Bennett is confined to Gratiot Community Hospital in Alma after undergoing surgery on a knee. In the room with him were CMU president William Boyd and Mark's parents from Trenton.

"Certainly this was Mike Franckowiak's greatest game of the season," Kramer told reporters in the jubilant CMU dressing room. "We went to the pass in the first half to loosen them up and get some running room for Hodges. The first play of the game was just designed to feel them out, but (Fred) Jackobson's great block and Means' downfield block sent Dunham all the way," Kramer explained.

Hodges had a few comments about the turf and his rushing day. "The turf wasn't that good and I ran on my toes in the first half," he said. "The second half, I ran with my heels and had better traction. One of my goals is to get 100 yards rushing every game. Our backfield coach tells us that if we get 100 yards we're making a true contribution to the team."

The Chippewas intercepted three Zwaan passes and recovered two Delaware fumbles.

Hodges wound up with 112 yards in 27 carries, his 11th straight 100 yard plus game.

It was the worst defeat for Delaware since 1933 and the most points scored against the Blue Hens since 1921.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow morning, the distinguished assistant Republican leader be recognized for not to exceed 15 minutes; that the junior Senator from West Virginia be recognized for not to exceed 15 minutes; that there then be transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes each.

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

Mr. GRIFFIN. Mr. President, in order that we may be clear as to procedure on tomorrow, I ask the Chair for clarification, particularly in light of a statement made by the acting majority leader that messages from the House are privileged matters.

It is my understanding that conference reports and messages from the House involving House amendments to Senate bills would be privileged, but that a House message on a House-passed bill only would not be a privileged matter.

The PRESIDING OFFICER. The Senator is correct.

Mr. GRIFFIN. It is also my understanding that it would take a motion, which would be debatable, to bring up a House-passed bill at the desk—or by unanimous consent.

The PRESIDING OFFICER. It would take unanimous consent.

Mr. GRIFFIN. I thank the Chair.

ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9 o'clock tomorrow morning.

The motion was agreed to; and at 11:20 p.m., the Senate adjourned until tomorrow, Friday, December 20, 1974, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate December 19, 1974:

DEPARTMENT OF DEFENSE

Joseph Laitin, of Maryland, to be an Assistant Secretary of Defense, vice Jerry Warden Friedheim, resigned.

INTERSTATE COMMERCE COMMISSION

Robert J. Corber, of Virginia, to be an Interstate Commerce Commissioner for the remainder of the term expiring December 31, 1976, vice W. Donald Brewer, resigned.

U.S. RAILWAY ASSOCIATION

Charles B. Shuman, of Illinois, to be a member of the Board of Directors of the U.S. Railway Association for a term of 2 years (new position).

CONFIRMATIONS

Executive nominations confirmed by the Senate December 19, 1974:

ENVIRONMENTAL PROTECTION AGENCY

Wilson K. Talley, of California, to be an Assistant Administrator of the Environmental Protection Agency.

NUCLEAR REGULATORY COMMISSION

The following-named persons to be members of the Nuclear Regulatory Commission for the terms indicated:

Marcus A. Rowden, of Maryland, for a term of 2 years.

Edward A. Mason, of Massachusetts, for a term of 3 years.

Victor Gilinsky, of California, for a term of 4 years.

Richard T. Kennedy, of the District of Columbia, for a term of 5 years.

DEPARTMENT OF JUSTICE

Edward S. King, of New York, to be U.S. marshal for the western district of New York for the term of 4 years.

Ronald C. Romans, of Nebraska, to be U.S. marshal for the district of Nebraska for the term of 4 years.

FEDERAL PROCUREMENT POLICY

Hugh E. Witt, of Virginia, to be Administrator for Federal Procurement Policy.

DEPARTMENT OF STATE

Monroe Leigh, of Maryland, to be legal adviser of the Department of State.

Michael A. Samuels, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Sierra Leone.

Thomas J. Scotes, of Maryland, a Foreign Service officer of class 3, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Yemen Arab Republic.

William B. Saxe, of Ohio, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to India.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

THE JUDICIARY

William J. Bauer, of Illinois, to be U.S. circuit judge for the seventh circuit.

Alfred Y. Kirkland, of Illinois, to be U.S. district judge for the northern district of Illinois.

William S. Sessions, of Texas, to be U.S. district judge for the western district of Texas.

J. Calvitt Clarke, Jr., of Virginia, to be U.S. district judge for the eastern district of Virginia.

HOUSE OF REPRESENTATIVES—*Thursday, December 19, 1974*

The House met at 10 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Unto you is born this day in the city of David a Saviour who is Christ the Lord.—Luke 2: 11.

Our Father, who hast declared Thy love to Thy children by the birth of the Holy Child at Bethlehem; help us to welcome Him with gladness and to make room for Him in all our hearts and in all our homes. Thus may we learn to live at peace with one another, in good will with all Thy family and continue to work for justice among the people on this planet. Through Jesus Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 9588. An act for the relief of the city of Aransas Pass, Tex., and the Urban Renewal Agency of the city of Aransas Pass, Tex.;

H.R. 15229. An act to expand the authority of the Canal Zone government to settle claims not cognizable under the Tort Claims Act; and

H.R. 17655. An act to extend for 2 years the authorizations for the striking of medals in commemoration of the 100th anniversary of the cable car in San Francisco and in commemoration of Jim Thorpe, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 17468) entitled "An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes."

The message also announced that the Senate agrees to the House amendments to the Senate amendments numbered 1, 2, 3, and 4 to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16596) entitled "An act to amend the Comprehensive Employment and Training Act of 1973 to provide additional jobs

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

for unemployed persons through programs of public service employment."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 356) entitled "An act to provide disclosure standards for written consumer product warranties against defect or malfunction; to define Federal content standards for such warranties; to amend the Federal Trade Commission Act in order to improve its consumer protection activities; and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1296) entitled "An act to further protect the outstanding scenic, natural, and scientific values of the Grand Canyon by enlarging the Grand Canyon National Park in the State of Arizona, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 521. An act to declare that certain land of the United States is held by the United States in trust for the Cheyenne-Arapaho Tribes of Oklahoma;

S. 1083. An act to amend certain provisions of Federal law relating to explosives;

S. 2888. An act to convey certain land of the United States to the Inter-Tribal Council, Inc., Miami, Okla.;

S. 3548. An act to establish the Harry S Truman memorial scholarships, and for other purposes;

S. 3358. An act to authorize the conveyance of certain lands to the United States in trust for the Absentee Shawnee Tribe of Indians of Oklahoma; and

S. 3359. An act to authorize the conveyance of certain lands to the United States in trust for the Citizen Band of Potawatomi Indians of Oklahoma.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 16045. An act to amend the Solid Waste Disposal Act to authorize appropriations for fiscal years 1975 and 1976, and to make certain technical and conforming changes;

H.R. 16982. An act to authorize U.S. payment for fiscal year 1975 to the United Nations for expenses of the United Nations peacekeeping forces in the Middle East, and the United Nations Force in Cyprus;

H. Con. Res. 675. Concurrent resolution providing for the printing as a House document of the Constitution of the United States (pocket-size edition); and

H. Con. Res. 679. Concurrent resolution to provide for the printing as a House document of the Constitution and the Declaration of Independence.

The message also announced that the Senate agrees to the amendments of the House with amendments to a bill of the Senate of the following title:

S. 3418. An act to establish a Privacy Protection Commission, to provide management systems in Federal agencies and certain other organizations with respect to the gathering and disclosure of information concerning individuals, and for other purposes.

The message also announced that the Senate insists upon its amendments to a joint resolution (H.J. Res. 1180) entitled "A joint resolution making urgent supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCLELLAN, Mr. PASTORE, Mr. ROBERT C. BYRD, Mr. MONTOYA, Mr. YOUNG, Mr. HRUSKA, Mr. COTTON, and Mr. CASE to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 126. Concurrent resolution authorizing a technical correction in the enrollment of S. 356.

CALL OF THE HOUSE

Mr. CEDERBERG. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Without objection, a call of the House is ordered.

There was no objection.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 713]

Adams	Green, Pa.	Podell, N.Y.
Alexander	Grover	Powell, Ohio
Andrews, N.C.	Gude	Price, Tex.
Ashley	Haley	Rarick
Aspin	Hanley	Reid
Boggs	Hanna	Robison, N.Y.
Brasco	Hanrahan	Roncallo, N.Y.
Brooks	Hansen, Idaho	Rooney, N.Y.
Brown, Calif.	Hansen, Wash.	Rose
Broyhill, Va.	Harsha	Rousselot
Burke, Calif.	Hébert	Runnels
Burton, John	Heckler, Mass.	Ruppe
Butler	Heinz	Ruth
Byron	Hillis	Sandman
Camp	Holifield	Shipley
Carey, N.Y.	Holtzman	Shriver
Chisholm	Howard	Shuster
Clark	Hudnut	Smith, N.Y.
Clay	Johnson, Colo.	Staggers
Collier	Jones, Ala.	Stanton, James V.
Conlan	Jones, N.C.	Stark
Conyers	Kyros	Steele
Crane	Landgrebe	Stephens
Cronin	McKinney	Stuckey
Culver	McSpadden	Teague
Davis, Ga.	Macdonald	Thornton
de la Garza	Mann	Tiernan
Dellums	Martin, Nebr.	Towell, Nev.
Denholm	Mathias, Calif.	Traxler
Dennis	Mathis, Ga.	Udall
Derwinski	Matsunaga	Vanik
Diggs	Mills	Vigorito
Donohue	Minshall, Ohio	Widnall
Downing	Moakley	Wiggins
Drinan	Mollohan	Wilson, Charles H., Calif.
Dulski	Mosher	Wolff
Edwards, Ala.	Murphy, Ill.	Wyatt
Edwards, Calif.	Murphy, N.Y.	Wyman
Esch	Nedzi	Young, Alaska
Eshleman	Nelsen	Young, Ga.
Fountain	Nichols	Zion
Gaydos	O'Hara	Zwach
Giaimo	Owens	
Grasso	Passman	
Gray	Pepper	

The SPEAKER. On this rollcall 302 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERSONAL EXPLANATION

Mr. JONES of Tennessee. Mr. Speaker, yesterday on rollcall No. 706 on the conference report on the bill H.R. 16596, the Special Employment Assistance Act of 1974, the RECORD shows that I voted "No." I intended to vote "aye." I would like the RECORD to show that.

