.

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

Mr. GRAVEL. Mr. President, in case the distinguished and most honorable Senator from Minnesota is not Yankee enough, or from far North enough, I should like to add my name as a cosponsor of the joint resolution to restore General Lee to his proper place in the annals of American history as a citizen of the United States.

Mr. HARRY F. BYRD, JR. I am very grateful to the distinguished Senator from Alaska.

Mr. President, I ask unanimous consent that the name of the distinguished junior Senator from Alaska, who represents the northernmost State in the country, *also be added* as a cosponsor of the joint resolution.

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

Mr. WILLIAM L. SCOTT. Mr. President, I was not in the Chamber when the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.) began his remarks. However, I am generally familiar with what my colleague is attempting to do. So representing Virginia, as he does, I would also want my name to be added to the joint resolution and shall give full support to the efforts of my senior colleague.

Mr. HARRY F. BYRD, JR. I thank my colleague from Virginia.

Mr. President, I ask unanimous consent that the name of the Senator from Virginia (Mr. WILLIAM L. SCOTT) be added as a cosponsor.

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

Mr. HARRY F. BYRD, JR. In closing, I point out that the resolution which passed the Virginia Senate on February 7, 1974, was Senate Joint Resolution 38. Its sponsor is Senator Paul W. Manns, of Virginia's 28th Senatorial District. That resolution passed the Virginia House of Delegates on February 20, 1974.

WATER RESOURCES DEVELOPMENT ACT OF 1974—CONFERENCE REPORT

Mr. GRAVEL. Mr. President, I submit a report of the committee of conference on H.R. 10203, and ask for its immediate consideration.

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

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 10203) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, 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 all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

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

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of February 13, 1974, at pages 2890–2903.)

Mr. GRAVEL. Mr. President, as presented, the legislation represents a compromise between the bill as adopted by the House last October and the provisions of S. 2798 as approved by this body on January 22 before the House number was adopted as a means of sending the measure to conference.

Notwithstanding the changes made there, it remains basically a combination of the purposes and objectives customarily associated with omnibus rivers and harbors legislation and of further authorizations for river basin development.

As you know, those two objectives would normally have been served in separate bills in alternate years. The combination was necessitated in this instance, however, by the White House veto of the Flood Control Act of 1972 after adjournment of Congress, which precluded passage of any water resources legislation for that year.

That veto left the Flood Control Act of 1970 as the most recent bill addressing itself to the programs and policies customarily covered by rivers and harbors legislation.

Since the bill on which we are to act today is the only one which has progressed to the point of final congressional consideration since that time, it, out of necessity, had to take into account needs accumulating throughout the country over a period of more than 3 years.

Notwithstanding that, the total cost of the measure as agreed to in conference is only about $1.33 billion, of which $780 million is attributable to river basin authorizations under title II of the bill for a period through calendar 1975.

The total for projects and provisions covered in title I, moreover, represents an estimated 5-year cost of major programs which it entails and, at the same time, is still considerably under the $593 million proposed for similar purposes under the 1972 bill which the President disapproved.

When S. 2798 was before the Senate last month, I spoke in some detail about the amount of attention and study which had been accorded each of its provisions at various stages of preparation of the legislation and its consideration in committee.

I want to say now that I regard the quality and thoroughness of that preparation as a tribute to the dedication and ability of the members of the Public Works Committee—which is even more noteworthy because so many of the members are serving on it for the first time.

As a first-time subcommittee chairman, I owe each of them a debt of gratitude which I now acknowledge.

I am particularly appreciative of the counsel and guidance which my very able and distinguished chairman, JENNINGS RANDOLPH, provided both during the committee sessions and in conference.

His advice and assistance, and the support of our fellow conferees—Senators BENTSEN, BURDICK, SCOTT, BAKER, and STAFFORD—contributed greatly to the degree of our success in sustaining key Senate provisions.

Before addressing myself to the specifics of the conference report, I also want to commend my distinguished House counterpart, RAY ROBERTS, of Texas, for the very effective and outstanding way in which he served as conference chairman. His unfailing courtesy, understanding of the issues and tactful direction of the conference set the tone for quick agreement on virtually all issues and was primarily responsible for the speed with which its assignment was completed.

I do not propose, in presenting the conference report, to outline in detail each of the provisions, and particularly not those of a relatively routine nature which were essentially the same in both bills prior to conference.

I do feel, however, that it would be appropriate to discuss the major sections which involve significant new programs or policies, and to indicate whether they were altered during conference deliberations.

TWO-STAGE AUTHORIZATION

The first item on that list would be the new provision for two-stage authorization of projects as provided in both bills.

Embodied without change in the conference report, it would provide for authorization of a major new project only through what is known as the phase I design memorandum stage of advance engineering and design. The design plan, with any modifications would then be brought back to Congress, together with the completed environmental impact statement, for consideration of construction authorization.

DEAUTHORIZATION

That section of the bill provides that the Secretary of the Army, through the Chief of Engineers, shall submit annually

to Congress a list of projects which have been authorized for at least 8 years, for which no funds have been appropriated during that period, and which he determines after consultation with officials of affected States and agencies, should no longer be authorized. Any such project will be deauthorized 180 days after submission unless either the Senate or House Public Works Committee adopts a resolution stating it should remain authorized. A further provision would be that Members of the Senate and House would be notified in advance of the intent to put a project from his State on the list. This provision was added in conference.

PRINCIPLES AND STANDARDS

This section would provide that the 1968 interest-discount rate and grandfather clause in effect prior to adoption of the new formula proposed by the Water Resources Council shall continue to apply until changed by law.

The President would be authorized under the section to make a full and complete investigation and study of the principles and standards for planning water and related resources projects, with the study to be completed no later than 1-year after funds are first appropriated for the purpose. This provision, which would have the effect of holding the rate at 5⅞ percent at present, is in line with the House proposal on the subject except that the conferees added the Presidential study provision.

STREAMBANK EROSION CONTROL

This section, embodying provisions of the Senate bill on the subject, authorizes the Corps of Engineers to establish a streambank erosion control demonstration program. To be funded at a level of $25 million over a 5-year period, it would determine the causes and extent of such erosion and seek to develop new methods and techniques for prevention and correction. Demonstration projects would be authorized at selected sites on the Ohio River, the Missouri River and in the Yazoo River Basin.

SHORELINE EROSION CONTROL

This section of the bill would authorize a program to develop and demonstrate low-cost means of preventing and controling shoreline erosion. To be undertaken by the Corps of Engineers, it will include planning, constructing, operating, and evaluating prototype devices, both engineered and vegetative. Demonstration projects are authorized at no less than two sites each on the shorelines of the Atlantic, Gulf and Pacific coasts, the Great Lakes, the State of Alaska and specified locations along the shores of the Delaware Bay. A total of $8 million is authorized for a 5-year period. This is the Senate's version of the plan.

SMALL FLOOD PROTECTION PROJECTS

Under existing law, the Corps of Engineers has authority to construct small flood protection projects not otherwise specifically authorized, with a $1 million limit on each project and an annual program limit of $25 million.

A provision in this bill would increase the annual authorization to $30 million and the individual project limit to $2 million to protect areas designated within the previous 5 years as a major disaster area.

EMERGENCY BANKS PROTECTION WORKS

This section of the bill would increase the monetary limit on emergency bank protection works undertaken by the Corps of Engineers from $50,000 to $250,000 for an individual project and would raise the annual program limits from $1 million to $10 million. It would also expand existing emergency authority to include shoreline protection works.

MUNICIPAL AND REGIONAL WATER TREATMENT PLANTS

This provision authorizes the Secretary of the Army, after consultation with the Environmental Protection Agency, to contribute to the cost of constructing municipal or regional sewage treatment plants to handle waste from Corps of Engineer recreational areas, where such contribution is more economical than constructing a separate plant.

ANNUAL INSTALLMENT OF LOCAL SPONSOR CONTRIBUTIONS

Under this provision, the Secretary of the Army may allow cash contributions now required of non-Federal public bodies prior to construction of a water resources project to be made in annual installments during construction. This feature is intended to ease the financial burden now being placed on sponsors of projects which may take several years to complete.

DISASTER RELIEF

A section accepted from the House version of the bill would amend the Disaster Relief Act to provide that the cost of replacing certain community services following a natural disaster shall include those costs incurred in obtaining substitute services during the period of repair and reconstruction, to the degree that those costs exceed what would otherwise have been incurred.

SMALL BOAT HARBORS

This section, which was restored in conference, amends existing law to provide for Federal payment of all costs of maintaining and operating the general navigation features of small boat harbors. This would immediately pertain to 416 harbors in 26 States.

Among other general provisions which were retained in the conference report are those which would:

Amend the Federal Project Recreation Act to increase the Federal share of separable costs for fish and wildlife enhancement from 50 to 75 percent.

Require the Secretary of the Army to study the need for, and means of providing, visitor protection services at water resources development projects under jurisdiction of the Corps of Engineers and to report findings by December 31 of this year.

Authorize a program of general assistance to States in planning for development, utilization and conservation of water and related resources, with $2 million authorized to fund it.

Establish a policy on Federal replacement of roads in water resources project areas which would permit upgrading of the construction standards if requested by the State, but with the provision that the State should bear the cost resulting from such upgrading.

PROJECT AUTHORIZATION

There are 18 new project starts authorized under the A.E. & D. concept in section 1 of this bill, with that procedure permitting a first-phase examination of the entire group with an initial commitment of only about $11.7 million contrasted with a total of nearly $519 million which would have been needed for full authorization.

The A.E. & D. concept will also apply to four other major projects authorized elsewhere in the bill.

They include the Lower Rio Grande flood control project and the Corpus Christi ship channel project, both in Texas: the Sixes Bridge and Verona Dam projects in the Potomac River Basin in Maryland and Virginia, and the Tug Fork Basin flood control project, West Virginia and Kentucky.

The latter provision is designed to assure other communities in the valley the same type of flood protection authorized for Matewan and Williamson, W. Va. in the 1970 Flood Control Act. In approving it, the Senate conferees intended that the provision should not only expand the scope of the original authorization but also remove the condition of Presidential approval which had initially been attached to it.

Five other projects are scheduled for initiation with full funding because of relatively low cost or other special considerations.

The latter list includes the Four-mile Run flood control project in Arlandria which was initially approved as a section 201 project but which had to be refigured and given a new authorization because of significant cost escalation.

Insofar as the Metropolitan Washington area is concerned, the Sixes Bridge-Verona and Fourmile Run proposals are the most significant in the bill—the former because of the potential for water supply development in the Potomac River Basin and the latter because of the frequent and severe floods that have plagued the Arlandria area just outside the District of Columbia.

Both proposals have been under discussion for a number of years and both have been controversial.

I believe, however, that the solutions recommended under this bill will serve the public interest to a degree not previously achieved.

Title II of the conference report relating to river basins authorizations is precisely the same as it was in S. 2798 and for that reason does not require additional explanation at this stage.

SUMMARY COMMENTS

Having discussed in detail certain of the major provisions of the conference report, I hope you will allow me some general observations regarding the legislation and future prospects for the programs to which it relates.

First of all, I feel that the measure we now have before us represents the best efforts and thoughts of many people and the most attainable consensus of the Senate and House Public Works Committee and the respective bodies they represent.

Without reservation I can say I consider it a sound, realistic, and workable bill which meets both the current civil works program needs and requirements for new and innovative approaches to problems of the future.

There is already evidence that such new approaches are going to be needed.

That is implicit in the tenor of last year's reports from the National Water Commission and the Water Resources Council. It is further underscored by reports that the administration is preparing legislation which would alter the respective roles of Federal and local government agencies in future civil works activities.

As a consequence, the Public Works Committee is already planning a series of comprehensive oversight hearings covering all elements of water resources development and management planning and of the Corps of Engineer civil works concept.

That review will include an evaluation of the potential effect of the Water Commission and Water Resources Council's long-range proposals and a judgment of what program and policy changes will be necessary to operate under those revised guidelines.

It will also afford an opportunity for reanalysis of the respective responsibilities of Congress and the corps in project development, mitigation damage prevention and reparation and adoption and implementation of program policies.

It will also help determine where private industry should fit into the public works picture in matters, for example, such as dredging work. As was noted in the committee report on S. 2798, the Comptroller General recommended in a 1972 report that Congress establish a national dredging policy for guidance of the corps to more effectively utilize the private dredging industry. To correct any misunderstanding that may have arisen as a result of Senator BAKER's remarks, at the time of passage of this bill, relative to the discussion in the committee report on "effective utilization of the dredging industry" I wish to clarify certain points.

I want to make clear that the language is not intended to idle government-owned dredges. The purpose is three fold: to require full utilization of the capability of the dredging industry to avoid the spending of many millions of dollars for the replacement or rehabilitation of existing Government dredges; to utilize the Corps of Engineers to perform work which industry may not have the capability to perform or when reasonable prices can not be obtained; to have the corps utilize its hopper dredges in dredging entrance bars for which such dredges were specially designed.

Proper utilization of the corps hopper dredges is necessary to maintain authorized depths in entrance channels or bars to avoid hazards to navigation. In addition, by the term "reasonable prices" the committee means that the corps cost estimates for dredging work will be based on a fair reasonable cost to a well-equipped and efficient dredging contractor and not on the basis of the cost of performing dredging in-house with government dredges.

Those are some of the things for which we must still find final answers.

I know the legislation we have before us today is not going to provide all of them.

Mr. President, I just want briefly to add for the benefit of Senators who are here that we labored hard over the legislation, and we had what I thought was an extremely good conference with the House. We gave a lot of ground and they gave a lot of ground. We arrived at a compromise which I think will be in the best interests of America as relates to water resources in the forthcoming fiscal year.

Many items that were brought up were left to future action. The report goes into some detail as to what those matters will be. We have some problems that the subcommittees and the full committees have been addressing, and we realize that in time we can consider those. Because of a change in past practices, we will be coming to the Senate on an annual basis, and we will be able to handle the matter in a better fashion, concentrating on immediate exigencies.

I commend the conferees, especially the leadership of Representative RAY ROBERTS, chairman of the conferees. His leadership was very fine. I also wish to commend all the members for their accommodations.

At this time I yield the floor to the Senator from Virginia (Mr. WILLIAM L. SCOTT).

Mr. WILLIAM L. SCOTT. Mr. President, I join in the remarks that have been made by my distinguished colleague from Alaska and urge that the conference report be adopted by the Senate. We spent a considerable amount of time in resolving differences between the two bodies. I feel that it is a good measure.

While there are aspects of the bill with which I am not in full agreement, the report contains many, many compromises and generally the measure will lead to the orderly development of our valuable water resources.

Section 1, for example, provides initial authority for two important projects in the Commonwealth of Virginia. One is a beach protection project at Virginia Beach, with $854,000 authorized to initiate engineering and design work; the other involves an important dam project at Buena Vista on the Maury River, with $665,000 authorized to initiate engineering and design work.

Section 12 establishes a procedure that will enable the administration and the Congress to work together to deauthorize many old corps projects that are no longer needed or wanted.

Many projects approved decades ago have never been constructed. And it is unlikely that they will be built. Yet, because they remain on the books, local landowners and residents face the threat that the Government may someday take their land, distorting both rational planning and land values. This section would enable the "dead wood" to be cleaned out.

While the conferees did not adopt the Senate language, I am confident that the compromise language establishes a procedure that is reasonable and that will assure full and fair consideration.

Section 54 of the report maintains the Senate position broadening the scope of an important new national shoreline erosion demonstration program. It is my hope that one of these demonstration projects can be undertaken in Virginia, where shoreline protection has such importance.

The compromise version of section 65 would allow the Corps of Engineers to reformulate projects administratively to reduce or eliminate water storage for water quality, with that capacity to be assigned to other project uses, when that storage represents 25 percent or less of the project's benefits. This would negate the need that such projects be reauthorized by the Congress. If the water quality storage exceeds 25 percent, of course, then any reformulation must be submitted to the full Congress for approval. This procedure, I believe, endorses the Senate position, which at my suggestion was set at 25 percent.

Section 84 of the report modifies the authorized project to protect Fourmile Run in Arlandria, Va. The modification recognizes the sharp increase in estimated project costs, raising the level of authorized Federal expenditures to $29,981,000, and establishes an equitable cost sharing plan.

The next section of the report, section 85, authorizes $1,400,000 for phase I engineering and design work on two Potomac River Basin dams: Verona Dam in Virginia, and Sixes Bridge Dam in Maryland. The conference agreement includes the full intent of the Senate bill, which incorporated a floor amendment that was offered by the distinguished Senators from Maryland (Mr. MATHIAS and Mr. BEALL).

While this section requires the corps to contract with the National Academy of Sciences-National Academy of Engineering for a review and report on the corps study related to the possible extraction of drinking water from the Potomac River estuary, the conference report imposes no procedural impediments to the approval of construction work on the Verona Dam project. The study trigger only concerns construction of the Sixes Bridge Dam.

In conclusion, Mr. President, I believe there are many provisions of merit in this bill, although I am concerned over the discount rate provision and the possibility that it may prove to be a lightening rod for a veto. I am worried about what I consider to be the excessive cost of the bill. While I intend at this time to support the bill and to vote in favor of adopting the conference report should the President veto the bill for economy reasons, I may well support his veto.

Mr. President, our distinguished colleague from Tennessee (Mr. BAKER) is unavoidably away from the Senate, due to illness in his family. I ask unanimous consent that his statement evaluating this bill be included at this point in the RECORD.

The PRESIDING OFFICER. Without objection it is so ordered.

STATEMENT BY SENATOR BAKER

Mr. President, I wish to express my support for adoption of the Conference Report on H.R. 10203, the Water Resources Development Act of 1974.

This Report necessarily reflects a com-

promise in which both bodies have had to modify their stand on some issues. In many instances, compromise involved acceptance of entire sections or projects from one bill or the other.

I am very gratified that the Conference includes two provisions, taken virtually intact from the Senate bill, that hold great significance for the people of Tennessee.

The first of these provisions appears as Section 3. This section authorizes the acquisition of 32,000 acres as fish and wildlife mitigation lands for the West Tennessee Tributaries project.

Work on this project, Mr. President, has been tied up in the courts for several years. A key issue in that litigation has been the demands by the plaintiff that suitable mitigation lands be acquired to offset project-induced losses of wildlife habitat.

The Army Corps of Engineers developed a plan to acquire and develop 14,400 acres for mitigation. Authorization for this work was included in the House-passed version of H.R. 10203. Subsequent to House consideration, it became clear that a broader mitigation plan—one that had been developed under the imaginative leadership of Governor Dunn of Tennessee—might prove more realistic. This alternative plan answers effectively many of the environmental arguments raised against the project. Thus, implementation of this mitigation plan should expedite completion of the vital flood-control features of this entire project protecting the Obion and Forked Deer River Valleys.

The plan in the reported bill involves some 32,000 acres of land, more than twice the acreage in the Corps plan. Despite the widely differing character of the two plans, it is estimated that their costs would be approximately the same: $6,600,000. This can be achieved because Governor Dunn's plan involves far less "development" of lands acquired, leaving a much greater portion of the cash to be spent on land acquisition.

This Conference language is the result of a series of meetings held among interested parties, representatives of Governor Dunn, the Corps of Engineers, local project sponsors, plaintiffs in the lawsuit, and various elected officials. The language adopted by the Senate, and included in the Conference Report, is supported unanimously by these groups and individuals.

When this language becomes law, it is my understanding that the plaintiffs intend to withdraw their suit. Such action will allow work on the flood-control aspects of the project and the mitigation work to go forward at once. This is imperative for the rational development of the area.

Mr. President, another provision of great interest among the citizens of Tennessee is Section 108, which establishes the Big South Fork National River and Recreation Area.

The concept for this project, located in the States of Kentucky and Tennessee, is the result of studies dating back more than 30 years. It provides an alternative to a proposed Corps of Engineers power dam at Devil's Jump on the Big South Fork River. The high dam proposal was approved five times by the Senate, but opposition from various sources blocked passage in the House of Representatives.

In 1968, in the continuing controversy over the desirability of constructing the hydroelectric dam, Senator John Sherman Cooper sponsored an amendment to the Flood Control Act requiring an interagency study of alternatives for development of the Big South Fork area. The report, submitted to Congress on Feb. 12, 1970, set forth six alternatives.

Proponents of the dam agreed that the plan now incorporated as Section 108 represented the best proposal, as it accomplishes a dual goal: preservation of the unique geologic and biologic features of the river gorge, and stimulation for the local economy.

And it would prove far cheaper for the taxpayers. The total cost of the project is $32,850,000. The alternative hydroelectric dam at Devil's Jump would cost approximately $205 million.

Because of the extensive involvement of the Corps of Engineers in the Big South Fork area—in planning for the Devil's Jump project and in construction and management of Wolf Creek Dam (Lake Cumberland) in Kentucky—the Corps is well equipped to develop the recreation area. The bill provides that when the work is completed, the area will be transferred to the control of the Department of Interior, operating through the National Park Service.

It should be noted that the only change in Section 108 from the Senate version is the addition of language preventing the use of the Land and Water Conservation Fund for project development. This was the intent of the Senate, so that the addition, I believe, in no way compromises the Senate position.

Sections 3 and 108 are but two of many meritorious provisions in the bill. While the bill as a whole is sound and important to the development of our national water resources, there is one section that concerns me. This is Section 80, which perpetuates the use of the 5⅞ percent rate of interest—the old, subsidized rate—in calculating the costs and benefits of water resource projects.

The position taken in the Senate bill would have allowed the use of a 6⅞ percent interest rate (the approximate cost of Federal borrowing) on projects approved subsequent to enactment of H.R. 10203.

The Conferees accepted language from the House bill.

Personally, I believe it is unfair to the American taxpayer to use an abnormal, subsidized rate of interest in calculating the costs of building a particular dam or repairing erosion along a particular beach. These projects should stand on their own, figured at reasonable rates of interest.

I recognize that this section is considered to be very controversial. As I indicated, I am not altogether happy with it. But frankly, Mr. President, I do not believe that we need emphasize this controversy.

Subsection (c) of this same Section directs the President to make a study of interest rates, cost-sharing regulations, and other aspects of water resource development, and then to report to Congress. While such a study may be somewhat redundant of studies already made, I would hope that this period would enable the Congress to examine carefully the present structure of our entire national water resources development policy.

During such a period of review, I would anticipate that the Administration may decide not to send forward to the Congress project reports that carry marginal cost-benefit ratios when calculated at the 5⅞ percent rate.

I would encourage the Corps of Engineers and other water resource development agencies to include evaluations made at a 6⅞ percent rate of interest for informational purposes on all new project reports. Should the Corps fail to do so, I certainly anticipate that I shall request that the agency provide us with supplementary cost-benefit calculations based on the 6⅞ percent rate for all project proposals. This would be in line with the position in the Senate bill, and could prove to be a sound basis for the Senate's determination on the need for any specific new project.

Mr. President despite this sense of reservation over Section 80, I believe that this bill is sound legislation. It is a bill that will benefit our nation. I support the adoption of the Report.

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

Mr. WILLIAM L. SCOTT. I yield to the Senator from New York.

Mr. JAVITS. I thank the Senator.

Mr. President, I would like to commend the conference committee on the part of the Senate for having agreed to the inclusion in the conference report of the project for New York harbor collection and removal of drift, a critically important problem to the Port of New York, and therefore critically important to the Nation, as a tremendous amount of commerce of great advantage to the Nation moves in and out of the Port of New York. This is a very statesmanlike action, and I am gratified that the Senate committee saw fit to take it.

Also, the Senate committee worked out a 70-to-30 relationship on hurricane projects which is very helpful to coastal States, and my own State has a very material and extended coastline. It will be very helpful to us in the preservation of the shore front, as well as the lands which border upon that shore front.

Mr. President, on one matter the conferees, in my judgment, took action which I think would have been better taken if they had not concurred in that particular action, and that is to deny a certain certificate of nonnavigability on the Hudson River which would make possible the construction of a convention center in New York.

There was a very strong feeling on the other part of a certain Congresswoman who represents that particular district. I understand it was due to her opposition that the decision was made. The mayor of our city, the governing body, the board of estimate, and I think generally everyone, favors the convention center in New York. I wish to report that an effort is being made to satisfy as many as possible on the deficiencies that have been pointed out from the congressional district respecting the convention center, and I am very hopeful that this item may again be presented and this time that it will be enacted in either a particular special measure or in an omnibus measure of this kind.

I hope the Senate will be clear that we are not abandoning the project. This is a very highly indirect way of inhibiting the project, because generally we do not kill a project or move in a direction which would kill it simply by denying the necessary certificate relating to navigability of a stream over which the Federal Government has jurisdiction. I think that is certainly a frustration of local will. We in this body talk a great deal about local will, but the governing body of the city and the mayor want this project, which is very important to New York.

It will be a huge project which is necessary to make New York a modern convention city, and it will attract tourism and conventions which will help New York, which suffers from a lot of unemployment, which could be helped by this kind of development.

Rather than seek to reargue the situation, I simply wish to state so the RECORD may be clear that the city is not abandoning the project, that the project is being pursued, that every effort will be made to give some satisfaction to what is desired in that particular local area.

On this point I shall be delighted to yield, and I hope that my colleagues, be-

cause this is the nature of the Congress, will give no one Member a veto over what one great city can do to help itself. I do not think that is the desire of the Congresswoman. I think it was done in utmost good faith and out of deep concern for that particular community. But we do think it must be made clear that while the project has been frustrated momentarily, it is altogether too significant for New York to be permanently shelved by so really technical a matter as the part which the United States plays in it; namely, a granting of a certificate of nonnavigability.

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

Mr. JAVITS. I yield.

Mr. GRAVEL. Mr. President, the record is very clear that the conferees for the Senate stood firm to try to secure this for the entire community.

We are sympathetic and understand the problem which the House has when a Member of that particular district opposes it. It is very difficult for them to override the wishes of that Member.

I can assure my colleague that all of us on the Senate committee are not only sympathetic, but also realize the great benefits of this to the city of New York. I assure the Senator that he can count on my own personal support for this until we do secure it.

Mr. JAVITS. I am very grateful to the Senator from Alaska.

Mr. President, I yield now to the chairman of the committee.

The PRESIDING OFFICER (Mr. HELMS). The Senator from West Virginia is recognized.

Mr. RANDOLPH. Mr. President, it is not important that I reaffirm what the able chairman of our Subcommittee on Water Resources has just indicated to the senior Senator from New York (Mr. JAVITS). However, I do want the RECORD to indicate that the position he holds is the position I am committed to now and in the future. Insofar as we can as we work the will of the Congress with the other body, we will continue, with the Senators from New York—the junior Senator from New York (Mr. BUCKLEY) is a member of the committee—to attempt to bring into fruition that which has been so eloquently stated as a matter for the good of the city of New York.

Mr. JAVITS. Mr. President, I thank the Senator from West Virginia for his statement. That is very important.

Mr. President, I yield now to my colleague from New York.

Mr. BUCKLEY. Mr. President, I thank my senior colleague. I will join with him in noting the importance of the convention center to the city of New York. A waiver of navigational servitude to enable the city to proceed with the extension of this facility out over the Hudson River is, in reality, a technical matter.

I want to commend my senior colleague for having made this point. And I do want to assure him that as a member of the Public Works Committee it will be my pleasure to work with him to achieve passage of this technical provision on behalf of the city of New York.

Mr. JAVITS. Mr. President, I thank my colleague very much for his cooperation. I take great pleasure in the fact that we shall work together on this matter.

The PRESIDING OFFICER. The question is on the adoption of the conference report.

Mr. PROXMIRE. Mr. President, we have before us today a conference report on the Water Resources Development Act of 1974 which is a scandalous affront to the American taxpayer. This gives a super-high priority to the pork barrel projects that elect congressmen.

At a time when the taxpayer has to pay 9-percent interest on a home mortgage, with the Government paying almost 7 percent to borrow money to fuel our national debt, the conference report on this bill applies an outmoded discount rate, agreed upon over 5 years ago, to the evaluation of benefits arising from public works projects. This rate is a meager 5⅝ percent.

It would be bad enough if that rate were to simply apply to the projects in the bill and those authorized in past years. This would be in blatant disregard to the recommendations of the Water Resources Council, which has approved a 6⅞-percent rate. It would soak the taxpayer $5 billion in construction payments on indefensible public works work.

But the bill enacts the preposterously low 5⅝-percent rate into law and applies it to all projects to be authorized in the future. The only exception to this rule is in cases where the rate is even lower because the project was authorized many years ago.

The conferees have added insult to injury by requiring the President to "make a full and complete investigation and study of principles and standards for planning and evaluating water and related resources projects." Where were the conferees when the Water Resources Council carried out the most extensive analysis of these principles and standards in the Nation's history—culminating in a 100-day review period?

Where were the confereees when as chairman of the Joint Economic Committee I held a series of hearings on the proper discount rate to use in evaluating Federal projects?

Mr. President, this subject has been studied to death. There is only one conceivable reason for undertaking yet another study. That must be the hope on the part of the conferees that if they commission enough studies, one—just possibly one—will come up with conclusions that will make it possible to erect dams, dredge harbors, and otherwise restructure the face of the United States until all the money in the Federal Treasury has run dry. The conferees do not like the results of the studies already completed; so their answer is to authorize yet another examination of this problem.

Who pays for this reluctance to face facts on the part of the conferees? The answer is simple—their constituents, our constituents, every American family that pays 20 or 25 or 30 percent of its income to the Federal Government for the financing of uneconomic pork barrel public works projects.

In January the President asked for the biggest peacetime increase in Federal spending in the Nation's history. Today's public works bill will add untold billions to our national debt, and pump gasoline on the raging fires of inflation.

Some day the American taxpayer is going to wake up. And when that day comes I want to be able to say: "I did my level best to stop this raid on the Treasury. I talked against and voted against the big pork giveaways."

That is why I am voting against this conference report today. And that is why I urge every Senator who still has some concern about runaway Federal spending, and the tragic inflation that follows in its wake, to do likewise.

Mr. President, if there are not enough Senators present to get the yeas and nays, I would suggest the absence of a quorum. I do intend to ask for the yeas and nays since I feel so strongly about the matter.

Mr. RANDOLPH. Mr. President, we would like to have the yeas and nays also.

Mr. GRAVEL. Mr. President, realizing that my colleague feels as strongly as he does, we are trying to get enough Senators present to secure the yeas and nays.