The SPEAKER. The gentleman's statement will appear in the RECORD.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that the Chair will take personal requests, but not for speeches.

PROXY VOTING IN COMMITTEES SHOULD BE ELIMINATED

(Mr. COCHRAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. COCHRAN. Mr. Speaker, although this is my first term in the House, I have been distressed over a practice I have observed which in my opinion should be changed. We do not, nor should we, permit proxy voting on the floor of the House.

It is equally important, in my judgment, for each Member to cast his own vote in legislative committees. It is there that some of our most important votes are cast. It is an abrogation of our duty as elective Representatives to turn over our votes to committee bosses or others who are not answerable to the constituency entitled to those votes.

When we seek reform next year, let us begin by eliminating proxy voting in committees.

REGULATION OF MOVEMENT IN FOREIGN COMMERCE OF NOXIOUS WEEDS AND POTENTIAL CARRIERS THEREOF

Mr. POAGE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11273) to provide for the regulation of the movement in foreign commerce of noxious weeds and potential carriers thereof, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Strike out all after the enacting clause and insert: That this Act may be cited as the "Federal Noxious Weed Act of 1974".

SEC. 2. The importation or distribution in interstate commerce of noxious weeds, except under controlled conditions, allows the growth and spread of such weeds which interfere with the growth of useful plants, clog waterways and interfere with navigation, cause disease, or have other adverse effects upon man or his environment and therefore is detrimental to the agriculture and commerce of the United States and to the public health. The uncontrolled distribution within the United States of noxious weeds after their importation or interstate distribution has like detrimental effects and allowing such distribution encourages and facilitates the burdening and obstructing of interstate and foreign commerce, and is inimical to the public interest. Accordingly, the Congress

hereby determines that the regulation of transactions in, and movement of, noxious weeds as provided in this Act is necessary to prevent and eliminate burdens upon and obstructions to interstate and foreign commerce and to protect the public welfare.

SEC. 3. As used in this Act, except where the context otherwise requires:

(a) "Secretary" means the Secretary of Agriculture of the United States or any other person to whom authority may be delegated to act in his stead.

(b) "Authorized inspector" means any employee of the Department of Agriculture, or any employee of any other agency of the Federal Government or of any State or other governmental agency which is cooperating with the Department in administration of any provisions of this Act, who is authorized by the Secretary to perform assigned duties under this Act.

(c) "Noxious weed" means any living stage (including but not limited to, seeds and reproductive parts) of any parasitic or other plant of a kind, or subdivision of a kind, which is of foreign origin, is new to or not widely prevalent in the United States, and can directly or indirectly injure crops, others useful plants, livestock, or poultry or other interests of agriculture, including irrigation, or navigation or the fish or wildlife resources of the United States or the public health.

(d) "United States" means any of the States, territories, or districts of the United States.

(e) "Interstate" means from any State, territory, or district of the United States into or through any other State, territory, or district.

(f) "District" means the District of Columbia, the Commonwealth of Puerto Rico, or any possession of the United States.

(g) "Move" means deposit for transmission in the mails, ship, offer for shipment, offer for entry, import, receive for transportation, carry, or otherwise transport or move, or allow to be moved, by mail or otherwise.

SEC. 4. (a) No person shall knowingly move any noxious weed, identified in a regulation promulgated by the Secretary, into or through the United States or interstate, unless such movement is authorized under general or specific permit from the Secretary and is made in accordance with such conditions as the Secretary may prescribe in the permit and in such regulations as he may promulgate under this Act to prevent the dissemination into the United States, or interstate, of such noxious weeds.

(b) The Secretary may refuse to issue a permit for the movement of any such noxious weed when, in his opinion, such movement would involve a danger of dissemination of such noxious weeds into the United States or interstate.

(c) No person shall knowingly sell, purchase, barter, exchange, give, or receive any such noxious weed which has been moved in violation of subsection (a), or knowingly deliver or receive for transportation or transport, in interstate or foreign commerce, any advertisement to sell, purchase, barter, exchange, give, or receive any such noxious weed which is prohibited from movement in such commerce under this Act.

SEC. 5. (a) The Secretary may promulgate such quarantines and other regulations requiring inspection of products and articles of any character whatsoever and means of conveyance, specified in the regulations, as a condition of their movement into or through the United States and otherwise restricting or prohibiting such movement, as he deems necessary to prevent the dissemination into the United States of any noxious weeds, and it shall be unlawful for any person to move any products, articles, or means of conveyance into or through the United States contrary to any such regulation.

(b) Whenever the Secretary has reason to believe that an infestation of noxious weeds exists in any State, territory, or district, he may by regulation temporarily quarantine such jurisdiction, or a portion thereof, and by regulation may restrict or prohibit the interstate movement from the quarantined area of any products and articles of any character whatsoever and means of conveyance, capable of carrying such noxious weeds, and after promulgation of such quarantine and other regulations, it shall be unlawful for any person to move interstate from a quarantined area any such products, articles, or means of conveyance, specified in the regulations, except in accordance with such regulations: *Provided, however,* That such quarantine and regulations shall expire at the close of the ninetieth day after their promulgation.

(c) However, if, after public hearing, the Secretary determines, on the basis of the information received at the hearing and other information available to him, that such a quarantine and regulations are necessary in order to prevent the interstate spread of noxious weeds from any State, territory, or district in which he determines an infestation of noxious weeds exists, and to protect the agriculture, commerce, fish, or wildlife resources of the United States or the public health, he shall promulgate such quarantine and other regulations as he determines are appropriate for such purposes, and thereafter it shall be unlawful for any person to move interstate from any quarantined area any regulated products, articles, or means of conveyance except in accordance with such regulations.

SEC. 6. (a) Except as provided in paragraph (c) of this section, the Secretary may, whenever he deems it necessary as an emergency measure in order to prevent the dissemination of any noxious weed, seize, quarantine, treat, destroy, or otherwise dispose of, in such manner as he deems appropriate, any product or article of any character whatsoever, or means of conveyance, which is moving into or through the United States or interstate, in bond or otherwise, and which he has reason to believe is infested by any noxious weed or contains any such weed, or which has moved into the United States, or interstate, and which he has reason to believe was infested by or contained any noxious weed at the time of such movement; and any noxious weed, product, article, or means of conveyance which is moving into or through the United States, or interstate, or has moved into the United States, or interstate, in violation of this Act or any regulation hereunder.

(B) Except as provided in subsection (c) of this section, the Secretary may order the owner of any product, article, means of conveyance, or noxious weed subject to disposal under subsection (a) of this section, or his agent, to treat, destroy, or make other disposal of such product, article, means of conveyance, or noxious weed, without cost to the Federal Government and in such manner as the Secretary deems appropriate. The Secretary may apply to the United States District Court, or to the United States court of any territory or possession, for the judicial district in which such person resides or transacts business or in which the product, article, means of conveyance, or noxious weed is found, for enforcement of such order by injunction, mandatory or otherwise. Process in any such case may be served in any judicial district wherein the defendant resides or transacts business or may be found, and subpenas for witnesses who are required to attend a court in any judicial district in such a case may run to any other judicial district.

(c) No product, article, means of conveyance, or noxious weed shall be destroyed, exported, or returned to shipping point of origin, or ordered to be destroyed, exported, or so returned under this section, unless in the opinion of the Secretary there is no less drastic action which would be adequate to prevent the dissemination of noxious weeds into the United States or interstate.

(d) The owner of any product, article, means of conveyance, or noxious weed destroyed, or otherwise disposed of, by the Secretary under this section, may bring an action against the United States in the United States District Court for the District of Columbia, within one year after such destruction or disposal, and recover just compensation for such destruction or disposal of such product, article, means of conveyance, or noxious weed (not including compensation for loss due to delays incident to determining its eligibility for movement under this Act) if the owner establishes that such destruction or disposal was not authorized under this Act. Any judgment rendered in favor of such owner shall be paid out of the money in the Treasury appropriated for administration of this Act.

SEC. 7. Any authorized inspector, when properly identified, shall have authority (a) without a warrant, to stop any person or means of conveyance moving into the United States, and inspect any noxious weeds and any products and articles of any character whatsoever, carried thereby, and inspect such means of conveyance, to determine whether such person or means of conveyance is moving any noxious weed, product, article, or means of conveyance contrary to this Act or any regulation under this Act; (b) without a warrant, to stop any person or means of conveyance moving through the United States or interstate, and inspect any noxious weeds and any products and articles of any character whatsoever carried thereby, and inspect such means of conveyance, to determine whether such person or means of conveyance is moving any noxious weed, product, article, or means of conveyance contrary to this Act or any regulation thereunder, if such inspector has probable cause to believe that such person or means of conveyance is moving any noxious weed regulated under this Act; and (c) to enter, with a warrant, any premises in the United States, for purposes of any inspections or other actions necessary under this Act. Any judge of the United States or of a court of record of any State, territory, or district, or a United States commissioner, may, within his respective jurisdiction, upon proper oath or affirmation showing probable cause to believe that there are on certain premises any products, articles, means of conveyance, or noxious weeds subject to this Act. Such warrants may be executed by any premises for purposes of any inspection or other action necessary under this Act, except as otherwise provided in section 9 of this Act. Such warrants may be executed by any authorized inspector or any United States marshal.

SEC. 8. Any person who knowingly violates section 4 or 5 of this Act, or any regulation promulgated under this Act, shall be guilty of a misdemeanor and shall be punished by a fine not exceeding $5,000, or by imprisonment not exceeding one year, or both.