Mr. President, when I hear my colleague describe this bill as pork barrel, I must say that strikes me as a cliche that misleads the people of the country, who do not know the facts about the matter. The Senator can call this bill pork barrel or whatever he wants to call it. It really is specific capital improvement. One may disagree with the efficacy of these capital improvements. However, that is what they are.

I do not think it adds to the public understanding to deal with the matter in cliches or loaded words which convey a bad attitude. It is like casting derision upon the legislative process itself.

I think that my colleague would be justified in saying that we should not spend money in this way. If that is his position, I respect that position. But I think to use loaded words that misdescribe what we are doing does a disservice to the legislation.

I admire and respect the Senator from Wisconsin. However, I deeply regret that he takes this approach.

Mr. PROXMIRE. Mr. President, if the Senator will yield, undoubtedly we should fund some projects. There is nothing wrong at all in the idea of our having public works.

What I am saying is that every study we have had has indicated that we ought to provide a discount factor that makes sure when we engage in these public works that we do not spend more than they are worth. And the studies that we have had in the past have recommended—and the study on which the bill was based, when it passed the Senate—provided that there be a rate of 6⅞ percent. However, now the conferees come in with a rate that is so far below that that it fully justifies my pork barrel allegation.

This has been called a pork barrel not just by the Senator from Wisconsin, but it has also been called a pork barrel for nearly 200 years, almost since the beginning of the U.S. Congress.

There is a reason for this. And the reason is that in many projects in the past there has been pork out of the barrel for everyone as the way Senators help each other get elected. Senators scratch each other's back.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate while the Senator is speaking?

The PRESIDING OFFICER. The Senate will be in order.

Mr. PROXMIRE. The result of that process has been, over the years, that this program has become notorious for extravagantly wasting the taxpayers' money.

There is a way to correct that, and many economists have suggested it. Liberals, conservatives, Democrats, and Republicans, all who have studied this approach objectively have agreed that we ought to have a discount factor that is realistic. No one that I know of has ever justified that we spend money on a project when the return will be less than the cost of the money we borrow. But that is exactly what this conference report would sanction.

I would like to see a discount factor of around 10 or 12 percent. But the discount factor in the conference report is simply ridiculous. I do not know of any economists who say that you can justify a discount factor of 5⅞ percent. Without that, many of these projects will not go through, because they are purely and simply pork barrel.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. WILLIAM L. SCOTT. As the Senator may know, the bill that passed this body last month did contain the discount rate that the Water Resources Council recommended for future projects. The distinguished Senator has been here for many years. As he knows, we must have some spirit of compromise between the two bodies, or we would never resolve differences and win enactment of legislation. I feel the Senator should know that it was not the Senate that did the thing to which he is speaking. The conference accepted it as a reasonable compromise, in part on the recommendation of the joint staffs of the Senate and the House committees.

Mr. PROXMIRE. I thank the Senator. Of course I realize it was a compromise. I just think the compromise will result in a tremendous burden on the taxpayers. There was no principle involved here; they did not go either to the cost to the Treasury or the recommendation of the Water Resources Council. They went below both.

It seems to me that in this conference the bargaining power was clearly on the side of the Senate. Senate conferees could have argued that without an adequate discount; then you would have no public works. The Senate was in a very strong position to get what the Senate passed; and, as the Senator from Alaska knows, I objected strongly to even the Water Resources Council's recommendation.

Mr. GRAVEL. Mr. President, will the Senator yield for me to ask for the yeas and nays?

Mr. PROXMIRE. Yes.

Mr. GRAVEL. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. GRAVEL. Has the Senator finished?

Mr. PROXMIRE. Yes.

Mr. GRAVEL. Mr. President, we are ready to vote.

Mr. RANDOLPH. Mr. President, ordinarily at this point I would be ready for the rollcall, and I am in good humor and good purpose when I informally face my colleague from Wisconsin (Mr. PROXMIRE), a very able Senator for whom I have a personal affection.

I am saddened that he considers it necessary to castigate his colleagues, the conferees on this bill, as he has done here within the past few minutes. When anyone reads his remarks—and I respect his convictions though disagreeing with his conclusions—it will be seen that he was being highly critical of men who are intensely interested in the development of a water resources program for the United States, which is not a pork barrel in nature, but which contributes to the well-being of the American people as a whole, including the citizens of the State of Wisconsin.

Throughout the years, projects for flood control, for the development of our water resources in this country, including necessary navigation on the rivers in the area of the country from which the Senator comes—all of these projects have been brought into being. This did not take place through any back-scratching process in the Senate of the United States, but on the basis of testimony, including the testimony of the Corps of Engineers of the U.S. Army, as to the cost-benefit ratio which will be returned when a project comes into being.

I have placed in the RECORD over and over again the benefits of water resource development in this country. There have been savings of literally billions of dollars to the American people because of the effective flood control programs which have been brought into being. This program also has created lakes in this country, lakes which provide necessary recreation, and we have a value from that standpoint to the American people, many of whom live in teeming cities, crowded one against the other. Those people can enjoy the recreational advantages of the lakes that have been created in practically every State of the Union.

Recently 214 Corps projects located in 22 States played a significant role in reducing damages in three floods—the Columbia Basin floods in the winter and spring of 1972, Hurricane Agnes in 1972, and the Mississippi River Basin floods of 1973. In these floods alone, the 214 projects prevented damages of nearly $8.7 billion. The cost of these projects, exclusive of power features which are repaid directly from revenues, was $8.1 billion. Thus, the entire nonpower investment was recovered in the 1972–73 period alone.

Of the 214 projects, 121—located in 18 States—would not have been found feasible at the time they were authorized had the interest rate now prescribed by the Water Resources Council been in effect.

I feel that I not only have a right to say what I am now saying, but I think it is necessary that someone in this body reply frankly to what has been said. I have done so over and over again, and will continue to do it regardless from what source it comes.

I think it is unfortunate that the Senator from Wisconsin for whom I have affection and respect, said what he did this afternoon. A vote on this conference report will not be a back-scratching vote. It will be a vote, as I presume he would believe all votes which take place in this Chamber should be, expressing the convictions of his colleagues. I hope he would feel that way. I certainly would ascribe to the Senator from Wisconsin the conviction that in every vote he cast in this body he was doing what he felt was right. But his inference here is that Members are going to vote for this report as we voted on the original bill, because we want to have a project for ourselves; therefore, we must give a project to someone else. This is not true. These bills go through a very careful screening process in the Subcommittee on Water Resources, in the Committee on Public Works, and then in the Senate itself, with the debate running for the necessary time to properly cover all projects which are under consideration.

For more than a century and a half, the Federal Government has been involved in the development of our great water resources so they can be effectively utilized for the good of our people. This program today is highly complex and utilizes a variety of yardsticks to measure the worth of project proposals.

I realize that often our differences can ultimately be our strengths, but I would remind the Senator from Wisconsin that what he says today, in the strong language that he has used, is the same thing he has been saying, through the years, because he does not vote for public works projects. I would like for him to tell the Senate what projects he has supported. He just does not support them, and yet, in his remarks today, he is saying, in essence, "I think some of them are justified." Yet the record of his voting, and I respect that record, is to the contrary.

I only want him to ascribe to me, as I ascribe to every other Member of the Senate, a national decisionmaking process, not on any pork-barrel approach or back-scratching procedure. That is all I ask for my colleagues who are not here to engage in this colloquy. Since the Senator from Wisconsin sees fit to criticize the basis for evaluating the benefits and costs of public works projects, I would also remind him of his own support of Federal agricultural programs which are important to his State but which are not judged by any sort of benefit-cost formula at all.

Mr. PROXMIRE. I thank the Senator from West Virginia, the chairman of the Public Works Committee. I want to tell him, the Senator from Alaska, and the Senator from Virginia that I have respect and affection, of course, for all these three Senators.

The Senator from West Virginia knows, as I stated yesterday, that I believe his leadership on the energy bill,

together with that of the Senator from Washington (Mr. JACKSON), was outstanding, and I followed his lead all the way through. I do not question his integrity or his convictions at all. I just think that he was wrong, and I think all the other members of the conference who followed this vital principle were wrong, as I have been wrong sometimes in the past.

Mr. RANDOLPH. Why castigate the members?

Mr. PROXMIRE. I think he was wrong because he——

Mr. RANDOLPH. Why castigate the members?

Mr. PROXMIRE. If the Senator construes what I have said as castigation, so be it.

Mr. RANDOLPH. Why not just say we have a difference of opinion, then?

Mr. PROXMIRE. Well, all right, we have a difference of opinion, but that difference of opinion goes to just what I was talking about. The Senator from West Virginia said these projects are screened. They are screened all right, but the screening is rigged. Before I yield to the Senator, let me point out how it is rigged. We talked about the cost-benefit ratio. In the first place, you often come out with the cost already understated or underestimated, and the benefits frequently exaggerated. But I do not make that argument today. I do not make it now. But I say your screening is a fake, a phony rigging by picking a discount rate that no independent, objective expert will agree to. The Water Resources Council says it should be higher. What happens when you have a lower discount rate? The benefits, that will not occur for 10, 20, 30, or 40 years, are exaggerated, because they do not discount the benefits with an adequate time factor. This allows you to rig the game. This means you go ahead and provide and approve projects which cost more than the ultimate benefits.

Mr. McCLURE. Will the Senator from Wisconsin yield at that point?

Mr. PROXMIRE. I yield.

Mr. McCLURE. I am concerned that the public is misled by the cost-benefit ratio argument and the discount rate argument that has been applied by the Water Resources Council on other programs of Congress on which funds, year after year after year——

Mr. PROXMIRE. The Senator asks an excellent question. I have been fighting hard to provide that all of the programs do. The Department of Defense incidentally applies a 10-percent discount factor. They apply it across the board in many of their operations. They contend that they do not go ahead unless the 10-percent factor and the cost-benefit ratio gives them the assurance that they will get back more from the Federal Government than it will cost. Some other agencies provide for a 12-percent discount factor.

Mr. McCLURE. Which one of the directly social programs is evaluated by a cost-benefit ratio or a discount rate? Name one.

Mr. PROXMIRE. There are a number and they—like the manpower training—where benefits to the economy are so great that a discount factor of 16 or 18 percent would still permit the program to go around. We would have a far better appropriation process and a far more objective discharge of our spending responsibilities to our taxpayers if we applied the cost-benefit analysis discounting future benefits across the board. I am going to fight as hard as I can to get it. But in this conference report it is applied to rig the results in such a way as to give the wrong answer. An answer that biases the determination of protests in favor of spending money.

That is what warrants my objection to this bill and the reason why I will vote against it.

Mr. McCLURE. I know the Senator's great effort to get some sense of fiscal responsibility here. The Senator from West Virginia is correct when he says there may be a difference of opinion as to what the priorities should be. It seems to me wrong to single out one or two or three or even half a dozen programs and require a cost-to-benefit ratio and a discount ratio based on past history and not making it across the board. I will join the Senator in supporting any effort to require of every appropriation, every back door spending, every authorization that comes through Congress, but I resist applying it to one program, and I know that the Senator would try to do it——

Mr. PROXMIRE. I agree with the Senator wholeheartedly, but to be realistic, it is impossible to apply this concept to everything because the benefits are so extraordinarily intangible or indefinite in many areas, and that is why it is resisted. How can we put a price on health and safety benefits for example? How do you valve a human life?

But I agree it can be applied far more widely than it has been.

I would have more respect for the process if we had a situation where we applied an 8-percent discount factor and then went ahead with projects where the cost exceeded the benefits. That would be the honest way to do it. We would know the basis for our decision that it would be frank and honest politically.

Mr. McCLURE. On many of the Water Resources Council projects, that is, the one we have involved here, the cost-benefit ratio itself is rigged. It is rigged if we look at the present purposes of the Federal budget. It is rigged against the project, because it looks only to the direct cost and the direct benefits, while the indirect costs have been ignored. As many of the environmental organizations have pointed out, they should be included and so should indirect benefits. Until we get to the point of revising the cost-benefit ratio to look at indirect costs and indirect benefits, this goes as to whether it sets national goals. It is an aid to us in determining whether the project is viable and a comparison to the project that might be proposed in the same field, but it is no aid to us in determining whether this is a good project, a good program, or a good bill as compared to totally unrelated social welfare programs in other sectors of the budget.

Mr. PROXMIRE. One of the reasons—I admit it should be applied more broadly—and it has been applied here—is that of the very words I used and which raised such ire on the part of the Senator from Alaska—"pork barrel"—there has been a tendency over the years—an endearing tendency for Senators to help each other by going ahead with projects in their States that are not justified. So with the development objective criteria we have the basis for deciding what projects to fund based on their economic merit, that is that benefits can be shown to exceed the costs.

I am objecting to the distortion of this principle in the conference report and shall vote against the conference report, although I realize there will probably be only a handful to vote against it.

Mr. McCLURE. I do not object to what the Senator is saying. There is a great deal of merit in the fact that we have not analyzed the programs as closely as we should have in the context of the total Federal budget. We do not set our priorities very well. It is wrong to single out one particular group of projects and say let us stick with an old method of priority allocations, without judging how that sets in the total context of the entire Federal budget. It is wrong. I criticize the Water Resources Council. I testified before them, before they ever came out with this, and I said that until you get around to the business of broadening the benefit-cost ratio, do not try to get into the business of destroying the programs by using the discount ratio based on an inflationary money market.

Mr. PROXMIRE. I say to the Senator that he may well be right, but he represents a minority position, just as I do. If the Senator's position is accepted, we would not have a cost benefit until we get them elsewhere and we would not have a discount factor at all. We have it, so let us recognize it, and let us apply it in accordance with principles recommended by the Water Resources Council. The conference report violates that.

Mr. GRAVEL. Mr. President, in discussing the discount interest rate formula mandated by section 80 of the conference report, it is important to remember that the Congress is merely specifying the information it requires on the economic implications of proposed water resources projects. By saying that the Congress wishes to know what the costs and benefits of a project are, based on a discount rate of 5⅝ percent, we do not prevent the executive branch from making whatever recommendations or submitting whatever economic information about proposed projects it chooses.

Mr. WILLIAM L. SCOTT. Mr. President, in view of the comments of the distinguished Senator from Wisconsin, I should like to add that I voted in many instances in the committee to eliminate costly projects. My votes did not prevail. In fact, I would be willing to compare my vote on fiscal responsibility with that of any other Member of the Senate.

Mr. President, so that the public will not be confused by the board brush indictment of our committee and the individual members, I ask unanimous consent to have printed in the RECORD the total, overall voting record of the Members of the Senate, as compiled by such

organizations as the ACA, ADA, and COPE.

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

STANDING COMMITTEES OF THE SENATE OF THE UNITED STATES, 93D CONG.

	ACA [1]	ADA [2]	COPE [3]
AERONAUTICAL AND SPACE SCIENCES			
Democrats:			
Frank E. Moss, chairman	8	70	93
Warren G. Magnuson	13	60	97
Stuart Symington	18	70	94
John C. Stennis	71	0	22
Howard W. Cannon	34	25	73
James Abourezk [4]	9	63	90
Floyd Haskell			
Republicans:			
Barry Goldwater	97	5	2
Carl T. Curtis	95	0	3
Lowell P. Weicker, Jr.	50	30	44
Dewey F. Bartlett			
Jesse A. Helms			
Pete V. Domenici			
AGRICULTURE AND FORESTRY			
Democrats:			
Herman E. Talmadge, chairman	64	10	26
James O. Eastland	73	5	19
George McGovern	8	45	94
James B. Allen	83	0	24
Hubert H. Humphrey	1	60	99
Walter D. Huddleston			
Dick Clark			
Republicans:			
Carl T. Curtis	95	0	3
George D. Aiken	41	45	53
Milton R. Young	68	5	24
Robert Dole	75	0	10
Henry Bellmon	72	10	21
Jesse A. Helms			
APPROPRIATIONS			
Democrats:			
John L. McClellan, chairman	70	10	21
Warren G. Magnuson	13	60	97
John C. Stennis	71	0	22
John O. Pastore	12	75	92
Alan Bible	39	35	64
Robert C. Byrd	34	35	64
Gale W. McGee	10	35	86
Mike Mansfield	11	80	85
William Proxmire	24	75	89
Joseph M. Montoya	14	45	91
Daniel K. Inouye	1	65	96
Ernest F. Hollings	52	25	46
Birch Bayh	11	80	93
Thomas F. Eagleton	13	70	88
Lawton Chiles	41	35	36
Republicans:			
Milton R. Young	68	5	24
Roman L. Hruska	93	5	6
Norris Cotton	85	0	13
Clifford P. Case	19	80	83
Hiram L. Fong	46	10	46
Edward W. Brooke	22	80	86
Mark O. Hatfield	32	55	65
Ted Stevens	30	35	68
Charles McC. Mathias, Jr.	20	60	67
Richard S. Schweiker	28	60	66
Henry Bellmon	72	10	21
ARMED SERVICES			
Democrats:			
John C. Stennis, chairman	71	0	22
Stuart Symington	18	70	94
Henry M. Jackson	11	40	99
Sam J. Ervin, Jr.	67	10	24
Howard W. Cannon	34	25	73
Thomas McIntyre	23	35	92
Harry F. Byrd, Jr.	84	20	10
Harold E. Hughes	8	80	90
Sam Nunn			
Republicans:			
Strom Thurmond	95	0	9
John G. Tower	94	0	4
Peter H. Dominick	81	5	14
Barry Goldwater	97	5	2
William B. Saxbe	52	15	36
William Lloyd Scott [4]	95	0	8
BANKING, HOUSING AND URBAN AFFAIRS			
Democrats:			
John Sparkman, chairman	32	0	56
William Proxmire	24	75	89
Harrison A. Williams, Jr.	5	85	99
Thomas J. McIntyre	23	35	92
Alan Cranston	1	90	97
Adlai E. Stevenson III	12	80	82
J. Bennett Johnston, Jr.			
William D. Hathaway [4]	3	81	97
Joseph R. Biden, Jr.			
Republicans:			
John G. Tower	94	0	4
Wallace F. Bennett	85	5	5
Edward W. Brooke	22	80	86
Robert W. Packwood	50	45	45
Bill Brock	90	0	5
Robert Taft, Jr.	67	25	23
Lowell P. Weicker, Jr.	50	30	44
COMMERCE			
Democrats:			
Warren G. Magnuson, chairman	13	60	97
John O. Pastore	12	75	92
Vance Hartke	16	65	90
Philip A. Hart	2	95	96
Howard W. Cannon	34	25	73
Russell B. Long	36	15	52
Frank E. Moss	8	70	93
Ernest F. Hollings	52	25	46
Daniel K. Inouye	1	65	96
John V. Tunney	5	90	94
Adlai E. Stevenson, III	12	80	82
Republicans:			
Norris Cotton	85	0	13
James B. Pearson	60	45	29
Robert P. Griffin	59	15	24
Howard H. Baker, Jr.	67	0	24
Marlow W. Cook	58	10	44
Ted Stevens	30	35	68
J. Glenn Beall, Jr.	60	20	36
DISTRICT OF COLUMBIA			
Democrats:			
Thomas F. Eagleton, chairman	13	70	88
Daniel K. Inouye	1	65	96
Adlai E. Stevenson III	12	80	82
John V. Tunney	5	90	94
Republicans:			67
Charles McC. Mathias, Jr.	20	60	
Dewey F. Bartlett			
Pete V. Domenici			
FINANCE			
Democrats:			
Russell B. Long, chairman	36	15	52
Herman E. Talmadge	64	10	26
Vance Hartke	16	65	90
J. W. Fulbright	23	50	50
Abraham Ribicoff	11	80	93
Harry F. Byrd, Jr.	84	20	10
Gaylord Nelson	8	95	95
Walter F. Mondale	3	95	95
Mike Gravel	0	75	90
Lloyd Bentsen	39	35	39
Republicans:			
Wallace F. Bennett	85	[illegible]	5
Carl T. Curtis	95	0	3
Paul J. Fannin	90	5	7
Clifford P. Hansen	90	0	7
Robert Dole	75	0	10
Robert W. Packwood	50	45	45
William V. Roth, Jr.	70	25	11
FOREIGN RELATIONS			
Democrats:			
J. W. Fulbright, chairman	23	50	50
John Sparkman	32	0	56
Mike Mansfield	11	80	85
Frank Church	16	70	87
Stuart Symington	18	70	94
Claiborne Pell	8	75	95
Gale W. McGee	10	35	86
Edmund S. Muskie	6	70	94
George McGovern	8	45	94
Hubert H. Humphrey	1	60	99
Republicans:			
George D. Aiken	41	45	53
Clifford P. Case	19	80	83
Jacob K. Javits	18	80	86
Hugh Scott	43	35	60
James B. Pearson	60	45	29
Charles H. Percy	34	60	67
Robert P. Griffin	59	15	24
GOVERNMENT OPERATIONS			
Democrats:			
Sam J. Ervin, Jr., chairman	67	10	24
John L. McClellan	70	10	21
Henry M. Jackson	11	40	99
Edmund S. Muskie	6	70	94
Abraham Ribicoff	11	80	93
Lee Metcalf	6	40	96
James B. Allen	83	0	24
Lawton Chiles	41	35	36
Sam Nunn			
Walter (D.) Huddleston			
Republicans:			
Charles H. Percy	34	60	67
Jacob K. Javits	18	80	86
Edward J. Gurney	90	5	10
William B. Saxbe	52	15	36
William V. Roth, Jr.	70	25	11
Bill Brock	90	0	5
INTERIOR AND INSULAR AFFAIRS			
Democrats:			
Henry M. Jackson, chairman	11	40	99
Alan Bible	39	35	64
Frank Church	16	70	87
Lee Metcalf	6	40	96
J. Bennett Johnston, Jr.			
James Abourezk [4]	9	63	90
Floyd K. Haskell			
Republicans:			
Paul J. Fannin	90	5	7
Clifford P. Hansen	90	0	7
Mark O. Hatfield	32	55	65
James L. Buckley	91	10	5
James A. McClure [4]	89	0	10
Dewey F. Bartlett			
JUDICIARY			
Democrats:			
James O. Eastland, chairman	73	5	19
John L. McClellan	70	10	21
Sam J. Ervin, Jr.	67	10	24
Philip A. Hart	2	95	96
Edward M. Kennedy	3	90	95
Birch Bayh	11	80	93
Quentin N. Burdick	18	75	92
Robert C. Byrd	34	35	64
John V. Tunney	5	90	94
Republicans:			
Roman L. Hruska	93	5	6
Hiram L. Fong	46	10	46
Hugh Scott	43	35	60
Strom Thurmond	95	0	9
Marlow W. Cook	58	10	44
Charles McC. Mathias, Jr.	20	60	67
Edward J. Gurney	90	5	10
LABOR AND PUBLIC WELFARE			
Democrats:			
Harrison A. Williams, chairman	5	85	99
Jennings Randolph	15	40	83
Claiborne Pell	8	75	95
Edward Kennedy	3	90	95
Gaylord Nelson	8	95	95
Walter F. Mondale	3	95	95
Thomas F. Eagleton	13	70	88
Alan Cranston	1	90	97
Harold E. Hughes	8	80	90
William D. Hathaway [4]	3	81	97
Republicans:			
Jacob K. Javits	18	80	86
Peter H. Dominick	81	5	14
Richard S. Schweiker	28	60	66
Robert Taft, Jr.	67	25	23
J. Glenn Beall, Jr.	60	20	36
Robert T. Stafford	33	45	46
POST OFFICE AND CIVIL SERVICE			
Democrats:			
Gale W. McGee, chairman	10	35	86
Jennings Randolph	15	40	83
Quentin N. Burdick	18	75	92
Ernest F. Hollings	52	25	46
Frank E. Moss	8	70	93
Republicans:			
Hiram L. Fong	46	10	46
Ted Stevens	30	35	68
Henry Bellmon	72	10	21
William Saxbe	52	15	36
PUBLIC WORKS			
Democrats:			
Jennings Randolph, chairman	5	40	83
Edmund S. Muskie	6	70	94
Joseph M. Montoya	14	45	91
Mike Gravel	0	75	90
Lloyd Bentsen	39	35	39
Quentin N. Burdick	18	75	92
Dick Clark			
Joseph R. Biden Jr.			
Republicans:			
Howard H. Baker, Jr.	67	0	24
James L. Buckley	91	10	5
Robert T. Stafford	33	45	46
William Lloyd Scott [4]	95	0	8
James A. McClure [4]	89	0	10
Pete V. Domenici			
RULES AND ADMINISTRATION			
Democrats:			
Howard W. Cannon, chairman	34	25	73
Claiborne Pell	8	75	95
Robert C. Byrd	34	35	64
James B. Allen	83	0	24
Harrison A. Williams, Jr.	5	85	99
Republicans:			
Marlow W. Cook	58	10	44
Hugh Scott	43	35	60
Robert P. Griffin	59	15	24
Mark O. Hatfield	32	55	65
VETERANS' AFFAIRS			
Democrats:			
Vance Hartke, chairman	16	65	90
Herman E. Talmadge	64	10	26

Footnotes at end of table.

STANDING COMMITTEES OF THE SENATE OF THE UNITED STATES, 93D CONG.—Continued

	ACA [1]	ADA [2]	COPE [3]
Jennings Randolph	15	40	83
Harold E. Hughes	8	80	90
Alan Cranston	1	90	97
Republicans:			
Clifford P. Hansen	90	0	7
Strom Thurmond	95	0	9
Robert T. Stafford	33	45	46
James A. McClure [4]	89	0	10

[1] ACA (Americans for Constitutional Action) ACA Consistency Index, 1972.
[2] ADA (Americans for Democratic Action) ADA Liberal Quotient, 1972.
[3] COPE (Committee on Political Education, AFL-CIO) ratings from "They Grade the Congress" by U.S. Chamber of Commerce, February 1973.
[4] Freshman Senators with prior service in the House of Representatives; the ratings given are from their House service.

Note: Blank spaces appear when Senator has no voting record. Previous ratings are given for those legislators who have prior service in Congress.

Mr. BUCKLEY. Mr. President, I urge rejection of the conference report on H.R. 10203. As my colleagues may recall, I voted against the Senate version of this bill because it included a vast number of special relief provisions providing special benefits to specific projects, outside the reach of established national policy. Such special relief provisions offer benefits that are above and beyond those available to other equally deserving localities under existing Federal policy, as determined by the Congress. As such they are discriminatory. And, frankly, I do not believe they can be reasonably defended, particularly now that so many demands have been placed on the Federal Treasury.

Any time a given community is provided more favorable treatment than another community, any time we waive the normal rules and procedures for no better reason than that one of our colleagues has stated that the project is important to him, any time we act from other than a national perspective in the implementation of national policy, we necessarily favor a few at the expense of the many.

I do not believe that ad hoc legislation, outside the administrative procedures available to solve a problem, is wise legislation.

The version that has emerged from conference takes a Senate bill chockablock with goodies and bloats it still further with millions of dollars in special-relief provisions

I recognize that the conference process involves compromise; it is a process of give and take. Acceptance of one Senate provision often is balanced by acceptance of one House provision. While such an approach may expedite a resolution of differences in a bill, it may not encourage an evaluation of the merits of a proposal. I believe it would be instructive to note a few of these additions.

The following is a list of some of the sections of the conference report adopted from the House bill that provide special relief to special areas, together with the estimated cost:

Section 7: $150,000 per year.
Section 17: $500,000.
Section 18: $500,000.
Section 23: Unknown.
Section 31: $3,500,000.
Section 36: $34,000,000.
Section 66: $300,000.
Section 74: $22,200,000.
Section 91: $14,000,000.
Section 95: Unknown.
Section 98: $400,000.

The conference committee also accepted a number of generic sections initiating policies that I believe are unreasonable and unfair to the taxpaying families of this Nation.

Section 6 of the conference report, for example, imposes on Federal taxpayers a perpetual responsibility for dredging small-boat harbors used by recreational boaters. Historically, the Federal Government assumed that responsibility. But in recent years an effort has been made to shift this cost onto the users with the valid argument that local users should contribute toward harbor maintenance. Greater local cost sharing, of course, was a major recommendation of the National Water Commission.

The 1970 Omnibus Act continued Federal responsibility for such maintenance through the end of that calendar year. By implication, the 1970 act provided a transition period while the costs of maintaining new recreational harbors were shifted to local users. That was the position endorsed by the Senate when it refused to place the maintenance cost of new small-boat harbors onto Federal taxpayers. I regret this shift back to a policy that benefits the few at the expense of the many.

Another provision adopted from the House bill appears as section 41 of the conference report. This section authorizes the Corps of Engineers to spend $2 million of the taxpayers' money to evaluate the benefits of existing corps projects along the Ohio River.

I am confident that many such benefits exist. But I am somewhat skeptical over the need to spend $2 million of tax revenues so that the corps staff can pat itself on the back.

Section 45 of the report is another provision adopted in its entirety from the House bill. This section broadens the Disaster Relief Act, directing the Federal Government to cover payment of costs "actually incurred in replacing the facility's services with services from other sources during the period of repair—to the extent that such costs exceed the costs which would have been incurred."

This section, of course, is totally unrelated to water resources development. It would repay the Los Angeles Department of Water and Power in full the added operating costs it incurred following a 1971 earthquake. Incidentally, we have been told in the past that this cost would total $13,918,000. But I was surprised to note in House floor debate that the figure has ballooned as high as $30 million.

This section, of course, is generic, extending to all major disasters since Hurricane Camille, and all future major disasters. We have no evidence whatsoever on what this section might cost. The House sponsors talk of $25 million a year. But I am fearful it will prove a far more costly quagmire.

Of all the decisions made in conference, the one that disturbs me the most was the total acceptance by the Senate conferees of the House version of section 80, setting the interest rate to be used in evaluating project costs and benefits.

The conferees abandoned completely the position adopted by the Senate, which directed the use of more realistic interest rates.

Although I do not believe that the Senate version went far enough, at least it was a step in the right direction. The conference version, however, takes an old subsidization policy, and perpetuates it.

Whether we like it or not, relatively high interest rates are now a fact of life. It costs the American taxpayers, through their Government, about 7 percent to borrow money. If that is what it costs taxpayers, then I believe that is the rate we should use in computing the costs and benefits of water resource projects. The use of outdated and unrealistically low rates of interest may magically balloon a project's benefit-cost ratio. But what it really does is to distort our evaluation, and siphon money out of more productive uses and into projects that drag at the economy.