SEC. 9. (a) The Secretary is authorized to cooperate with other Federal agencies, agencies of States, territories, or districts, or political subdivisions thereof, farmers' associations, and similar organizations, and individuals in carrying out operations or measures in the United States to eradicate, suppress, control, or prevent or retard the spread of any noxious weed. The Secretary is authorized to appoint employees of other agencies of the Federal Government or any agencies of any State, territory, or district, or political subdivisions thereof, as collaborators to assist in administration of the pro-

visions of this Act, pursuant to cooperative agreements with such agencies, whenever he determines that such appointments would facilitate administration of this Act.

(b) In performing the operations or measures authorized by subsection (a) of this section, the cooperating State or other governmental agency shall be responsible for the authority necessary to carry out the operations or measures on all lands and properties within the State or other jurisdiction involved, other than those owned or controlled by the United States Government, and for such other facilities and means as in the discretion of the Secretary are necessary.

SEC. 10. The Secretary is authorized to promulgate regulations necessary to effectuate the provisions of this Act. However, any regulation identifying a noxious weed under section 4 of this Act shall be promulgated only after publication of a notice of the proposed regulation and, when requested by any interested person, a public hearing on the proposal. Any such regulation shall be based upon the information received at any such hearing and other information available to the Secretary and a determination by the Secretary that the plant is within the definition of a noxious weed in section 3(c) of this Act and that its dissemination in the United States may reasonably be expected to have, to a serious degree, any effect specified in section 3(c).

SEC. 11. There are hereby authorized to be appropriated such sums as Congress may from time to time determine to be necessary for the administration of this Act. Any sums so appropriated shall be available for expenditures for the purchase, hire, maintenance, operation, and exchange of aircraft and other means of conveyance, and for such other expenses as may be necessary to carry out the purposes of this Act. However, unless specifically authorized in other legislation or provided for in appropriations, no part of such sums shall be used to pay the cost or value of property injured or destroyed under section 9 of this Act.

SEC. 12. The provisions of this Act shall not apply to shipments of seed subject to the Federal Seed Act (53 Stat. 1275, as amended; 7 U.S.C. 1551 et seq.) and this Act shall not amend or repeal any of the provisions of said Act or of the Plant Quarantine Act of August 20, 1912 (37 Stat. 315, as amended; 7 U.S.C. 151–154, 156–164a 167), the Federal Plant Pest Act (71 Stat. 31; 1 U.S.C. 150aa–150jj), or any other Federal laws.

SEC. 13. The provisions of this Act shall not invalidate the provisions of the laws of any State or political subdivision thereof, or of any territory or district of the United States relating to noxious weeds, except that no such jurisdiction may permit any action that is prohibited under this Act.

SEC. 14. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the remainder of the Act and the application of such provision to other persons and circumstances shall not be affected thereby.

Amend the title so as to read: "An Act to provide for the control and eradication of noxious weeds, and the regulation of the movement in interstate or foreign commerce of noxious weeds and potential carriers thereof, and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

HEALTH MANPOWER ACT OF 1974—APPOINTMENT OF CONGRESS

Mr. ROGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 3585) to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions, to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes, with a House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Florida? The Chair hears none and appoints the following conferees: Messrs. STAGGERS, ROGERS, SATTERFIELD, KYROS, PREYER, SYMINGTON, ROY, DEVINE, NELSEN, CARTER, HASTINGS, HEINZ, and HUDNUT.

WHITE HOUSE CONFERENCE ON LIBRARY AND INFORMATION SERVICES

Mr. PERKINS. Mr. Speaker, I call up the conference report on the Senate joint resolution (S.J. Res. 40) to authorize and request the President to call a White House Conference on Library and Information Services in 1976, and ask unanimous consent that the statement of the managers be read in lieu of the report.

PARLIAMENTARY INQUIRY

Mr. STEIGER of Wisconsin. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. STEIGER of Wisconsin. Mr. Speaker, I want to make sure I can preserve my right to raise a point of order against the nongermane Senate amendment.

The SPEAKER. The Chair will protect the gentleman.

The Clerk will report the title of the Senate joint resolution.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

POINT OF ORDER

Mr. STEIGER of Wisconsin. Mr. Speaker, I make a point of order against section 3 of the conference report, that section which amends section 901(a) of the Education Amendments of 1972, on the basis that had this been offered as an amendment during the consideration of Senate Joint Resolution 40 in the House, it would have been a nongermane amendment.

Under clause 4, rule XXVIII a motion can be offered to handle this matter separately. Thus I make a point of order that that section of the conference report is nongermane under the rules of the House.

The SPEAKER. Does the gentleman from Kentucky desire to be heard on the point of order?

Mr. PERKINS. Yes, Mr. Speaker. In the conference report on page 17 there is an explanation, but on page 8 we will find we do have an exception there which states:

This section shall not apply to membership practices—(A) of a social fraternity or social sorority . . .

The SPEAKER. It is obvious to the Chair that section 3 of the conference report is not germane to the House amendment. The point of order is sustained. Does the gentleman from Wisconsin (Mr. STEIGER) have a motion to reject the section?

Mr. STEIGER of Wisconsin. I do have a motion to reject, Mr. Speaker.

MOTION TO STRIKE OFFERED BY MR. STEIGER OF WISCONSIN

Mr. STEIGER of Wisconsin. Mr. Speaker, I offer a motion to strike.

The Clerk read as follows:

Mr. STEIGER of Wisconsin moves to strike section 3 of the conference report.

Mr. STEIGER of Wisconsin. Mr. Speaker, the hour is late, or early, depending on one's view and I regret exceedingly that it may take somewhat more time than otherwise would have been anticipated to discuss Senate joint resolution 40.

Mr. Speaker, section 3(a) of the conference report is known as the Bayh amendment and I ask that the Members look at the conference report, either as printed in the form that has been given to us, which is in error because the YWCA has been dropped out of this version, or that which is found on page 40547 of the CONGRESSIONAL RECORD of December 17 which is, I understand, the correct version of the conference report. What this does, and I think the House ought to understand what it does, is to say that title IX of the Education Amendments of 1972 shall not apply to social fraternities or social sororities, the active membership of which consists primarily of students in attendance at an institution of higher education, but it does apply to service organizations or fraternities.

What we are doing is establishing, for reasons that I do not comprehend, a dichotomy between a social fraternity and a service fraternity or a social sorority and a service sorority insofar as sex discrimination is concerned.

The section then goes on to exempt the—

YMCA, YWCA, Girl Scouts, Boy Scouts, Camp Fire Girls, and voluntary youth service organizations, which are so exempt—under section 501(a) of the Internal Revenue Code—the membership of which has traditionally been limited to persons of one sex and principally persons of less than 19 years of age.

Now let us understand, the YMCA has a membership the majority of which is under 19 years of age. The YWCA has a membership approximately two-thirds over the age of 19; but both are to be exempt from the sex discrimination provisions of the Education Amendments of 1972, offered by the gentlewoman from Oregon (Mrs. GREEN).

Thus, Mr. Speaker, two substantive problems arise with this language as we

have it before us. No. 1, it establishes a unique and, in my judgment, very bad precedent in making a separation between social and service fraternities and sororities.

CALL OF THE HOUSE

Mr. HAYS. Mr. Speaker, in view of the state of the economy of the country and the terrific importance of this dialog, I think we ought to have a quorum here to hear it.

Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. One hundred and eighty-two Members are present, not a quorum.

Mr. O'NEILL. 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. 714]

Adams	Hanna	Price, Tex.
Addabbo	Hanrahan	Rarick
Alexander	Hansen, Idaho	Rees
Andrews, N.C.	Hansen, Wash.	Reid
Ashley	Harsha	Rhodes
Blackburn	Hébert	Roncallo, N.Y.
Blatnik	Heckler, Mass.	Rooney, N.Y.
Brasco	Hillis	Rousselot
Burton, John	Holifield	Roy
Byron	Howard	Ruth
Camp	Jones, Ala.	Sandman
Carey, N.Y.	Jones, N.C.	Shipley
Cederberg	Jones, Tenn.	Sikes
Chisholm	Kuykendall	Sisk
Clark	Kyros	Stark
Collier	Leggett	Steele
Crane	Luken	Stephens
Culver	McKinney	Stuckey
Davis, Ga.	McSpadden	Teague
Dellums	Macdonald	Thornton
Dennis	Mann	Tiernan
Derwinski	Martin, Nebr.	Towell, Nev.
Diggs	Mathias, Calif.	Udall
Downing	Matsunaga	Vander Jagt
Drinan	Milford	Vanik
Dulski	Mills	Vigorito
Esch	Minshall, Ohio	Widnall
Eshleman	Mosher	Wiggins
Evans, Colo.	Nedzi	Williams
Evins, Tenn.	Nelsen	Wilson,
Fraser	Nichols	Charles H.,
Froehlich	Obey	Calif.
Gaydos	O'Hara	Wyman
Giaimo	Owens	Young, Alaska
Grasso	Passman	Young, Ga.
Gray	Pepper	Zion
Green, Pa.	Podell	Zwach

The SPEAKER. On this rollcall 325 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

WHITE HOUSE CONFERENCE ON LIBRARY INFORMATION SERVICES

The SPEAKER. The gentleman from Wisconsin (Mr. STEIGER) is recognized.

Mrs. GREEN of Oregon. Mr. Speaker, will the gentleman in the well yield?

Mr. STEIGER of Wisconsin. Yes, Mr. Speaker, I am delighted to yield to the gentlewoman from Oregon.

Mrs. GREEN of Oregon. There are questions I would like to ask the gentleman from Wisconsin in regard to the section of the bill that he maintains is not germane.

Would he agree that this language is not as all-inclusive as was the language in the report on the appropriation bill in regard to Boy Scouts, Girl Scouts, Campfire Girls, and all sororities and fraternities?

Mr. STEIGER of Wisconsin. The gentlewoman is correct.