The conference report tosses a bone to the White House and others that seek the use of realistic interest rates by requesting the President to study the problem. That study could then serve as a basis for future congressional action.

The specific language for the study—section 80(c)—states:

(c) The President shall make a full and complete investigation and study of principles and standards for planning and evaluating water and related resources projects. Such investigation and study shall include, but not be limited to, consideration of enhancing regional economic development, the quality of the total environment including its protection and improvement, the well-being of the people of the United States, and the national economic development, as objectives to be included in federally-financed water and related resources projects and in the evaluation of costs and benefits attributable to such projects, as intended in section 209 of the Flood Control Act of 1970 (84 Stat. 1818, 1829), the interest rate formula to be used in evaluating and discounting future benefits for such projects, and appropriate Federal and non-Federal cost sharing for such projects. He shall report the results of such investigation and study, together with his recommendations, to Congress not later than one year after funds are first appropriated to carry out this subsection.

To someone unfamiliar with the subject, it might appear as if this represents a step forward. It might appear that this issue had never been examined at the Presidential level. That, of course, is false.

The Water Resources Council, established at the behest of Congress, studied the issue with great care for several years. It held numerous public hearings across the Nation, taking volumes of testimony. While that study essentially produced a recommendation to the President, I venture the guess that the report and its conclusions could be prepared and forwarded, with a cover letter, to the Congress within a matter of hours.

It seems to me that the demand for a new report—lacking any apparent funding but with the reporting date linked to appropriations—can only be interpreted as a cosmetic tactic for delay.

Mr. President, I have been somewhat strong in my views. Not everything from the House bill is included in this bill. Section 5 of the House bill, for example,

directed the Corps of Engineers to remove a sunken steamer, the *Glen*, from the harbor at Manistee, Mich. I assume this section was cast adrift because the *Glen* was raised and removed last autumn.

Mr. President, for the reasons I have listed, together with the comments I made last month during consideration of the Senate version of the bill, I believe this conference report should be rejected as unnecessary, uneconomic, and wasteful.

Mr. DOLE. Mr. President, I wish to address several points concerning the conference report on the Water Resources Development Act, H.R. 10203.

This is the fourth water resources measure to be considered by the Senate in little more than a year. The first, S. 4018 in the 2d session of the 92d Congression, passed Congress but was vetoed by the President. The second, S. 606, was passed by the Senate in February 1973, but did not receive consideration by the House. We considered the third bill, S. 2798 which was reported by the Public Works Committee in December 1973, and passed the Senate in January.

I believe this fourth bill, as did the others, takes a constructive approach to the job. And, it contains two provisions dealing with projects in Kansas which were considered during the course of action on the first two bills and which were included in them.

ROAD IMPROVEMENTS FOR MELVERN, POMONA AND TUTTLE CREEK LAKES

Section 17 and 18 deal with road improvements in the vicinity of three Federal lakes and recreation areas, Melvern and Pomona Lakes in Osage County and Tuttle Creek Lake in Pottawatomie County. These improvements have been made necessary because of the heavy traffic generated over local roads and highways near these lakes. And I would imagine that the energy crisis will draw even greater numbers of individuals and families to these facilities as long-distance driving is limited.

By way of explanation of the need for these three projects, I attach as appendix I, my introductory remarks for S. 46, a bill sponsored by Senator PEARSON and myself to deal with the Osage County situation growing out of Melvern and Pomona Lakes. The circumstances involved with Tuttle Creek Lake in Pottawatomie County are quite similiar.

These projects were approved twice by the Senate, were contained in the House version of the Water Resources Act last year, and with the cooperation and support of the Senate conferees they have been maintained in the conference report. In January I joined with Senator PEARSON in sponsoring an amendment to restore these projects to the bill, and although the managers of the bill were unable to accept them on the floor, they provided their assurances for support in conference—for which I wish to express my personal appreciation at this time.

BRIDGE RELOCATION FOR ONAGA LAKE

I wish to call attention to section 103 of the conference report which provides authority for advance relocation of a bridge involved in the Onaga Lake project.

This section is identical to S. 45 which I introduced in January 1973, and I believe it is a constructive measure, meeting a real need of local citizens without any additional expense to the Federal Government.

As Appendix II, I include the text of my introductory remarks for S. 45.

INCREASED FUNDING FOR SMALL FLOOD CONTROL PROJECTS

I also wish to complement the committee for its work on section 61 which increases the ceilings on Federal funding for local flood control projects in disaster areas to $2 million. These projects are vitally important to many small communities in Kansas which face the threat of recurring floods each year. Inflation has raised the costs of these projects by more than 90 percent since the last congressional action on a ceiling in 1962. The result has been real hardship on many localities which cannot bear these increased costs through their own resources and which, therefore, have been unable to proceed with providing the necessary flood protection for their citizens, their homes, and businesses.

By increasing the annual Federal expenditure on such projects to $30 million and the limitation on the Federal share for any individual project from $1 million to $2 million, Congress will provide significant assistance to many Kansas communities which have been victimized by serious flooding and are actively seeking to increase their level of protection from disastrous floods.

Many Kansas communities suffered major flood damage with last year's unusually heavy precipitation, and a program to protect them from recurrence of similar catastrophes will be most valuable. And I believe this step will be one of the most worthwhile and important actions taken by Congress in the management of our water resource.

REVIEW OF ACCESS PROBLEMS

I am also pleased that, following my appearance before the Public Works Committee, language was included in the Senate report to express the committee's awareness of the problems of providing safe and adequate access to Federal lakes and their recreation facilities. This commitment was restated on the floor, and I wish to express my appreciation to the committee for its commitment to review these problems in its 1974 oversight hearings.

The need for a special parkway from the city of Lawrence, Kans., to Clinton, Lake, just outside its corporate limits, was the catalyst for my appearance before the committee. But as indicated earlier in my statement, these problems arise almost every time a Federal multipurpose lake is constructed.

Therefore, I believe the committee has recognized an important area of concern for the Federal Government, and I look forward to participating in these upcoming hearings.

APPENDIX I

By Mr. DOLE (for himself and Mr. PEARSON):

S. 46. A bill authorizing the improvement of certain roads in the vicinity of Melvern and Pomona Reservoirs, Osage County, Kans. Referred to the Committee on Public Works.

ROAD AND BRIDGE CONSERVATION ASSISTANCE FOR OSAGE COUNTY, KANS.

Mr. DOLE. Mr. President, construction of a Federal multipurpose dam and reservoir is a highly valuable addition to any county or region. The construction process initially has a favorable economic impact in the area. And completion of the facility often means assurance of nearby communities' water supplies; valuable flood protection for homes, businesses and farms; and the establishment of a new leisure-and-recreation economic base for the area.

A new reservoir, however, does not bestow its benefits without cost to its locality, for it necessarily removes substantial acreage from the tax rolls. A dilemma is posed in that reduction of the tax base is accompanied by an increased need for outlays to finance construction of improvements—particularly roads and bridges—which will enable the tax base to be built up through business, recreational, and residential developments.

In most cases, the problems of financing the expenditures required to stimulate this compensating growth of the tax base are within the capabilities of the affected local and State governments. Most citizens recognize the need and respond by supporting tax levies and bond issues to underwrite these costs. Frequently, such efforts require significant sacrifices, but they are made in the realization that such investments in future growth will pay handsome dividends.

Ten years ago, the Pomona Reservoir was constructed in Osage County, Kans., and it has proven to be a highly successful project, providing substantial flood protection for a wide area of eastern Kansas and proving to be an outstanding attractive recreation area with its 246,000 acre-feet impoundment in a beautiful natural setting.

But Osage County has been doubly blessed; for, now nearing completion is the 360,000 acre-feet Melvern Reservoir. Completion of Melvern will make Osage County one of the prime tourist attractions in the eastern Kansas-western Missouri area and will give the county a unique status in having two Federal reservoirs within its borders. But while this county has benefited substantially from the development of its water resources, it must contend with an unusual set of problems raised by this double helping of attractive features.

Only 13,000 people live in this county, and some 12,000 acres of its most valuable agricultural land have been removed from the tax base. Thus diminished, the tax rolls have been squeezed, and the burdens of the taxpayers, have, for the time being, been increased. Even so, the citizens of the county have welcomed and supported these additions to their area. In recognition of the need to stimulate the lakes' business recreational and residential development by making them more accessible, a countywide $1.5 million bond issue has been passed to support a replacement program for the oldest and most unsafe bridges. But the capacity of local citizens to do more is seriously limited. The State of Kansas has also made an effort to help by improving the highway which runs near both reservoirs, but much more must be done.

I would point out that the improvement of these roads and highways is not simply a matter of local economic interest. It also reflects a broader public interest in seeing that these federally funded projects return the maximum possible benefits for the American taxpayer's dollar, and those returns can be measurably enhanced by making access to those reservoirs easier and safer for visitors. Nearly 1 million people visited the Pomona Reservoir last year, and more than 7 million have come since it opened. When Melvern also becomes operational, the volume of visitors can be expected to increase substanti-

ally and thereby overtax the local bridges and roads which were originally designed and constructed with no idea of carrying the volume of traffic which they are now facing. A first-rate crisis in terms of capacity, accessibility and safety will occur unless major steps are taken to expand and improve the local road and highway system.

Therefore, I am introducing legislation to provide authority for the Army Corps of Engineers to undertake a substantial road improvement program for Osage County in the vicinity of the Melvern and Pomona Reservoirs.

I have been in contact with the Osage County Commissioners and am aware of the major efforts the county has undertaken to solve the problem on its own. Yet, there is only so much that can be done locally and additional assistance should be made available.

Therefore, I would hope this proposal can receive favorable and speedy consideration so that the improvements may be completed at the earliest possible date and the visitors and residents in Osage County can be provided safe and adequate roads in the Pamona and Melvern Reservoir areas.

APPENDIX II

By Mr. DOLE:

S. 45. A bill to authorize advance relocation of FAS Route 1343 in connection with the Onaga Lake project in Kansas. Referred to the Committee on Public Works.

BRIDGE CONSTRUCTION IN POTTAWATOMIE COUNTY, KANS.

Mr. DOLE. Mr. President, a situation has arisen in Pottawatomie County, Kans., as the intersection of two Federal programs has put local citizens and local government in a difficult position.

The Federal Aid Highway Act of 1968 contained a provision—section 26—calling for inspections and engineering studies to be made on all bridges in the Federal aid secondary system of roads and highways in the United States. This legislation was wise and responsive to a real need to assess the safety of these bridges many of which are quite old and have come to carry traffic loads far in excess of their original design specifications. Throughout the country, these studies have been undertaken, and in many cases it has been shown that bridges are unsafe and should be repaired, replaced, or closed. Of course, the closing and repair of some bridges has imposed some hardships on the county governments responsible for maintenance on the FAS system. But it is generally recognized that safety should be a prime consideration for any transportation system.

Pottawatomie County in northeastern Kansas has complied with the bridge inspection law by contracting for a 3 year, $10,000 study of its bridges, giving first consideration to those structures lying within the general area of the Onaga project of the Corps of Engineers authorized by Congress in 1962. It was felt that these structures should be studied first, because of the expected requirements for quality bridges to serve the large numbers of tourists who will be drawn to the area and because it would not be wise to expend funds for the improvement of some bridges if they are soon to be closed and flooded when impoundment begins in the lake. As it has turned out five of these bridges are unsatisfactory and should be closed. The findings of this study are not disputed, and county officials readily accept the need for this action to be taken in the interests of public safety.

But a major problem presents itself in that if all five of these bridges—which extend along 16 miles of the Vermillion Creek—are closed, a major disruption in local traffic will occur and serious inconvenience for farmers and other local residents will result.

A tantalizing element is introduced into this matter by virtue of the fact that one bridge on FAS route 1343 approximately midway along this 16-mile distance is near a site considered by the Corps of Engineers in its preliminary planning for the Onaga Lake to be desirable for a lake crossing. Construction of such a crossing would, therefore, provide an ideal solution for the traffic problems of Pottawatomie County. The problem, however, is that, although the lake project is well into development with $250,000 appropriated in fiscal year 1973 for advanced engineering and design work, actual construction probably will not begin for 2 years.

So the county is faced with a serious need to provide a bridge to allow traffic movement across this 16-mile length of Vermillion Creek, and at the same time it sees that any money spent on improvement of one of these bridges will be wasted when the Onaga Lake is completed, both because the bridge will be inundated and because the Corps of Engineers will proceed with its road relocation plans in any event. The Corps of Engineers, as it has indicated in extensive correspondence with my office, appreciates the county's problem, but it cannot proceed with advance relocation of this FAS route on the basis of its current authority.

In view of these facts and the obvious good sense, economically and practically, of helping both the county and corps to do their jobs in the best interests of the taxpayers, I am introducing legislation to authorize the Corps of Engineers to proceed with advance relocation of FAS 1343 over the Vermillion Creek in accordance with the requirements of the Onaga Lake project.

I believe this legislation will provide the best possible solution for the problems which have been encountered. The citizens of Pottawatomie County will be able to travel through the area without unreasonable inconvenience; the county government and its taxpayers will be spared the unnecessary expense of repairing or replacing a bridge that will be of no use in 2 or 3 years; and the Corps of Engineers will be able to complete a necessary and important segment of its project in a manner which will be entirely consistent with the project's overall goals and requirements.

Mr. CLARK. Mr. President, it is with some regret that I must oppose the conference report on the Water Resources Development Act. This legislation authorizes the design and construction of many important water resources projects—projects which are economically sound, environmentally sound, and above all, sound because they will provide flood protection and other benefits to people in many States.

That explains my support for the legislation in the Public Works Committee, and on final passage in the Senate.

But unlike the Senate-passed bill, this conference report contains a provision so unjustified, and so potentially damaging, that I can no longer support it.

By lowering the discount rate for computing project cost-benefit ratios, the conference committee has turned a sound bill into an unsound bill, in my judgment.

The bill passed by the Senate on January 22 established a discount rate of 6⅞ percent, applicable to all future projects. That was not sufficient, however, and I voted for the amendments of the Senator from Wisconsin (Mr. PROXMIRE) and the Senator from New York (Mr. BUCKLEY) to apply the new rate to previously authorized but not yet constructed projects and to projects in the present legislation. Even when those amendments failed, I did vote for final passage of the bill.

The legislation was a reflection of the hard work and capable leadership of the Senator from Alaska (Mr. GRAVEL) and the Senator from West Virginia (Mr. RANDOLPH), and, on balance, it represented a step forward.

But now the Senate is being asked to take a step backward. We are now confronted with a bill which sets the discount rate back to 5⅝ percent, using a formula originally established 6 years ago. Before it can be a useful tool in computing cost-benefit ratios, the discount rate must be comparable to the cost of money. But the cost of money to the Federal Treasury is about 7 percent. In the private sector, it is 9 to 10 percent. A 5⅝-percent discount rate amounts to a thinly veiled subsidy for economically unjustified projects.

What will that mean? Maitland S. Sharpe of the Izaak Walton League put it most succinctly when he wrote:

> Low discount rates provide an inherent bias toward understating project costs and favoring water resource projects over other socially desirable programs. Such rates favor public investments over those in the private sector and thus preclude the most efficient combination between Federal and private investment activities. Finally, the existing rates systematically distort project designs toward excessive scale, slow returns of benefits over time, and overly capital-intensive projects.

A 5⅝-percent discount rate will insure that, in the coming years this country will be spending millions of dollars on marginally necessary, economically unjustified, and environmentally damaging water resources projects.

The conference report calls for a study by the Water Resources Council on the cost factors for water and related resources projects. But for 2 years before it set the discount rate at 6⅞ percent, the Council was conducting an exhaustive study, soliciting the views of literally thousands of people. And the majority of those people favored a discount rate of at least 7 percent. If the Congress is going to tamper with the discount rate, we should raise it, not lower it.

Mr. President, the Congress of the United States has never before been held in such low esteem by the American people. A recent Harris poll put the "approval" rating at only 21 percent. That low standing derives at least in part from people's perception that we simply cannot be trusted to spend their tax dollars responsibly.

The President has presented us with a $304 billion budget for next year. The people certainly expect Congress to cut that budget at every possible opportunity, and this legislation—with its more expensive discount rate—is just such an opportunity.

WATER RESOURCE DEVELOPMENT CONFIRMS COMMITMENT FOR BENEFIT OF NATION

Mr. RANDOLPH. Mr. President, the Senate today is asked to give its final approval to legislation which, in a sense, had its beginning 2 years ago. In 1972, water resources legislation was developed and passed by the Congress only to be vetoed following adjournment in the

autumn of that year. Early in the 93d Congress we began the process anew. The conference report on H.R. 10203, which is before the Senate, contains many features of the 1972 legislation but it also includes provisions that have been developed in the past 12 months.

This conference report on water resources contains matters that normally would be addressed in separate legislation—water resources projects and river basin monetary authorizations. In terms of fiscal commitments, the water resources projects authorized in this measure have a total cost less than any similar legislation in the past quarter-century.

We are indebted to the chairman of our Subcommittee on Water Resources, the distinguished Senator from the State of Alaska (Mr. GRAVEL), for his leadership in bringing this legislation to the point of final passage. For the past year he has guided it through hearings, through consideration by both the Subcommittee on Water Resources and the Public Works Committee, through Senate passage and through conference deliberations.

Members of the Senate have had opportunity to become familiar with the provisions of this measure. In addition to individual project authorizations, it makes several important policy changes in the conduct of our water resources development program. These new procedures will enable us to effectively pursue this program in a manner that is consistent with contemporary needs.

Mr. President, I will discuss briefly provisions of the conference report that relate directly to my State. The Flood Control Act of 1970 authorized flood protection activities for the towns of Williamson and Matewan, W. Va. These towns lie in the Tug Fork Valley which separates West Virginia from Kentucky. The 1970 act authorized $10,000,000 for this work. At that time this authorization was contingent upon the approval of the Appalachian Regional Commission and the President. Today the inhabitants of the Tug Fork Valley continue in their desperate need for flood protection, but the project authorized in 1970 has not yet received Presidential approval through clearance by the Office of Management and Budget.

As developed by the Committee on Public Works, section 90 of the conference report is intended to eliminate the requirement in the 1970 act for any further approval of the executive branch for flood protection work for the towns of Williamson and Matewan.

This section also modifies the comprehensive plan for the Big Sandy River Basin by authorizing flood protection work in all other communities of the Tug Fork Valley and authorizes $1,290,000 for advanced engineering and design for this purpose. The entire Tug Fork Valley, and particularly the communities of Williamson and Matewan, are subjected to frequent flooding and it is our intent that flood protection be provided without undue delay.

The conference report also authorizes a project for alleviating a serious water supply problem in the Pocatalico region of West Virginia. Authorization of $3,568,900 is provided for this project, which includes construction of two multipurpose dams.

Another authorization is $2,000,000 for clearing the channel of the lower Guyandotte River in southern West Virginia. This narrow river valley suffers from regular flooding and the river has become clogged with debris and is heavily silted. The work authorized in this measure will alleviate this serious condition pending completion of the R. D. Bailey Dam upstream.

Modifications also are authorized in the agreements of the Corps of Engineers and the State of West Virginia concerning local contributions to the Stonewall Jackson lake project which is now underway.

Of great importance to West Virginia is the provision in this conference report establishing a demonstration program for stream bank erosion control. West Virginia communities along the Ohio River and other areas throughout the United States are seriously affected by the rapid wearing away of river banks. Section 32 of the conference report authorizes a 5-year, 25,000,000 demonstration program to evaluate the extent of stream bank erosion and to develop new methods for its control. To assure that a variety of conditions are included in the study demonstration projects are specifically directed to be carried out on the Ohio River, Missouri River, and Yazoo River.

Mr. President, the United States has a long history of commitment to water resource development. This conference report reaffirms this commitment to an activity that benefits all Americans and which must be maintained in an orderly fashion. I urge the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Indiana (Mr. HARTKE), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Utah (Mr. MOSS), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Florida (Mr. CHILES) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) and the Senator from Wyoming (Mr. MCGEE) are absent on official business.

I further announce that, if present and voting, the Senator from Indiana (Mr. HARTKE), would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Pennsylvania (Mr. HUGH SCOTT) and the Senator from Texas (Mr. TOWER) are absent on official business.

I further announce that the Senator from New Hampshire (Mr. COTTON), the Senator from Oklahoma (Mr. BELLMON), and the Senator from Tennessee (Mr. BAKER) are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania (Mr. HUGH SCOTT) and the Senator from Texas (Mr. TOWER) would each vote "yea."

The result was announced—yeas 78, nays 7, as follows:

[No. 39 Leg.]

YEAS—78

Abourezk	Fulbright	Montoya
Aiken	Gravel	Muskie
Allen	Griffin	Nelson
Bartlett	Gurney	Nunn
Beall	Hansen	Packwood
Bennett	Hart	Pastore
Bentsen	Haskell	Pearson
Bible	Hatfield	Pell
Biden	Hathaway	Percy
Brock	Hollings	Randolph
Brooke	Hruska	Schweiker
Burdick	Huddleston	Scott,
Byrd,	Hughes	William L.
Harry F., Jr.	Humphrey	Sparkman
Byrd, Robert C.	Jackson	Stafford
Cannon	Javits	Stennis
Case	Johnston	Stevens
Cook	Long	Stevenson
Cranston	Magnuson	Symington
Curtis	Mathias	Taft
Dole	McClellan	Talmadge
Domenici	McClure	Thurmond
Dominick	McGovern	Tunney
Eagleton	McIntyre	Weicker
Eastland	Metcalf	Williams
Ervin	Metzenbaum	Young
Fong	Mondale	

NAYS—7

Buckley	Goldwater	Proxmire
Clark	Helms	Roth
Fannin		

NOT VOTING—15

Baker	Cotton	McGee
Bayh	Hartke	Moss
Bellmon	Inouye	Ribicoff
Chiles	Kennedy	Scott, Hugh
Church	Mansfield	Tower

So the conference report was agreed to.

Mr. RANDOLPH. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. WILLIAM L. SCOTT. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

INDIAN SELF-DETERMINATION AND EDUCATIONAL REFORM ACT

Mr. ROBERT C. BYRD. Mr. President, for the purpose of laying the bill before the Senate to make it the unfinished business on some future date, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 658, S. 1017.

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

AUTHORIZATION FOR DISSEMINATION OF CERTAIN INFORMATION TO THE IRS BY SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES

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

The PRESIDING OFFICER. The res-

olution will be stated by title for the information of the Senate.

The legislative clerk read as follows:

A resolution (S. Res. 288) to authorize the dissemination of certain information to the Internal Revenue Service by the Senate Select Committee on Presidential Campaign Activities; and the inspection by the Select Committee on Presidential Campaign Activities of certain income tax returns, applications for tax exemption, and related documents held by the Internal Revenue Service.

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

Mr. GRFFIN. Mr. President, reserving the right to object, and I do not intend to object, it is my understanding that the Senator from North Carolina, the distinguished chairman of the committee, has indicated that this is something of a routine resolution which is required in connection with the exchange of certain information. It is a resolution that has been approved, I understand, unanimously by all members of the Watergate Committee.

Mr. ERVIN. That is true. The purpose of the resolution is as follows: The committee has been investigating certain matters in which the Internal Revenue Service is interested, and the Internal Revenue Service has asked us to furnish information which we have assembled in respect of these matters. The Internal Revenue Service further informed us they have collected information that is relevant to the committee investigation in these particular matters. This resolution is offered so as to give consent of the Senate to the Select Committee forwarding to the Internal Revenue Service the information the Select Committee has assembled and to authorize the Internal Revenue Service to release to the committee information which it has assembled relevant to the same matters.

That is the sole purpose of the resolution. It is to comply with the requirements of the Senate rule and also with the requirements of the act of Congress before the Internal Revenue Service can be prepared to release that information.

Mr. GRIFFIN. Mr. President, in light of that explanation, I withdraw my reservation.

The PRESIDING OFFICER. There being no objection. The question now is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

Whereas the Internal Revenue Service, in furtherance of certain on-going investigations, has requested information from the Senate Select Committee on Presidential Campaign Activities; and

Whereas, it has come to the attention of the Senate Select Committee on Presidential Campaign Activities that the Internal Revenue Service has, in the course of the aforementioned ongoing investigations discovered information which relates directly to the Senate investigation being conducted by the Senate Select Committee on Presidential Campaign Activities pursuant to Senate Resolution 60 (93rd Congress, 1st Session). Now therefore be it

Resolved, That the Senate authorizes the Select Committee on Presidential Campaign Activities to make available to the Internal Revenue Service such information requested by that agency; and be it further

Resolved, That in accordance with the provisions of sections 6103(d) and 6104(a)(2) of the Internal Revenue Code of 1954, the Senate authorizes the Select Committee on Presidential Campaign Activities to investigate, receive and inspect any data, documents or other information held by the Internal Revenue Service which relates directly to that investigation presently being conducted by the Internal Revenue Service and by the Senate Select Committee on Presidential Campaign Activities as authorized by Senate Resolution 60 (93rd Congress, 1st Session).

LEAVE OF ABSENCE

Mr. ROBERT C. BYRD. Mr. President, the senior Senator from Wyoming (Mr. McGEE) has asked me to announce that he will be absent today on official business accompanying Secretary of State Kissinger to Mexico City to attend the Foreign Ministers Conference. Senator McGEE is attending in his capacity as chairman of the Subcommittee on Western Hemisphere Affairs of the Senate Foreign Relations Committee.

PAY RECOMMENDATIONS OF THE PRESIDENT

Mr. DOMINICK. Mr. President, will the Senator from West Virginia yield?

Mr. ROBERT C. BYRD. I yield.

Mr. DOMINICK. I thought I would just ask a couple of questions on the pay raise bill. I have a resolution of disapproval at the desk. The Senator from Wyoming (Mr. McGEE) being absent, I know we do not want to bring it up while he is away. Is it my understanding that the leadership is going to have a vote on the resolution next week?

Mr. ROBERT C. BYRD. Mr. President, the last discussion I had with the Chairman of the Committee on Post Office and Civil Service (Mr. McGEE), left me with the impression that a vote would likely occur possibly on next Thursday or next Friday.

Mr. DOMINICK. That is fine. I just wanted to make sure that we would have an opportunity to vote on it, because, obviously, I cannot get it off the calendar unless the majority leader agrees or unless it comes up on a resolution of disapproval. Next Thursday or Friday is fine.

Mr. ROBERT C. BYRD. Mr. President, I have to include the reservation that what I have just stated is not to be interpreted as a commitment; that it was only my understanding, in talking with the Senator from Wyoming (Mr. McGEE), and the able majority leader, that we ought to have a vote next Thursday or Friday.

There are some Senators who would like to have the vote scheduled, say, for the 4th or 5th of March. I do not know what the majority leader's feelings would be in that regard or what would be the feeling of the chairman of the Committee on Post Office and Civil Service.

I think we would all want assurance that, if a vote were delayed to that point, there would be unanimous consent, if it could be obtained, that there would definitely be a vote so that the date of March 6 would not come and go without a vote's having been taken.

Mr. DOMINICK. That was the only thing. I did not have the date firmly in mind. I had an idea it was the 28th of February. If it is the 6th of March, that is all right with me. I do not much care about that as long as we have a vote before the time when it becomes automatically approved.

Mr. ROBERT C. BYRD. I share with the Senator his concern about the pay raise. I would expect to vote against it. But I think we can be assured that there will be an opportunity to vote on a resolution, but as to the exact date, I am not in a position to say at this time when it will occur.

Mr. DOMINICK. I thank the Senator from West Virginia, as long as I have a commitment that there is going to be a vote before a date when there would be automatic approval.

Mr. ROBERT C. BYRD. I think the Senator can be assured of that commitment.

Mr. DOMINICK. I thank the Senator.

ORDER FOR RECESS TO MONDAY, FEBRUARY 25, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 12 noon on Monday.

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

ORDER FOR RECOGNITION OF SENATORS, TRANSACTION OF ROUTINE MORNING BUSINESS, AND CONSIDERATION OF S. 1017 ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized on Monday next under the standing order, the distinguished assistant Republican leader and the junior Senator from West Virginia be recognized each for not to exceed 15 minutes, and in that order; that there then be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes; at the conclusion of which the Senate resume consideration of Calendar Order No. 658, S. 1017.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at noon on Monday, February 25—just 10 months before Christmas Day.

After the two leaders or their designees have been recognized immediately after the convening at noon, the distinguished assistant Republican leader (Mr. GRIFFIN) will be recognized for not to exceed 15 minutes, after which the junior Senator from West Virginia (Mr. ROBERT C. BYRD) will be recognized for 15 minutes.

There will then be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 5 minutes.

At the conclusion of the period for the transaction of routine morning business, the Senate will resume the consideration of Calendar Order No. 658, S. 1017, a bill to promote maximum Indian participation in the government and education of Indian people. It is anticipated that there may be some votes on amendments.

I would ask the distinguished assistant Republican leader if he will join with me in asking unanimous consent that any votes that may occur on Monday next shall not occur before the hour of 3 p.m.

Mr. GRIFFIN. That is satisfactory.

Mr. ROBERT C. BYRD. Mr. President, I make that unanimous-consent request.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

RECESS TO MONDAY, FEBRUARY 25, 1974

Mr. ROBERT C. BYRD. Mr. President, unless the distinguished Senator from Michigan (Mr. GRIFFIN) or the distinguished Senator from Colorado (Mr. DOMINICK) wish to say something further, I move in accordance with the previous order that the Senate stand in recess until the hour of 12 noon on Monday next.

The motion was agreed to; and at 3:46 p.m. the Senate recessed until Monday, February 25, 1974, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate February 21 (legislative day of February 19), 1974:

DEPARTMENT OF STATE

A. Linwood Holton, of Virginia, to be an Assistant Secretary of State.

Leonard Unger, of Maryland, 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 China.

Robert W. Dean, of Illinois, a Foreign Service Officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Peru.

DEPARTMENT OF DEFENSE

Martin R. Hoffmann, of Virginia, to be General Counsel of the Department of Defense, vice J. Fred Buzhardt, Jr.