Mrs. GREEN of Oregon. There are many Members of the House who are concerned about HEW's proposed rules and regulations with respect to Boy Scouts, Girl Scouts, Campfire Girls, YMCA, YWCA, Boys Club, Girls Club. There is also deep concern about proposed regulations requiring physical education classes and all other classes to be brought under the provisions of title IX. This title has been interpreted by some downtown as requiring all classes to be integrated on basis of sex.

We have a law now which must be sent to the Congress, and Congress has 45 days in which to review them and to reject them, if they wish.

The gentleman from Michigan (Mr. O'HARA) has told me this week, and I tried to find him on the floor, that he intends to have hearings next year as soon as possible on the proposed regulations from HEW which make no sense to the majority of the Members of this House, according to our previous votes.

Would the gentleman from Wisconsin agree that if we write this language into the law which is not all-inclusive and which does not cover all of our concerns, then it would be far more difficult to pass a resolution rejecting the proposed regulations on the basis that they are inconsistent with the law because of the very language to which the gentleman objects would seem to sanction the proposed regulations by its omission of certain groups.

Mr. STEIGER of Wisconsin. May I say to the gentlewoman that I think she has made exactly the point. If we adopt the amendment and do not reject the motion to strike this language, it is going to be hard ever coming back to HEW and saying, "What you are doing is wrong." The second fundamental reason, may I say to my colleagues and the gentlewoman from Oregon, is that title IX, as we passed it in our Education Amendments in 1972, provided that—

> No person in the United States shall on the basis of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance.

What the language does in this section of the conference report is to condone, in my judgment, the institutional approval which HEW is now attempting to do. They are saying we will regulate and even cut off Federal assistance to the whole of the institution, not just to a program or activity.

In interpreting title IX as an institutional eligibility statute HEW has generated controversy about everything from co-ed wrestling teams to regulation of the Girl Scouts, neither of which could possibly have been foreseen to be termed federally assisted programs. That kind of de facto recognition to the mistakes HEW is making by the adoption of this language is wrong.

Mrs. GREEN of Oregon. Mr. Speaker, I must say to my friend, the gentleman from Wisconsin, if he will yield further——

Mr. STEIGER of Wisconsin. Absolutely.

Mrs. GREEN of Oregon. I agree with the gentleman from Wisconsin; it seems to me this section should be taken out.

Mr. STEIGER of Wisconsin. Mr. Speaker, I very much appreciate the comments made by the gentlewoman from Oregon (Mrs. GREEN).

Mr. Speaker, I urge the rejection of this nongermane provision.

Mr. PERKINS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, if we do not vote down the Steiger motion, the status of fraternities and sororities and the Boy Scouts and the Girl Scouts and other voluntary youth service organizations will be uncertain.

It is true that the gentleman from Wisconsin (Mr. STEIGER) states that the amendment makes a distinction between social fraternities and sororities and service fraternities. The gentleman is correct. But in the conference we were restricted to dealing only with social fraternities. To also deal with service fraternities would have taken us beyond the scope of the conference.

In the new Congress in January we can deal with these other issues. Let us now do all we can by accepting what is in this conference report.

If we adopt the motion of the gentleman from Wisconsin (Mr. STEIGER) we will be doing a great disservice to these important national youth service organizations. We will be leaving them in a totally uncertain situation.

I should like to ask the Members to turn to the conference report on page 8, and to paragraph (B), where we expressly exempt the Young Men's Christian Association, the Young Women's Christian Association, the Girl Scouts, Boy Scouts, and Campfire Girls. Now, if the Members do not want to exempt these groups now, then they should vote for the Steiger motion.

Let me read from the statement of the manager on the Labor-HEW appropriation bill we considered a few weeks ago.

On page 17 of that conference report, the conferees stated:

> We have received reports that the Department of Health, Education, and Welfare, is interpreting the provisions of title IX of the Education Amendments of 1972, Public Law 92–318, which prohibits sex discrimination in education, in such a manner as to apply these provisions to such organizations as the Boy Scouts, Girl Scouts, Campfire Girls, Boys' Clubs, Girls' Clubs, YMCA, YWCA, and sororities, fraternities and similar organizations.

The managers go on to say:

> The conferees are agreed that this is an improper interpretation of the law and direct that none of the funds appropriated in this bill are to be used to enforce the provisions of title IX with respect to such organizations.

What we attempt to do in the conference report before us today is clarify that these organizations are exempt from title IX. The conference report goes as far as the rules of the House would permit. Let me say to my colleagues, if we want to go further next year we can. Hearings will be conducted. Nothing will be jeopardized in future deliberations. But at this time we should clarify the situation for the millions of people who constitute these youth organizations all over the country. I am concerned that if we fail to act today we will play into the hands of the HEW regulation writers. We should support the Committe on Appropriations with this statutory clarification that clearly exempts these organizations.

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the distinguished gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. I thank the gentleman for yielding.

I know all of the Members have had letters from organizations like the Boy Scouts, Girl Scouts, fraternities, and sororities, stating that they feel it is wrong for HEW to prohibit them from using school facilities and that the language of title IX of Public Law 92–318 does not give this authority. Before the regulation becomes effective, we will have 45 days to review them and we will have a chance to reject them if we disapprove, which, I expect, we will do if they continue to insist or regulating such organizations.

However, the question before us today is. Do we want to make certain that the sororities, fraternities, Boy Scouts, Girl Scouts, the YMCA, and the YWCA are exempt? Some are saying that if we exempt these organizations, we then in effect say to HEW it is all right to continue to prohibit others from using school grounds while we hold these groups hostage. I do not think we ought to hold them hostage. I think we ought to get as much as we can now, and if the Congress in its wisdom exempts these organizations. I expect that the Congress next year will exempt the others that then come to our attention.

In the 45-day review period the Congress only has to convince itself. It does not have to convince a jury; it only has to convince itself, and it is pretty well convinced now.

Mr. PERKINS. Let me say we went as far as we could possibly go within the rules of conference; am I correct?

Mr. QUIE. That is right. We would have gone further in the conference if we could have under the rule.

Mr. PERKINS. Mr. Speaker, I am hopeful that the Steiger motion will be voted down, so that we will not penalize these groups and keep them in this uncertain situation.

Mr. CASEY of Texas. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Texas.

Mr. CASEY of Texas. I thank the gentleman for yielding.

The distinguished chairman of the Committee on Education says that we will have an opportunity to review portions of these so-called regulations next year when we have 45 days to do so. This House would only have that privilege if his committee submits a regulation; is that not true?

Mr. PERKINS. That is correct, and I believe we will submit such a resolution if HEW does not change its interpretation.

Mr. CASEY of Texas. All right. Now I would like to ask the distinguished chairman if at this stage he intends to bring to the floor of the House and to give this House the opportunity to further restrict HEW insofar as the physical education classes and service organizations are concerned

Mr. PERKINS. I certainly do have that intention, but here we have something concrete which we can do today. None of us know what the future holds. If HEW does not change its view, I am sure that a resolution will be brought up in committee and I will urge the committee to go along with it.

Mr. CASEY of Texas. If the gentleman will yield further, I do not want us next year to come in and find that we are being told, "Well, you have got this, and that is enough," because I and many Members of the House felt it is not enough—as I am sure the gentleman has heard not only myself, but from other Members of the House who are concerned about HEW going overboard on this idea of integration by sex of every operation from the ground up.

Mr. PERKINS. I know the gentleman is concerned. I know that is true, and that is the reason we are trying to deal with as much as we can possibly deal with in this conference. We have gone as far as the scope of the conference would permit us to go.

Mr. CASEY of Texas. And the gentleman will bring such a resolution to the floor of the House in the next session?

Mr. PERKINS. That is my intention as far as it is within my power to do it. If it is within my power to do it, I will.

Mrs. GREEN of Oregon. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the gentlewoman from Oregon.

Mrs. GREEN of Oregon. Mr. Speaker, is it not true that any resolution that is to be brought to the floor rejecting the proposed regulations by HEW must be brought to the floor on the basis that it is inconsistent with the law?

Mr. PERKINS. I will not argue with the gentlewoman on that point. If I understand the situation, the gentlewoman was very active in the House Committee on Appropriations in pointing out that title IX was never intended to cover Boy Scouts and Girl Scouts and Campfire Girls and boys clubs and girls clubs, the YMCA, and the YWCA and many others. We are trying to clarify this in the law so that these exemptions will not be questioned. May I repeat we went as far as we could possibly go in conference.

Mrs. GREEN of Oregon. Mr. Speaker, will the gentleman yield further?

Mr. PERKINS. I yield to the gentlewoman from Oregon.

Mrs. GREEN of Oregon. My question was: Is it not true that we cannot bring a resolution to the floor rejecting proposed regulations unless the regulations are inconsistent with the law? Now we put this into the law and then we will have far more difficulty rejecting their proposed regulations.

Mr. PERKINS. I disagree with the gentlewoman because a resolution or a bill can be brought to this floor on any subject—to change any law. Here we have the conference agreement clarifying certain exemptions, and a plead with this Chamber not to continue the uncertainty about these exemptions because none of us knows what the future holds. We want this clarified as soon as possible and this will clear up much of it.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I agree with the gentleman 100 percent. I think one of the areas of negligence in this body is that we always wait for somebody else to correct our errors. If we straighten it out in the conference, the regulations can be straightened out, but here we have a chance to take a correcting action against the improper interpretation of the law. I think we should take this action today and let the future take care of itself.

Mr. PERKINS. I thank the gentleman.

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Speaker, I know the chairman did not have a copy of the act in front of him and I think we should say we would only bring back a resolution disapproving the regulations if they are inconsistent with the law. To that extent the gentlewoman from Oregon is correct.

The question is: If we put this in the law at this time, does that make the rest of HEW's regulations inconsistent with the law? I say that what they have done is inconsistent and we can bring a resolution of disapproval to the floor, because the law says, and the mandate of the law is clear:

> No person in the United States, shall on the basis of sex, be excluded from participation in, denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance.