DEPARTMENT OF JUSTICE

Hosea M. Ray, of Mississippi, to be U.S. attorney for the northern district of Mississippi for the term of 4 years. (Reappointment)

IN THE COAST GUARD

The following rear admirals of the U.S. Coast Guard to be Commander, Atlantic Area and Commander, Pacific Area, U.S. Coast Guard with the grade of vice admiral while so serving:

Rear Adm. William F. Rea III, Commander, Atlantic Area.

Rear Adm. Joseph J. McClelland, Commander, Pacific Area.

IN THE AIR FORCE

The following-named officers for promotion as a reserve of the Air Force under the appropriate provisions of chapters 35 and 837, title 10, United States Code:

LINE OF THE AIR FORCE

Lieutenant colonel to colonel

Bell, Charles H., Jr., [redacted]
Benham, Douglass S., [redacted]
Berry, William M., Jr., [redacted]
Bowman, Clayton H., [redacted]
Casey, William F., [redacted]
Coward, Clarence L., Jr., [redacted]
Darst, James E., Jr., [redacted]
Hall, Luther L., [redacted]
Hoff, David B., [redacted]
Imgarten, Ralph G., [redacted]
Jewell, Delbert E., [redacted]
Johnson, Lloyd L., [redacted]
Kampschror, Leslie D., [redacted]
Leis, Anthony A., [redacted]
Leonard, John D., [redacted]
Little, John B., Jr., [redacted]
Long, James E., [redacted]
Maher, Harvey W., [redacted]
McClure, James H., [redacted]
McDonald, Robert C., [redacted]
Morkin, Killian T., [redacted]
Osgood, Glenn W., Jr., [redacted]
Roberts, William D., [redacted]
Sharp, George R., [redacted]
Singley, Clifford E., [redacted]
Sturm, Raymond L., [redacted]
Tanberg, Rex W., [redacted]
Thomas, Frederick L., Jr., [redacted]
Trippi, Carl L., [redacted]
Urquhart, Robert G., [redacted]
Witherington, Jerry C., [redacted]
Wright, Albert W., [redacted]
Zink, Homer, R., [redacted]

MEDICAL CORPS

Anderson, Courtney W., [redacted]
Collier, Douglas R., Jr., [redacted]
Ginsburg, Brian J., [redacted]
Gottschall, Marvin J., [redacted]
Howell, Talmadge R., [redacted]
Kundel, Robert R., [redacted]
Nelson, Donald W., [redacted]
Wier, George T., [redacted]

The following officer for promotion in the Air Force Reserve, under the provisions of section 593, and section 8376, title 10, United States Code.

LINE OF THE AIR FORCE

Major to lieutenant colonel

Mathews, Richard J., [redacted]

The following persons for appointment as Reserves of the Air Force (Medical Corps), in the grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation as medical officers under the provisions of section 8067, title 10, United States Code:

To be lieutenant colonel

Aldredge, Horatio R., III, [redacted]
Eilert, Robert E., [redacted]

The following officer for appointment as a reserve of the Air Force in the grade indicated (Line of the Air Force), under the provisions of section 593, and section 1211, title 10, United States Code:

To be lieutenant colonel

Hill, Henry E., [redacted]

The following person for appointment as a reserve of the Air Force in the grade indicated (Line of the Air Force), under the provisions of section 593, title 10, United States Code:

To be lieutenant colonel

Graham, Harold L., [redacted]

The following officer for appointment as a reserve of the Air Force in the grade indicated (Line of the Air Force), under the provisions of section 593, and section 8351, title 10, United States Code.

To be colonel

Hoover, Paul E., [redacted]

IN THE ARMY

The following-named officers for promotion in the reserve of the Army of the United States, under the provisions of title 10, sections 3370 and 3383:

ARMY PROMOTION LIST

To be colonel

Alfred, Shelby G., [redacted]
Arnaldo, Ernest C., [redacted]
Binkley, George W., [redacted]
Bogolub, Milton, [redacted]
Bradley, James E., [redacted]
Brant, Charles E., [redacted]
Burch, Donald H., [redacted]
Burner, David M., [redacted]
Caron, John A., [redacted]
Carroll, James L., [redacted]
Cate, George H. Jr., [redacted]
Chandler, Thomas V., [redacted]
Clapp, Edward D., [redacted]
Cowey, Felix F. Jr., [redacted]
Davidson, Jules L. Jr., [redacted]
Fleissner, Louis F., [redacted]
Forslin, Eric E., [redacted]
Hargrove, Keith L., [redacted]
Head, Jimmy H., [redacted]
Jones, Richard L. Jr., [redacted]
Jones, Ted L., [redacted]
Keene, Richard C., [redacted]
Mendez, Frank S., [redacted]
Miller, James D., [redacted]
Miyasaki, Shuichi, [redacted]
Morana, Nicholas J., [redacted]
Morgan, Keith A., [redacted]
Morris, Lawrence W., [redacted]
Moss, William W., [redacted]
Myers, Robert E., [redacted]
Neideigh, Robert G., [redacted]
Oswalt, Barney L., [redacted]
Pittman, Jerold F., [redacted]
Rodriguez, Balinas A., [redacted]
Rucker, Talmadge R., [redacted]
Teeters, Jack E., [redacted]
Todd, Carl H., [redacted]
Van Horn, Edward J., [redacted]
Walton, Walter W. Jr., [redacted]
Whisnant, Charles J., [redacted]
Wilson, Dale E., [redacted]
Wilson, Theodore D., [redacted]
Worcester, Ronald D., [redacted]

CHAPLAIN

To be colonel

Stuebben, George H., [redacted]

MEDICAL CORPS

To be colonel

Baker, Eugene M. Jr., [redacted]

MEDICAL SERVICE CORPS

To be colonel

Joye, Milbourne L., [redacted]

The following-named officers for promotion in the reserve of the Army of the United States, under the provisions of title 10, sections 3366, 3367, and 3383:

ARMY PROMOTION LIST

To be lieutenant colonel

Adams, Don T., [redacted]
Adkins, James S., [redacted]
Adler, Manfred, [redacted]
Agee, James D., [redacted]
Aiken, William R., Jr., [redacted]
Anderson, Henry, [redacted]
Anderson, John T., [redacted]
Anderson, Robert N., [redacted]
Andrews, Joseph K., [redacted]
Annette, William H., [redacted]

Arcuri, Rosario V., xxx-xx-xxxx
Arledge, R. R., Jr., xxx-xx-xxxx
Arlook, Martin M., xxx-xx-xxxx
Armstrong, Richard, xxx-xx-xxxx
Arnold, Peter E., xxx-xx-xxxx
Atwell, Charles A., xxx-xx-xxxx
Aviles, Dionel E., xxx-xx-xxxx
Axe, Norman G., xxx-xx-xxxx
Bachus, Littleton J., xxx-xx-xxxx
Badger, Daniel D., xxx-xx-xxxx
Bailey, Paul F., xxx-xx-xxxx
Baird, Robert L., xxx-xx-xxxx
Baird, Walter B., xxx-xx-xxxx
Banks, Hartley G., Jr., xxx-xx-xxxx
Banks, Robert C., xxx-xx-xxxx
Banks, William F., xxx-xx-xxxx
Banta, George C., xxx-xx-xxxx
Barclift, Robert W., xxx-xx-xxxx
Barker, George E., xxx-xx-xxxx
Barlow, Anthony H., xxx-xx-xxxx
Barnes, Carl A., xxx-xx-xxxx
Barrett, Billy G., xxx-xx-xxxx
Barringer, John L., xxx-xx-xxxx
Barton, William C., xxx-xx-xxxx
Bauersfield, V. L., Jr., xxx-xx-xxxx
Baylor, James B., xxx-xx-xxxx
Beaver, Newton J., Jr., xxx-xx-xxxx
Becker, John A., xxx-xx-xxxx
Beers, Ray, Jr., xxx-xx-xxxx
Begeman, Arthur L., xxx-xx-xxxx
Behnke, Ervin F., xxx-xx-xxxx
Bender, Robert M., xxx-xx-xxxx
Bengtson, Donald W., xxx-xx-xxxx
Bernard, Richard T., xxx-xx-xxxx
Bernick, Herbert J., xxx-xx-xxxx
Berry, David A., xxx-xx-xxxx
Berryman, William C., xxx-xx-xxxx
Bess, Carl F., xxx-xx-xxxx
Bess, Frederick G., xxx-xx-xxxx
Betts, Thomas M. Jr., xxx-xx-xxxx
Bice, Jack G., xxx-xx-xxxx
Bielen, Joseph M., xxx-xx-xxxx
Bishop, Lawrence H., xxx-xx-xxxx
Bishop, Ronald E., xxx-xx-xxxx
Black, Robert R. Jr., xxx-xx-xxxx
Blanchfield, Thomas, xxx-xx-xxxx
Blodget, David P., xxx-xx-xxxx
Bluestone, Allan B., xxx-xx-xxxx
Bobo, William S. Jr., xxx-xx-xxxx
Bottomley, Ernest, xxx-xx-xxxx
Bourgeois, G. J., xxx-xx-xxxx
Bove, Charles A., xxx-xx-xxxx
Bowling, Rodney I., xxx-xx-xxxx
Bowman, Thomas M., xxx-xx-xxxx
Bradley, W. G. Jr., xxx-xx-xxxx
Braund, Richard I., xxx-xx-xxxx
Brick, Ralph P., xxx-xx-xxxx
Brinkley, Carson M., xxx-xx-xxxx
Bronocco, Dick, xxx-xx-xxxx
Brough, Charles W., xxx-xx-xxxx
Broughton, Herbert, xxx-xx-xxxx
Brower, Madison Z., xxx-xx-xxxx
Brown, Charles C., xxx-xx-xxxx
Brown, Harold, xxx-xx-xxxx
Brown, James R., xxx-xx-xxxx
Brown, Leonard S. Jr., xxx-xx-xxxx
Brown, Robert A., xxx-xx-xxxx
Brown, Stephen M., xxx-xx-xxxx
Brubaker, William, xxx-xx-xxxx
Bryant, James C., xxx-xx-xxxx
Bryant, Rudolph V., xxx-xx-xxxx
Buchan, James D., xxx-xx-xxxx
Buckles, Barton B., xxx-xx-xxxx
Buggy, Clair B., xxx-xx-xxxx
Burchill, Kenneth Q., xxx-xx-xxxx
Burgess, Robert C., xxx-xx-xxxx
Burke, Bernard J., xxx-xx-xxxx
Burkett, Charles E., xxx-xx-xxxx
Burkett, William E., xxx-xx-xxxx
Burnett, Edwin E. Jr., xxx-xx-xxxx
Burnette, Luther, xxx-xx-xxxx
Burson, John H. III, xxx-xx-xxxx
Busacker, Earl F., xxx-xx-xxxx
Butler, Thomas P. Jr., xxx-xx-xxxx
Buxton, Howard R., xxx-xx-xxxx
Byrd, Robert G., xxx-xx-xxxx
Cahill, Gerard M. Jr., xxx-xx-xxxx
Caldwell, Allen C., xxx-xx-xxxx
Caldwell, Darroll D., xxx-xx-xxxx
Caldwell, John B., xxx-xx-xxxx
Calhoun, Evans C., xxx-xx-xxxx
Campbell, Alex B., xxx-xx-xxxx
Campbell, Glenden D., xxx-xx-xxxx
Campbell, James W., xxx-xx-xxxx
Canby, Steven L., xxx-xx-xxxx
Cannon, Douglas C., III, xxx-xx-xxxx
Cantrall, Murray E., xxx-xx-xxxx
Capellen, Earle M. V., xxx-xx-xxxx
Carew, William L., xxx-xx-xxxx
Carlton, Mason G., xxx-xx-xxxx
Carney, Charles, xxx-xx-xxxx
Carpenter, Donald B., xxx-xx-xxxx
Carr, John W., xxx-xx-xxxx
Carroll, Raymond L., xxx-xx-xxxx
Carroll, Robert D., xxx-xx-xxxx
Carson, Jack R., xxx-xx-xxxx
Carter, John L., xxx-xx-xxxx
Carville, Linwood L., xxx-xx-xxxx
Casaleggio, Carl, xxx-xx-xxxx
Case, Caleb B., xxx-xx-xxxx
Casey, Patrick A., xxx-xx-xxxx
Cautero, Gerard S., xxx-xx-xxxx
Cauthen, M. B., Jr., xxx-xx-xxxx
Cawley, William O., xxx-xx-xxxx
Chalmers, William G., xxx-xx-xxxx
Chamberlain, Ray W., xxx-xx-xxxx
Chamberlain, Robert, xxx-xx-xxxx
Chandler, Carl E., xxx-xx-xxxx
Chase, Frank N., xxx-xx-xxxx
Cherberg, Clyde R., xxx-xx-xxxx
Chesnutt, John L., xxx-xx-xxxx
Chin, Thomas, xxx-xx-xxxx
Cieslik, Charles R., xxx-xx-xxxx
Clardy, William B., xxx-xx-xxxx
Clark, Gerald S., xxx-xx-xxxx
Clark, Richard L., xxx-xx-xxxx
Clark, Wendell P., xxx-xx-xxxx
Clark, William L., Jr., xxx-xx-xxxx
Cleghorn, Harold H., xxx-xx-xxxx
Clement, Daniel, Jr., xxx-xx-xxxx
Clement, Donald N., xxx-xx-xxxx
Clements, Erwin F., xxx-xx-xxxx
Clemmons, Joel T., xxx-xx-xxxx
Cline, Dexter V., xxx-xx-xxxx
Clorman, Irving M., xxx-xx-xxxx
Clysdale, Edward G., xxx-xx-xxxx
Codino, Albert F., xxx-xx-xxxx
Cofino-Perez, Thomas, xxx-xx-xxxx
Cohen, Victor L., xxx-xx-xxxx
Coker, Ralph G., xxx-xx-xxxx
Coldren, James R., xxx-xx-xxxx
Cole, John C., xxx-xx-xxxx
Coleman, Vance, xxx-xx-xxxx
Coles, Bruce O., xxx-xx-xxxx
Collins, Philip J., xxx-xx-xxxx
Collins, Thomas E., xxx-xx-xxxx
Coltrin, Byron R., xxx-xx-xxxx
Conaway, Kenneth E., xxx-xx-xxxx
Concannon, W. L., xxx-xx-xxxx
Conley, Robert H., xxx-xx-xxxx
Connell, Robert M., xxx-xx-xxxx
Cook, William A., xxx-xx-xxxx
Cooper, John A., xxx-xx-xxxx
Coristine, Thomas F., xxx-xx-xxxx
Coruthers, John M., xxx-xx-xxxx
Couture, Bertrand L., xxx-xx-xxxx
Cowan, Donald, xxx-xx-xxxx
Crair, Morton L., xxx-xx-xxxx
Cretecos, George A., xxx-xx-xxxx
Croak, Francis R., xxx-xx-xxxx
Crofoot, Warren R., xxx-xx-xxxx
Cronin, John D., xxx-xx-xxxx
Cross, Howard P., xxx-xx-xxxx
Cross, Julian F., xxx-xx-xxxx
Cuddy, John P., xxx-xx-xxxx
Culmer, James D., xxx-xx-xxxx
Culver, Joseph H., xxx-xx-xxxx
Cummings, David W., xxx-xx-xxxx
Cummings, Jeff R., xxx-xx-xxxx
Curry, Glenn H., xxx-xx-xxxx
Dale, Clifford H., xxx-xx-xxxx
Daly, Jeremiah F., xxx-xx-xxxx
Damon, William B., xxx-xx-xxxx
Daniels, Tolbert A., xxx-xx-xxxx
Danko, John G., Jr., xxx-xx-xxxx
Davis, Charles D., xxx-xx-xxxx
Davis, Ollie, Jr., xxx-xx-xxxx
Dechambeau, James H., xxx-xx-xxxx
Decker, David W., xxx-xx-xxxx
Dehlinger, Robert J., xxx-xx-xxxx
DelGianni, James L., xxx-xx-xxxx
Detjen, James E., xxx-xx-xxxx
Devine, Donald P., xxx-xx-xxxx
Dewalt, Harry A., Jr., xxx-xx-xxxx
DiFiore, John M., Jr., xxx-xx-xxxx
Dilts, Robert L., xxx-xx-xxxx
Dimke, Robert L., xxx-xx-xxxx
Dimmick, Paul, V., Jr., xxx-xx-xxxx
Dines, Gerald A., xxx-xx-xxxx
Dixon, Cloyce I., Jr. xxx-xx-xxxx
Dixon, Jeremiah D., xxx-xx-xxxx
Dollar, Jerry L., xxx-xx-xxxx
Dollard, Robert L., xxx-xx-xxxx
Donald, Robert G., xxx-xx-xxxx
Donner, Arvin N., Jr., xxx-xx-xxxx
Donohue, Donald J., Jr., xxx-xx-xxxx
Dooling, Francis D., xxx-xx-xxxx
Doty, Kie O., xxx-xx-xxxx
Douthit, Floyd, xxx-xx-xxxx
Dowling, James W., Jr., xxx-xx-xxxx
Doyle, John R., xxx-xx-xxxx
Drews, Frederick R., xxx-xx-xxxx
Dubois, Dean C., xxx-xx-xxxx
Durham, Courtney B., xxx-xx-xxxx
Dwyer, Eugene M., xxx-xx-xxxx
Dye, Melvin C., xxx-xx-xxxx
Dykes, Glenn M., Jr., xxx-xx-xxxx
Earnshaw, David G., xxx-xx-xxxx
Eaton, John L., xxx-xx-xxxx
Eickhoff, Leo E., Jr. xxx-xx-xxxx
Elam, John G., Jr., xxx-xx-xxxx
Elias-Caballe, Angel, xxx-xx-xxxx
Ellis, Carl T., Jr., xxx-xx-xxxx
Ellis, James V., Jr., xxx-xx-xxxx
Ellis, John H., Jr., xxx-xx-xxxx
Ellis, Roy H., xxx-xx-xxxx
Ellis, William E., xxx-xx-xxxx
Engelmeier, Paul C., xxx-xx-xxxx
Engle, Robert B., xxx-xx-xxxx
Enos, Warren B., xxx-xx-xxxx
Ent, John W., xxx-xx-xxxx
Epstein, Sanford J., xxx-xx-xxxx
Erdman, Anthony W., xxx-xx-xxxx
Erlandson, Dale L., xxx-xx-xxxx
Evans, Raymond E., xxx-xx-xxxx
Evans, Thomas J., xxx-xx-xxxx
Farmer, Robert P., xxx-xx-xxxx
Fase, Robert E., xxx-xx-xxxx
Fasolino, Rosario P., xxx-xx-xxxx
Fauntleroy, H. E., Jr., xxx-xx-xxxx
Feir, Larry E., xxx-xx-xxxx
Feldt, Robert J., xxx-xx-xxxx
Fellinger, P. J., xxx-xx-xxxx
Ferguson, James T., xxx-xx-xxxx
Ferreira, Clarence, xxx-xx-xxxx
Ferroli, Robert J., xxx-xx-xxxx
Ficken, Harry A., Jr., xxx-xx-xxxx
Field, Thomas F., xxx-xx-xxxx
Figueroa, Jose R., xxx-xx-xxxx
Fink, David H., xxx-xx-xxxx
Finn, John J., xxx-xx-xxxx
Fisher, Edward S., xxx-xx-xxxx
Fitz, Loren E. M., xxx-xx-xxxx
Fleming, Bill A., xxx-xx-xxxx
Foley, Robert P., xxx-xx-xxxx
Fong, Albert C. xxx-xx-xxxx
Fontanilla, James E., xxx-xx-xxxx
Foster, Perry G., Jr., xxx-xx-xxxx
Franklin, Chester A., xxx-xx-xxxx
Freeman, Darold R., xxx-xx-xxxx
Frey, Julius M., xxx-xx-xxxx
Frink, Frank M., xxx-xx-xxxx
Frye, William V., xxx-xx-xxxx
Fuller, Frank B., Jr., xxx-xx-xxxx
Fullerton, Ralph O., xxx-xx-xxxx
Funk, Raymond R., xxx-xx-xxxx
Gabriel, Anthony J., xxx-xx-xxxx
Galbreath, Bobby N., xxx-xx-xxxx
Galik, Michael, xxx-xx-xxxx
Gansereit, Ernest J., xxx-xx-xxxx
Gant, Daryal T., xxx-xx-xxxx
Gay, Donald J., xxx-xx-xxxx
Gaydos, Theodore, xxx-xx-xxxx
Geraci, Joseph T. xxx-xx-xxxx
Gile, Rexford R., xxx-xx-xxxx
Gillard, Richard C., xxx-xx-xxxx
Ginn, Hal G., xxx-xx-xxxx
Gladin, Collier B., xxx-xx-xxxx
Glasscock, Loren T., xxx-xx-xxxx
Goebel, Werner W., xxx-xx-xxxx
Goedde, William R., xxx-xx-xxxx
Gonzalez, Carlos, xxx-xx-xxxx
Gonzalez, Jose, xxx-xx-xxxx