Concerning these other organizations in which the gentleman from Texas is interested, as the service fraternities, we have included social service fraternities in the report and we expect they will be exempted. We do not know for certain because we are dependent on HEW's interpretations, but we will, I believe, have the grounds even if we adopt the report to disapprove of what they send up to us if they attempt to include other organizations, and we find this inclusion to be inconsistent with the law. And we can bring that resolution back to the

House, for who is it that decides whether we can disapprove or not? We decide that ourselves. We do not go to a jury. The gentleman says the regulations are inconsistent with the law. I say they are inconsistent with the law. If our colleagues on the committee agree it is inconsistent with the law, we can bring back that resolution to the House.

Mr. PERKINS. Mr. Speaker, I yield to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Speaker, I thank the gentleman for yielding, and particularly to speak out of order for 1 minute.

I indicated this morning that we have the Project Survival, which was an effort for Members to include food for the needy in Washington on the steps of the Capitol at 11:45 today. I have spoken to the Speaker. We are going to go ahead with this. If the Members that have food or members of their staff, we would appreciate their contributions.

Mr. Speaker, I would like to urge everyone to support this conference report, because it certainly answers a need at this time and sends us in the direction we ought to be going.

Mr. PERKINS. Mr. Speaker, I yield to the gentleman from Texas (Mr. CASEY).

Mr. CASEY of Texas. Mr. Speaker, with reference to the colloquy with the gentlemen from Minnesota (Mr. QUIE): If it is determined that a resolution of disapproval is necessary to bring about the result we desire, will the chairman exert his efforts to bring forth a simple amendment to title IX, bring it up under suspension. This House would pass it in 40 minutes, and the gentleman knows it.

Mr. PERKINS. Mr. Speaker, I certainly will, because I would like to go along with the exceptions within the scope of the conference.

Mr. CASEY of Texas. I do not want to be too harsh about it.

Mr. Speaker, we have had similar problems before, where if the committee had brought out a simple amendment, they did not need to bring out a comprehensive bill. If they will just pick out the things that are giving so much trouble and bring a simple amendment and let us pass it and say that this is the law, that is all that is necessary.

Mr. PERKINS. Let me say that I will work with the gentleman from Texas (Mr. CASEY) next year.

Mr. CASEY of Texas. That is the best way to handle it.

Mr. PERKINS. Mr. Speaker, the motion of the gentleman from Wisconsin (Mr. STEIGER) should be voted down.

The SPEAKER. The question is on the motion to strike section 3, offered by the gentleman from Wisconsin (Mr. STEIGER).

The question was taken; and on a division (demanded by Mr. STEIGER of Wisconsin) there were—yeas 37, nays 102.

So the motion to strike was rejected.

The SPEAKER. The Clerk will read the statement.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of December 17, 1974.)

Mr. PERKINS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. PERKINS. Mr. Speaker, the conference report before us contains three important sections: First, authorizing a White House Conference on Library and Information Services; second, a series of amendments to the Family Educational Rights and Privacy Act of 1974; and third, as we have discussed, an amendment to title IX of the Higher Education Act of 1972 which prohibits discrimination in education on the basis of sex.

The provisions of the conference report authorizing the White House Conference on Library and Information Services are identical to the House-passed version of this legislation, with two exceptions.

As passed by the House, $3,000,000 was authorized to be appropriated for the Conference. The Senate version authorized $10,000,000. The conference report authorizes $3,500,000.

In the House version the Conference is to be held in 1977, while in the Senate version the Conference is to be held in 1978. The conference agreement provides that the Conference shall be held not later than 1978.

The second section of the conference report concerns the Family Educational Rights and Privacy Act of 1974, commonly known as the "Buckley amendment." That amendment gives parents, students 18 years of age and older, and students attending postsecondary institutions the right to inspect their education records and the right to challenge those records. The Buckley amendment also restricts the access of third parties to these records.

In brief, the Senate in its version of the White House conference bill proposed to make a number of changes in the provisions of the Buckley amendment. These changes were designed principally to meet objections voiced by the higher education community.

The major modifications which we adopted to the Buckley amendment in conference are the following:

First. College students are not given the right to inspect the financial records of their parents;

Second. Confidential letters of recommendation placed in college education records prior to January 1, 1975, are not subject to student inspection;

Third. State and local officials will continue to have access to information specifically required to be reported to them pursuant to State law in effect on November 19, 1974, and

Fourth. Parents of dependent college students are guaranteed the right to receive information on their children from the colleges.

Mr. Speaker, I believe that these amendments meet the principal concerns of the higher education community and their adoption will make the Buckley amendment more workable in its implementation.

Mr. Speaker, I would now like to elaborate further on the Buckley amendment.

The Buckley amendment was adopted as part of the Education Amendments of 1974, Public Law 93–380. As I stated, after its adoption a number of complaints arose concerning its implementation, especially complaints from the higher education community. The purpose of the changes which we have adopted in this bill is to correct certain deficiencies in the Buckley amendment which have been pointed out during the last several months.

These amendments originated in the Senate version of this bill. The House version of Senate Joint Resolution 40 contained no amendments to Buckley. The Senate proposed to change the Buckley amendment by—

First. Clarifying the definition of the education records involved,

Second. Clarifying that previously enrolled students have the same rights as presently enrolled students,

Third. Exempting parents' financial records and confidential letters of recommendation placed in education records prior to January 1, 1975, from the coverage of this amendment;

Fourth. Providing that students can waive this right of access to certain confidential recommendations;

Fifth. Permitting parents to insert an explanatory statement into the education records;

Sixth. Exempting personal notes of education staff and physical and mental health records from the coverage of the amendment;

Seventh. Setting up a procedure for the publication of generalized directory information on students;

Eighth. Exempting from the amendment information which must be reported to State and local officials pursuant to State law and information used by education organizations administering tests and by accrediting organizations;

Ninth. Giving parents of dependent students the right to receive information on their children;

Tenth. Creating an exemption for emergencies;

Eleventh. Requiring that a list of third parties given access to education records be maintained; and

Twelfth. Forbidding regionalization by HEW of the administration of the administration of the amendment, except for the conduct of hearings in regional offices.

The House conferees adopted these amendments with the following modifications:

First. Institutions are prohibited from requiring a student to waive his right to inspect records as a condition of his admission to such institution;

Second. State and local officials will

continue to have access to information specifically required to be reported to them pursuant to State law in effect on November 19, 1974;

Third. The exemption for testing organizations is clarified; and

Fourth. Longitudinal studies are permitted under certain conditions.

Mr. Speaker, I would like to make several additional points for the purpose of legislative history.

The first point concerns the amendment to section 438(b)(1) dealing with the new exemption for organizations of educational agencies involved with predictive tests. This amendment permits such organizations to use personally identifiable information under two conditions: first, that only employees of such organizations have such information available to them; and second, that such information be destroyed when it has served its purpose. It is the intention of the conferees that social security numbers not be used in any way by organizations using this exemption.

Similarily, in the exemption for authorized representatives of the Comptroller General, the Secretary of HEW, administrative heads of education agencies, and State educational authorities conducting audits and evaluations and implementing Federal legal requirements, it is the intention of the conferees that social security numbers also not be used. In redrafting the subsection dealing with this exemption to third party accessibility, the phrase "including social security numbers" was deleted purely on the basis of superfluousness. It is not the intention of the conferees to permit the use of such social security numbers in these situations.

Mr. Speaker, the last point I would like to make concerns the situation in several States where the State legislature has provided funds for statewide testing in the school districts of the State and where the State education agency serves as the intermediary for the collection of these tests and their transmission to a national testing organization for processing and evaluation. The State of Georgia, for instance, has followed this procedure for the past several years. It is clearly our intention to permit this practice to continue provided, however, that any personally identifiable information be available only to officials of the State education agency and to employees of the organization processing this information and provided that the personally identifiable information be destroyed when it has served its purpose.

Finally, Mr. Speaker, the conference report amends title IX of the Higher Education Act of 1972 which prohibits discrimination in education on the basis of sex. As my colleagues know, there have been a number of concerns with respect to the application of title IX to fraternities and sororities and such organizations as Boy Scouts and other voluntary youth organizations.

The amendment in the conference report exempts the membership practices of social fraternities and sororities and voluntary youth service organizations such as the YMCA, the YWCA, Girl Scouts, Boy Scouts, Campfire Girls from the application of title IX. This is consistent with a direction in the manager's statement on the Labor-HEW appropriations bill that no appropriated funds be used to enforce the provisions of title IX with respect to social fraternities and sororities and these youth service organizations.

Mr. Speaker, this is obviously an important and necessary piece of legislation, and I urge the adoption of the conference report.

Mr. BRADEMAS. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. Mr. Speaker, I yield to the distinguished gentleman from Indiana, the author of the House bill (Mr. BRADEMAS).

Mr. BRADEMAS. Mr. Speaker, I thank the chairman for yielding to me.

Mr. BRADEMAS. Mr. Speaker, I think this is a good conference report touching on three important matters. I hope very much it will have the support of Members on both sides of the aisle.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I would like to ask the gentleman if he took the White House library bill to conference and made a Christmas tree out of it?

Mr. PERKINS. No, we did not, I say to the gentleman from Iowa. We did increase the authorization for the White House Conference from $3 million to $3,500,000. The authorization in the Senate bill was $10 million. We insisted that figure be reduced. We finally agreed on $3,500,000.

Mr. GROSS. I understand, but I am talking about the many items that were not in the bill when it passed in the House.

Mr. PERKINS. That is correct, but these are important and necessary Senate additions.

Mr. QUIE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, as the gentleman from Kentucky has indicated in his colloquy with the gentleman from Iowa (Mr. GROSS) there are two provisions added to this bill which were not in the House bill. They were added by the Senate, and are of such importance that we did feel it important to accept them. The first were the amendments to the Buckley amendment in H.R. 69 dealing with privacy of student records. The second were the changes to title IX of the Education Amendments of 1972 dealing with sex discrimination.

We have talked a great deal already this morning about the title IX amendments. Let me just recap a bit about title IX.

Tuesday evening the conferees, appointed to resolve the House-Senate differences on the White House Library Conference bill, came to agreement on a modified version of the Bayh amendment dealing with title IX sex discrimination regulations. Because the subject was not in the House bill the conferees were forced to work within the limited scope of the Bayh amendment, we were not able to address ourselves to the overall issues and problems presented by title IX.

On July 1, 1972, title IX of the Education Amendments of 1972 became effective. The mandate of the law was clear:

> No person in the United States, shall on the basis of sex, be excluded from participation in, denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance.

Yet, when on June 18, 1974, the Secretary of HEW published the proposed regulations to implement title IX, we were presented with regulations which went far beyond federally assisted programs, touching every activity in an educational institution and every program and activity beyond the institution itself conducted in the academic community. Consequently, we now are faced with an attempt by HEW to regulate the membership practices of organizations which do not receive Federal funds and which merely use school facilities for meetings, social events and student benefit programs.

The title IX regulations as written extend to such groups as social honorary and service fraternities and sororities, mortarboard, and key clubs, all of which are traditionally single sex and which usually have male and female counterparts on the same campus. Further, the regulations prevent an educational institution from providing any service more than the occasional loan of a room to such groups as the American Association of University Women, the American League of Women Voters, Rotary, Lions, and Kiwanis. Is it possible that when Congress exempted from title IX the admissions practices of traditionally single sex public institutions of higher education, that at the same time it intended to force open the membership of the single sex organizations which serve such institutions? In some instances, in small towns for example, the local campus is the only place for these organizations to meet, have functions, conduct youth projects and athletic activities. Is Congress saying that assisting these organizations in some minute way will so taint the institutions that their eligibilty for Federal funds will be affected? What about community colleges which thrive on the intermingling of academic and community contacts? Will they be denied Federal funds?

With regard to the agreement reached by the conferees, although we have been successful in exempting from regulation the membership practices of social fraternities and sororities, which I hope would be interpreted to mean honorary and service as well—the YMCA and YWCA, Boy Scouts and Girl Scouts, and the Campfire Girls, we have neither touched nor even addressed ourselves to the problems of similar youth and adult service organizations. The restrictions placed upon the conferees by the Bayh amendment severely limited our consideration at this time, but the new Con-

gress must and shall deal thoroughly and effectively with the greater issues and problems presented by title IX. I support the conference report and will work to further correct HEW's mistakes and the law's vagueness next year.

Mr. Speaker, I am also pleased that included in this conference report are several major changes in the Buckley amendment dealing with student and parent rights to school records which should serve to clarify the confusion which had surrounded adoption of the Family Rights and Privacy Act in August as a section of the Education Amendments of 1974, Public Law 93-380.

With the adoption of these refinements, schools, colleges, and other educational institutions will now be better prepared to move ahead in implementing the act. I expect that our committee will carefully watch the experiences of both students and institutions as they operate under this section of Federal law, and we should hold hearings on the implementation of the law in the next Congress. I wish to express my thanks to those individuals and groups who have worked to develop perfecting amendments.

For the assistance of those interested in knowing exactly what the Federal law will be regarding student records, assuming Presidential signature of Senate Joint Resolution 40, I am inserting at the conclusion of these remarks the text of section 438 as amended by this joint resolution.

PROTECTION OF THE RIGHTS AND PRIVACY OF PARENTS AND STUDENTS

(As amended by S.J. Res. 40)

Sec. 438. (a)(1) No funds shall be made available under any applicable program to any educational agency or institution which has a policy of denying, or which effectively prevents, the parents of students who are or have been in attendance at a school of such agency or at such institution, as the case may be, the right to inspect and review the education records of their children. If any material or document in the education record of a student includes information on more than one student, the parents of one of such students shall have the right to inspect and review only such part of such material or document as relates to such student or to be informed of the specific information contained in such part of such material. Each educational agency or institution shall establish appropriate procedures for the granting of a request by parents for access to the education records of their children within a reasonable period of time, but in no case more than forty-five days after the request has been made.

(B) The first sentence of subparagraph (A) shall not operate to make available to students in institutions of postsecondary education the following materials:

(i) financial records of the parents of the student or any information contained therein;

(ii) confidential letters and statements of recommendation, which were placed in the education records prior to January 1, 1975, if such letters or statements are not used for purposes other than those for which they were specifically intended;

(iii) if the student has signed a waiver of the student's right of access under this subsection in accordance with subparagraph (C), confidential recommendations—

(I) respecting admission to any educational agency or institution,

(II) respecting an application for employment, and

(III) respecting the receipt of an honor or honorary recognition.

(C) A student or a person applying for admission may waive his right of access to confidential statements described in clause (iii) of subparagraph (B), except that such waiver shall apply to recommendations only if (i) the student is, upon request, notified of the names of all persons making confidential recommendations and (ii) in the case of recommendations described in such clause are used solely for the purpose for which they were specifically intended. Such waivers may not be required as a condition for admission to, receipt of financial aid from, or receipt of any other services or benefits from such agency or institution.

(2) No funds shall be made available under any applicable program to any educational agency or institution unless the parents of students who are or have been in attendance at a school of such agency or at such institution are provided an opportunity for a hearing by such agency or institution, in accordance with the regulations of the Secretary, to challenge the content of such student's education records, in order to insure that the records are not inaccurate, misleading, or otherwise in violation of the privacy or other rights of students, and to provide an opportunity for the correction or deletion of any such inaccurate, misleading, or otherwise inappropriate data contained therein and to insert into such records a written explanation of the parents respecting the content of such records.

(3) For the purposes of this section the term "educational agency or institution" means any public or private agency or institution which is the recipient of funds under any applicable program.

(4)(A) For the purposes of this section, the term "education records" means, except as may be provided otherwise in subparagraph (B), those records, files, documents, and other materials which—

(i) contain information directly related to a student; and

(ii) are maintained by an educational agency or institution, or by a person acting for such agency or institution.

(B) The term "education records" does not include—

(i) records of instructional, supervisory, and administrative personnel and educational personnel ancillary thereto which are in the sole possession of the maker thereof and which are not accessible or revealed to any other person except a substitute;

(ii) if the personnel of a law enforcement unit do not have access to education records under subsection (b)(1), the records and documents of such law enforcement unit which (I) are kept apart from records described in subparagraph (A), (II) are maintained solely for law enforcement purposes, and (III) are not made available to persons other than law enforcement officials of the same jurisdiction;

(iii) in the case of persons who are employed by an educational agency or institution but who are not in attendance at such agency or institution, records made and maintained in the normal course of business which relate exclusively to such person in that person's capacity as an employee and are not available for the use for any other purpose; or

(iv) records on a student who is eighteen years of age or older, or is attending an institution of postsecondary education, which are made or maintained by a physician, psychiatrist, psychologist, or other recognized professional or para-professional acting in his professional or para-professional capacity, or assisting that capacity, and which are made, maintained, or used only in connection with the provision of treatment to the student, and are not available to anyone other than persons providing such treatment except, that such records can be personally reviewed by a physician or other appropriate professional of the student's choice.

(5)(A) For the purposes of this section the term "directory information" relating to a student includes the following: the student's name, address, telephone listing, date and place of birth, major field of study, participation in officially recognized activities and sports, weight and height of members of athletic teams, dates of attendance, degrees and awards received, and the most recent previous educational agency or institution attended by the student.

(B) Any educational agency or institution making public directory information shall give public notice of the categories of information which it has designated as such information with respect to each student attending the institution or agency and shall allow a reasonable period of time after such notice has been given for a parent to inform the institution or agency that any or all of the information designated should not be released without the parent's prior consent.

(6) For the purposes of this section, the term "student" includes any person with respect to whom an educational agency or institution maintains education records or personally identifiable information, but does not include a person who has not been in attendance at such agency or institution.

(b)(1) No funds shall be made available under any applicable program to any educational agency or institution which has a policy or practice of permitting the release of education records (or personally identifiable information contained therein other than directory information, as defined in paragraph (5) of subsection (a)) of students without the written consent of their parents to any individual, agency, or organization, other than to the following—

(A) other school officials, including teachers within the educational institution or local educational agency who have been determined by such agency or institution to have legitimate educational interests;

(B) officials of other schools or school systems in which the student seeks or, intends to enroll, upon condition that the student's parents be notified of the transfer, receive a copy of the record if desired, and have an opportunity for a hearing to challenge the content of the record;

(C) authorized representatives of (i) the Comptroller General of the United States, head of an education agency (as defined in (ii) the Secretary, (iii) an administrative head of an education agency (as defined in section 408(c) of this Act), or (iv) State educational authorities, under the conditions set forth in paragraph (3) of this subsection; and

(D) in connection with a student's application for, or receipt of, financial aid;

(E) State and local officials or authorities to which such information is specifically required to be reported or disclosed pursuant to State statute adopted prior to November 19, 1974;

(F) organizations conducting studies for, or on behalf of, educational agencies or institutions for the purpose of developing, validating, or administering predictive tests, improving instruction, if such studies are conducted in such a manner as will not permit the personal identification of students and their parents by persons other than representatives of such organizations and such information will be destroyed when no longer needed for the purpose for which it is conducted;

(G) accrediting organizations in order to carry out their accrediting functions;

(H) parents of a dependent student of such parents, as defined in section 152 of the Internal Revenue Code of 1954; and

(I) subject to regulations of the Secretary in connection with an emergency, appropri-

ate persons if the knowledge of such information is necessary to protect the health or safety of the student or other persons.

Nothing in clause (E) of this paragraph shall prevent a State from further limiting the number or type of State or local officials who will continue to have access thereunder.