Gonzalez, Silvestre, xxx-xx-xxxx
Gooskos, Daniel, xxx-xx-xxxx
Governale, Russell, xxx-xx-xxxx
Gray, Edward R., xxx-xx-xxxx
Gray, Joe E., xxx-xx-xxxx
Greco, Gerard F., xxx-xx-xxxx
Greco, Leonard C., xxx-xx-xxxx
Green, Glenn H., xxx-xx-xxxx
Greene, Duane E., xxx-xx-xxxx
Greenwell, William C., xxx-xx-xxxx
Grens, Edward A., II, xxx-xx-xxxx
Greve, Einar, xxx-xx-xxxx
Grey, James W., xxx-xx-xxxx
Grier, Julian J., xxx-xx-xxxx
Griffin, Hal C., xxx-xx-xxxx
Griffing, John A., Jr., xxx-xx-xxxx
Grimmett, Robert G., xxx-xx-xxxx
Grunfeld, Frederic, xxx-xx-xxxx
Gucker, Richard A., xxx-xx-xxxx
Gunn, Robert L., xxx-xx-xxxx
Gutierrez, Benito, xxx-xx-xxxx
Haas, Wolfgang, xxx-xx-xxxx
Hadley, Robert V., xxx-xx-xxxx
Hall, David H., xxx-xx-xxxx
Hall, Roscoe M., Jr., xxx-xx-xxxx
Hallett, Albert F. E., xxx-xx-xxxx
Hamel, Francis G., xxx-xx-xxxx
Hansen, Joe B., xxx-xx-xxxx
Hanser, Harold F., xxx-xx-xxxx
Harden, Richard W., xxx-xx-xxxx
Hardy, Morris S., xxx-xx-xxxx
Haronian, Howard R., xxx-xx-xxxx
Harral, Williard R., xxx-xx-xxxx
Harrington, David E., xxx-xx-xxxx
Harris, Bobby L., xxx-xx-xxxx
Harris, David A., xxx-xx-xxxx
Harris, Jack A., xxx-xx-xxxx
Harris, Joe N., xxx-xx-xxxx
Harrison, Eddie E., xxx-xx-xxxx
Hart, John N., xxx-xx-xxxx
Hartig, Alvin E., xxx-xx-xxxx
Hass, John C., xxx-xx-xxxx
Hassler, John M. Jr., xxx-xx-xxxx
Hauffe, Paul O., xxx-xx-xxxx
Haugen, Raymond C., xxx-xx-xxxx
Haugh, Harold H., xxx-xx-xxxx
Haverly, Harry C., xxx-xx-xxxx
Hawk, Mervin C., xxx-xx-xxxx
Hawke, Wilmer M., xxx-xx-xxxx
Haygood, J. R., xxx-xx-xxxx
Hays, William L., xxx-xx-xxxx
Hazen, Robert D., xxx-xx-xxxx
Headrick, Brian S., xxx-xx-xxxx
Hemerling, Harry W., xxx-xx-xxxx
Henderson, Charles, xxx-xx-xxxx
Henderson, Hernon, xxx-xx-xxxx
Hennigan, Leonard W., xxx-xx-xxxx
Henry, Charles L., xxx-xx-xxxx
Herndon, Paul R., Jr., xxx-xx-xxxx
Herrick, Robert T., xxx-xx-xxxx
Heyward, James R., xxx-xx-xxxx
Hill, James D., xxx-xx-xxxx
Hill, Robert L., xxx-xx-xxxx
Hinkel, Vernon W., xxx-xx-xxxx
Hoar, Joseph V., xxx-xx-xxxx
Hockman, John R., xxx-xx-xxxx
Hoelscher, James E., xxx-xx-xxxx
Hoffman, William H., xxx-xx-xxxx
Hoidal, Lars R., xxx-xx-xxxx
Holland, Herbert, xxx-xx-xxxx
Hollstein, Elmer J., xxx-xx-xxxx
Holmes, Robert A., xxx-xx-xxxx
Holzgruber, Alfred, xxx-xx-xxxx
Hood, Charles F. Jr., xxx-xx-xxxx
Hopkins, James B., xxx-xx-xxxx
Horan, Robert P., xxx-xx-xxxx
Howard, George J., xxx-xx-xxxx
Howard, Lawrence, xxx-xx-xxxx
Hromas, Ernest L., xxx-xx-xxxx
Hubbard, William S., xxx-xx-xxxx
Huddleston, C. R., xxx-xx-xxxx
Hudson, William R., xxx-xx-xxxx
Huestis, Charles D., xxx-xx-xxxx
Huff, Hugh M. III, xxx-xx-xxxx
Hunter, James H., xxx-xx-xxxx
Hurlebaus, John F., xxx-xx-xxxx
Hutchinson, George, xxx-xx-xxxx
Hynes, James R., xxx-xx-xxxx
Ikeda, Moss M., xxx-xx-xxxx
Irvin, Robert J., xxx-xx-xxxx
Ivy, Billy C. xxx-xx-xxxx
Jackola, Arthur S., xxx-xx-xxxx
Jackson, Bobby J., xxx-xx-xxxx
Jackson, John R., xxx-xx-xxxx
James, Charles D., xxx-xx-xxxx
Janas, Edward M., xxx-xx-xxxx
Japp, Jack W., xxx-xx-xxxx
Jarvis, Joe D., xxx-xx-xxxx
Jenkins, Edwin K. II, xxx-xx-xxxx
Jenkins, Robert D., xxx-xx-xxxx
Jennison, Dick M., xxx-xx-xxxx
Jensen, Donald E., xxx-xx-xxxx
Jensen, Ronald S., xxx-xx-xxxx
Jenson, Richard M., xxx-xx-xxxx
Jent, William P. Jr., xxx-xx-xxxx
Johnson, Arthur J., xxx-xx-xxxx
Johnson, Leo P., xxx-xx-xxxx
Johnson, Mark A., xxx-xx-xxxx
Johnson, Richard L., xxx-xx-xxxx
Johnson, Samuel L., xxx-xx-xxxx
Johnston, Dale E., xxx-xx-xxxx
Johnston, Donald A., xxx-xx-xxxx
Jones, Charles S. Jr., xxx-xx-xxxx
Jones, Edsel G., xxx-xx-xxxx
Jones, Fred R. xxx-xx-xxxx
Jones, Hershel G., xxx-xx-xxxx
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DENTAL CORPS

To be lieutenant colonel

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MEDICAL CORPS

To be lieutenant colonel

Busch, George J., xxx-xx-xxxx
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MEDICAL SERVICE CORPS

To be lieutenant colonel

Clardy, Monroe F., Jr., xxx-xx-xxxx
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VETERINARY CORPS

To be lieutenant colonel

Keagy, Richard H., xxx-xx-xxxx

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., sections 591, 593, and 594:

MEDICAL CORPS

To be lieutenant colonel

Nunn, Stewart L., xxx-xx-xxxx
Strain, James R., xxx-xx-xxxx

The following-named officers for appointment in the Army of the United States, under the provisions of title 10, U.S.C., section 3494:

MEDICAL CORPS

To be lieutenant colonel

Bergom, Ronald O., xxx-xx-xxxx

The following-named Army National Guard officers for appointment in the reserve of the Army of the United States, under the provisions of title 10, U.S.C., section 3385:

ARMY PROMOTION LIST

To be colonel

Barnthouse, William R., xxx-xx-xxxx
Damewood, Thomas C., xxx-xx-xxxx
Holloway, Balfour, Jr., xxx-xx-xxxx
Jackson, Curtis H., xxx-xx-xxxx
Keeling, John O., Jr., xxx-xx-xxxx
Kneip, James F., xxx-xx-xxxx
Leverett, Lewis C., Jr., xxx-xx-xxxx
Pearson, Homer G., xxx-xx-xxxx
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Verbeck, Karl C., xxx-xx-xxxx

The following-named Army National Guard officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., section 3385:

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To be lieutenant colonel

Ashley, Alvin K., xxx-xx-xxxx
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CONFIRMATION

Executive nomination confirmed by the Senate February 21 (legislative day of February 19), 1974:

DEPARTMENT OF THE INTERIOR

Thomas V. Falkie, of Pennsylvania, to be Director of the Bureau of Mines.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Thursday, February 21, 1974*

The House met at 12 o'clock noon.

Rev. Dr. Arthur C. Fulbright, United Methodist minister, Columbia, Mo., offered the following prayer:

Create in us a clean heart, O God, and put a new and right spirit within us. Our Father, for this precious brief interval, free our minds and spirits from the dominion of time and pressures, and let us feel the breath of Your serenity stabilizing us for our responsibilities. Give us now the knowledge of Your abiding spiritual presence, that we may obtain a sense of stewardship in building Your kingdom on Earth. Holy Father, impart to us the peace which the world cannot give neither take away, that through the grace of Your holy presence we may be masters of our tasks and of ourselves.

And may the blessed holy spirit of our Heavenly Father direct our ways; and may He help us increase and abound in love for one another and all men. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

CALL OF THE HOUSE

Mr. O'HARA. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BRADEMAS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 38]

Alexander	Fulton	Patman
Blatnik	Gibbons	Pepper
Brasco	Johnson, Colo.	Reid
Broomfield	Johnson, Pa.	Roberts
Carey, N.Y.	Jones, Tenn.	Rooney, N.Y.
Clancy	Lehman	Steiger, Wis.
Clark	McFall	Stokes
Conyers	Macdonald	Sullivan
Crane	Mailliard	Talcott
Esch	Michel	Teague
Fascell	Mills	Towell, Nev.
Flood	Moss	Vanik
Fraser	Murphy, N.Y.	Young, Ill.
Frelinghuysen	Parris	Zablocki

The SPEAKER. On this rollcall 388 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.