(2) No funds shall be made available under any applicable program to any education agency or institution which has a policy or practice of releasing, or providing access to, any personally identifiable information in education records other than directory information, or as is permitted under paragraph (1) of this subsection unless—

(A) there is written consent from the student's parents specifying records to be released, the reasons for such release, and to whom, and with a copy of the records to be released to the student's parents and the student if desired by the parents, or

(B) such information is furnished in compliance with judicial order, or pursuant to any lawfully issued subpoena, upon condition that parents and the students are notified of all such orders or subpoenas in advance of the compliance therewith by the educational institution or agency.

(3) Nothing contained in this section shall preclude authorized representatives of (A) the Comptroller General of the United States, (B) the Secretary, (C) an administrative head of an education agency or (D) State educational authorities from having access to student or other records which may be necessary in connection with the audit and evaluation of Federally supported education programs, or in connection with the enforcement of the Federal legal requirements which relate to such programs: *Provided,* That except when collection of personally identifiable information is specifically authorized by Federal law, any data collected by such officials shall be protected in a manner which will not permit the personal identification of students and their parents by other than those officials, and such personally identifiable data shall be destroyed when no longer needed for such audit, evaluation, and enforcement of Federal legal requirements.

(4)(A) Each educational agency or institution shall maintain a record, kept with the education records of each student, which will indicate all individuals (other than those specified in paragraph (1)(A) of this subsection), agencies, or organizations which have requested or obtained access to a student's education records maintained by such educational agency or institution, and which will indicate specifically the legitimate interest that each such person, agency, or organization has in obtaining this information. Such record of access shall be available only to parents, to the school official and his assistants who are responsible for the custody of such records, and to persons or organizations authorized in, and under the conditions of, clauses (A) and (C) of paragraph (1) as a means of auditing the operation of the system.

(B) With respect to this subsection, personal information shall only be transferred to a third party on the condition that such party will not permit any other party to have access to such information without the written consent of the parents of the student.

(c) The Secretary shall adopt appropriate regulations to protect the rights of privacy of students and their families in connection with any surveys or data-gathering activities conducted, assisted, or authorized by the Secretary or an administrative head of an education agency. Regulations established under this subsection shall include provisions controlling the use, dissemination, and protection of such data. No survey or data-gathering activities shall be conducted by the Secretary, or an administrative head of an education of an education agency under an applicable program, unless such activities are authorized by law.

(d) For the purpose of this section, whenever a student has attained eighteen years of age, or is attending an institution of postsecondary education the permission or consent required or and the rights accorded to the parents of the student shall thereafter only be required of and accorded to the student.

(e) No funds shall be made available under any applicable program to any educational agency or institution unless such agency or institution informs the parents of students, or the students, if they are eighteen years of age or older, or are attending an institution of postsecondary education, of the rights accorded them by this section.

(f) The Secretary, or an administrative head of an education agency, shall take appropriate actions to enforce provisions of this section and to deal with violations of this section, according to the provisions of this Act, except that action to terminate assistance may be taken only if the Secretary finds there has been a failure to comply with the provisions of this section, and he has determined that compliance cannot be secured by voluntary means.

(g) The Secrettary shall establish or designate an office and review board within the Department of Health, Education, and Welfare for the purpose of investigating, processing, reviewing, and adjudicating violations of the provisions of this section and complaints which may be filed concerning alleged violations of this section. Except for the conduct of hearings, none of the functions of the Secretary under this section shall be carried out in any of the regional offices of such Department.

I think all of these amendments are good and necessary. I urge the adoption of the conference report.

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Speaker, I thank the gentleman for yielding.

I would like to direct a question to the gentleman on the Committee on Education and Labor, on the Buckley amendment.

Mr. QUIE. I yield to the gentleman from Wisconsin for a question to the gentleman from Kentucky.

Mr. STEIGER of Wisconsin. I thank the gentleman for yielding.

When defining "educational record," that is, materials which are to be held in confidence, unless prior approval is obtained for release, the conferees have excluded: "records of instructional, supervisory, and administrative personnel ancillary thereto which are in the sole possession of the maker thereof and which are not accessible or revealed to any other person except a substitute;"

I presume this is to be narrowly construed so that only those materials used solely by the person preparing them, or an appropriate substitute, are exempt. Is my interpretation correct?

Mr. QUIE. Mr. Speaker, I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Speaker, the gentleman's interpretation is correct.

This is a very narrow exclusion to cover materials such as an instructor's notes to himself, and the like, not, for example, an instructor's notes to someone else.

Mr. STEIGER of Wisconsin. Mr. Speaker, I thank the gentleman and I thank the chairman.

Mr. BRADEMAS. Mr. Speaker, I rise in strong support of the conference report on Senate Joint Resolution 40, authorizing a White House Conference on Library and Information Services and for other purposes, and urge my colleagues to join in approving it.

Mr. Speaker, the gentleman from Kentucky, the distinguished chairman of the Committee on Education and Labor, Mr. PERKINS, as well as the gentleman from Minnesota, the distinguished ranking minority member of the committee, Mr. QUIE, and I have labored diligently to see that the conference report closely mirrors the House-passed bill.

My colleagues will recall that on December 12, the House gave overwhelming approval to Senate Joint Resolution 40 by a vote of 258 to 81, with one Member voting present. The conference report retains most of the major House provisions.

The House-passed bill, for example, authorized $3 million for the White House conference, while the Senate provided for $10 million. The conference report authorizes $3.5 million.

The Senate bill provided that the conference be composed of members of the general public, and the House included public officials as well. The Senate has receded to the House on these provisions, and has receded, also, on the provisions relating to the composition of the Advisory Committee of the White House Conference.

Mr. Speaker, let me point out that the House bill provided for holding the conference in 1977 with 1978 in the Senate-passed bill. Because the House date is only 1 year away, the conferees agreed that the White House conference should be held no later than 1978.

Finally, Mr. Speaker, I want to just note that the Senate has receded to the House provisions requiring that the printing of documents from the conference, and related work such as binding, be carried out by the Government Printing Office.

Mr. Speaker, the conference report contains two Senate amendments not included in the original legislation approved by the House.

One of the Senate amendments provides an exemption from the sex discrimination provisions of title IX of the Education Amendments of 1972 for youth service organizations such as the Girl Scouts and Boy Scouts. The same exemption is also provided to college fraternities and sororities. None of these organizations was intended by Congress to be included within the coverage of title IX, and the amendment makes clear to the Department of Health, Education, and Welfare that they are not to be treated as if they were included.

I am happy to add, Mr. Speaker, that this amendment was offered by my distinguished colleague and friend, the junior Senator from Indiana (Mr. BAYH), whose dedication to the concept of equal

opportunity is second to none in the Congress.

The second Senate amendment is intended to clear up various ambiguities and errors in the Family Educational Rights and Privacy Act, the so-called "Buckley Amendment" to the Education Amendments of 1974.

I am compelled to say, Mr. Speaker, that I am not entirely convinced that the amendments to the Family Educational Rights and Privacy Act contained in this report are sufficient to remedy all of the anomalies which may arise under that legislation. The original act was added as a floor amendment during Senate consideration of the elementary and secondary education bill earlier this year and, like the amendment contained in this report, has never been the subject of hearings or committee consideration in either body.

Since the original measure was signed into law, the act has had a number of effects not contemplated by its sponsors, particularly in its application to institutions of postsecondary education.

I would hope, Mr. Speaker, that hearings in both bodies will be held in the new Congress to consider any additional problems not resolved by the amendments contained in the report considered today.

Mr. Speaker, to return to the original purpose of Senate Joint Resolution 40, the White House Conference on Library and Information Services it authorizes can prove to be of enormous importance to the future directions of libraries and information science in our society.

I urge my colleagues to support this conference report.

I want also to include in the RECORD an editorial on the Family Educational Rights and Privacy Act from this morning's Washington Post.

The editorial makes the point that while the objectives of the act are clearly laudable, this is a matter "more complicated than it first appeared." The editorial follows:

SECOND THOUGHTS ABOUT SCHOOL RECORDS

Sen. James L. Buckley (R-Cons.-N.Y.) has found out recently that opening up school records is more complicated than it first appeared. The senator's original proposal, approved in modified form as a floor amendment to this year's big education bill, limits the uses of school records about individual students and gives parents—and students themselves, if they are 18 years of age or in college—the right to inspect and correct those files. When many educators belatedly focused on the law, they found much which they said was vague or objectionable, and some universities even took steps to make some files unavailable for student review. In response to such opposition, Sen. Buckley and Sen. Claiborne Pell (D-R.I.), chairman of the Senate education subcommittee, fashioned another floor amendment which has been tacked onto a minor libraries bill. If President Ford signs the bill, an important due-process law will have been enacted and amended without a minute of public hearings or formal committee debate in either house.

Aside from the procedural shortcuts employed, there is considerable merit to the Buckley-Pell amendment just advanced. In large part the new language clarifies and improves the original law. Some critics had charged, for instance, that the act would keep schools from disclosing the heights and weights of football players. Sens. Buckley and Pell agree that isn't so. To meet a more serious potential problem, the senators decided that college students should not be permitted to look at financial data which their parents submit in applying for aid. Similarly, the senators recognized that it may not always be wise to disclose medical or psychological records to students undergoing treatment. The new amendment provides for disclosure of such information to a physician of the student's choice.

The future status of letters and statements of recommendation is the issue causing the greatest fuss on college campuses. Until now, the confidentiality of such recommendations has generally been assumed. To let students see evaluations already made, many educators argue, would violate the privacy of those who wrote the comments. To open such files in the future, they assert, would reduce written recommendations to meaningless platitudes and make the academic community use other methods—probably phone calls—to convey the candid assessments involved in decisions on admissions, employment and academic honors. Harvard University, for one, feels so strongly about this that past letters of recommendation are being removed from students' files and returned to the writers. The most dramatic result of this purging process has been the discovery of a case of forgery by a student—but that's another story.

It is one thing to maintain that past pledges of confidentiality should be respected. That is a reasonable and persuasive view. But it is something else to argue that the whole system of private communications about students should not be changed. Professors, like managers in the business world, may not enjoy the prospect of criticizing those under them face-to-face. The change may be doubly traumatic for faculty members because other forces, primarily equal opportunity laws, have already brought so many challenges to the traditional methods of evaluating people in the academic world. But if those methods are so fragile or capricious that they can't stand scrutiny, there is no stronger argument for change.

The Buckley-Pell amendment sets an inconclusive course. Students may not inspect confidential recommendations already in their files or placed there by Jan. 1. Thereafter, students may waive the right of access to specific types of evaluations but may not be compelled to do so. No doubt many students will assert their rights—and faculty members should respond with candor and good faith. The purpose of disclosure, after all, is not simply to let a student find out what his professors think of him. The broader goal is to discourage arbitrary, unreasonable and unfair evaluations and thus to make the entire system of educational decision-making more reliable and trustworthy than before.

The SPEAKER. Without objection, the previous question is ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

INDIAN SELF-DETERMINATION AND EDUCATION ASSISTANCE ACT

Mr. MEEDS. Mr. Speaker, I call up the Senate 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 programs and services conducted by the Federal Government for Indians and to encourage the development of the human resources of the Indian people; to establish a program of assistance to upgrade Indian education; to support the right to Indian citizens to control their own educational activities; to train professionals in Indian education; to establish an Indian youth intern program; and for other purposes, and I ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1017

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 "Indian Self Determination and Education Assistance Act".

CONGRESSIONAL FINDINGS

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

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

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

(b) The Congress further finds that—

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

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

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

DECLARATION OF POLICY

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

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

(c) The Congress declares that a major na-

tional goal of the United States is to provide the quantity and quality of educational services and opportunities which will permit Indian children and adults to complete and excel in the life areas of their choice, and to achieve the measure of self-determination essential to their social and economic well being.

DEFINITIONS

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

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

(b) "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village as defined in the Alaska Native Claims Settlement Act (85 Stat. 688), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians;

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

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

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

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

TITLE I—THE INDIAN SELF-DETERMINATION ACT

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

CONTRACTS BY THE SECRETARY OF THE INTERIOR

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

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

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

CONTRACTS BY THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

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

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

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

GRANTS TO INDIAN TRIBAL ORGANIZATIONS

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

DETAIL OF PERSONNEL

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

"(C) any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village as defined in the Alaska Native Claims Settlement Act (85 Stat. 688), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians."

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

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

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

"ADMINISTRATIVE PROVISIONS

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

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

(c) Any contract requested by a tribe pursuant to sections 102 and 103 of this Act shall be for a term not to exceed one year unless the appropriate Secretary determines that a longer term would be advisable: *Provided*, That such term may not exceed three years and shall be subject to the availability of appropriations: *Provided, further*, That the amount of such contracts may be renegotiated annually to reflect factors, including but not limited to cost increases, beyond the control of a tribal organization.

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

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

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

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

SEC. 107. (a) The Secretaries of the Interior and of Health, Education, and Welfare are each authorized to perform any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying out of the provisions of this title.

(b) (1) Within six months from the date of enactment of this Act, the Secretary of the Interior and the Secretary of Health, Education, and Welfare shall, to the exent practicable, consult with national and regional Indian organizations to consider and formulate appropriate rules and regulations to implement the provisions of this title.

(2) Within seven months from the date of enactment of this Act, the Secretary of the Interior and the Secretary of Health, Education, and Welfare shall present the proposed rules and regulations to the Committees on Interior and Insular Affairs of the United States Senate and House of Representatives.

(3) Within eight months from the date of enactment of this Act, the Secretary of the Interior and the Secretary of Health, Education, and Welfare shall publish proposed rules and regulations in the Federal Register for the purpose of receiving comments from interested parties.

(4) Within ten months from the date of enactment of this Act, the Secretary of the Interior and the Secretary of Health, Education, and Welfare shall promulgate rules and regulations to implement the privisions of this title.

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

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

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

SEC. 110. Nothing in this Act shall be construed as—

(1) affecting, modifying, diminishing, or otherwise impairing the sovereign immunity from suit enjoyed by any Indian tribe; or

(2) authorizing or requiring the termination of any existing trust responsibility of the United States with respect to the Indian people.

TITLE II—THE INDIAN EDUCATION ASSISTANCE ACT

SEC. 201. This title may be cited as the "Indian Education Assistance Act".

PART A—EDUCATION OF INDIANS IN PUBLIC SCHOOLS

SEC. 202. The Act of April 16, 1934 (48 Stat. 596), as amended, is further amended by adding at the end thereof the following new sections:

"SEC. 4. The Secretary of the Interior shall not enter into any contract for the education of Indians unless the prospective contractor has submitted to, and has had approved by the Secretary of the Interior, an education plan, which plan, in the determination of the Secretary, contains educational objectives which adequately address the educational needs of the Indian students who are to be beneficiaries of the contract and assures that the contract is capable of meeting such objectives.

"SEC. 5. (a) Whenever a school district affected by a contract or contracts for the education of Indians pursuant to this Act has a local school board not composed of a majority of Indians, the parents of the Indian children enrolled in the school or schools affected by such contract or contracts shall elect a local committee from among their number. Such committee shall fully participate in the development of, and shall have the authority to approve or disapprove programs to be conducted under such contract or contracts, and shall carry out such other duties, and be so structured, as the Secretary of the Interior shall by regulation provide: *Provided, however,* That, whenever a local Indian committee or committees established pursuant to section 305(b)(2)(B)(ii) of the Act of June 23, 1972 (86 Stat. 235) or an Indian advisory school board or boards established pursuant to this Act prior to the date of enactment of this section exists in school district, such committee or board may, in the discretion of the affected tribal governing body or bodies, be utilized for the purposes of this section.

"(b) The Secretary of the Interior may, in his discretion, revoke any contract if the contractor fails to permit a local committee to perform its duties pursuant to subsection (a).

"SEC. 6. Any school district educating Indian students who are members of recognized Indian tribes, who do not normally reside in the State in which such school district is located, and who are residing in Federal boarding facilities for the purposes of attending public schools within such district may, in the discretion of the Secretary of the Interior, be reimbursed by him for the full per capita costs of educating such Indian students.

"SEC. 7. There are hereby authorized to be appropriated for the education of Indians pursuant to this Act $65,000,000 for each of the fiscal years 1975 and 1976."

SEC. 203. After conferring with persons competent in the field of Indian education, the Secretary, in consultation with the Secretary of Health, Education, and Welfare, shall prepare and submit to the Committees on Interior and Insular Affairs of the United States Senate and House of Representatives not later than October 1, 1974, *1975,* a report which shall include—

(1) a comprehensive analysis of the Act of April 16, 1934 (48 Stat. 596), as amended, including—

(A) factors determining the allocation of funds for the special or supplemental educational programs of Indian students and current operating expenditures;

(B) the relationship of the Act of April 16, 1934 (48 Stat. 596), as amended, to—

(i) title I of the Act of September 30, 1950 (64 Stat. 1100), as amended; and

(ii) the Act of April 11, 1965 (79 Stat. 27), as amended; and

(iii) title IV of the Act of June 23, 1972 (86 Stat. 235); and

(iv) the Act of September 23, 1950 (72 Stat. 548), as amended;

(2) a specific program to meet the special educational needs of Indian children who attend public schools. Such program shall include, but need not be limited to, the following:

(A) a plan for the equitable distribution of funds to meet the special or supplemental educational needs of Indian children and, where necessary, to provide general operating expenditures to schools and school districts educating Indian children; and

(B) an estimate of the cost of such program;

(3) detailed legislative recommendations to implement the program prepared pursuant to clause (2); and

(4) a specific program, together with detailed legislative recommendations, to assist the development and administration of Indian-controlled community colleges.

PART B—PREPARATION OF PROFESSIONALS IN INDIAN EDUCATION

SEC. 204. (a) The Secretary is authorized to establish and carry out a program of making grants, to, and contracts with, institutions of higher education and other public, private nonprofit organizations or agencies, or Indian tribes or tribal organizations with relevant experience and expertise in order to provide fellowship and carry out programs and projects to—

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

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

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

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

SEC. 205. For the purpose of making grants or contracts pursuant to this part B there is authorized to be appropriated $10,000,000 for the fiscal year after the enactment of this Act, and $15,000,000 for each of the next two succeeding fiscal years.

PART C—SCHOOL CONSTRUCTION

SEC. 206. (a) The Secretary is authorized to enter into a contract or contracts with any State education agency or school district for the purpose of assisting such agency or district in the acquisition of sites for, or the construction, acquisition, or renovation of facilities (including all necessary equipment) in school districts on or adjacent to or in close proximity to any Indian reservation or other lands held in trust by the United States for Indians, if such facilities are necessary for the education of Indians residing on any such reservation or lands.

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

(c) The Secretary may expend not more than 25 per centum of such funds as may be authorized and appropriated pursuant to this part C on any school eligible to receive funds under section 218 of this Act.

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

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

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

(e) The Secretary shall consult with the entity designated pursuant to section 5 of the Act of April 16, 1934 (48 Stat. 596), as amended by this Act, and with the governing body of any Indian tribe or tribes the educational opportunity for the members of which will be significantly affected by any contract entered into pursuant to this section. Such consultation shall be advisory only, but shall occur prior to the entering into of any such contract. The foregoing provisions of this subsection shall not be applicable where the application for a contract pursuant to this section is submitted by an elected school board of which a majority of its members are Indians.

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

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

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

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

(3) projections of the Secretary of future construction needs of the public schools serving Indian children residing on or adjacent to Indian reservations;

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

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

(h) For the purpose of carrying out the provisions of this section, there is authorized to be appropriated the sum of $35,000,000 for the fiscal year ending June 30, 1975; $35,000,000 for each of the four succeeding fiscal years; and thereafter, such sums as may be necessary, all of such sums to remain available until expended.

PART D—YOUTH INTERN PROGRAM

SEC. 207. In order to provide meaningful and career related work opportunities for Indian youth who are not enrolled in educational programs during the summer months, the Secretary is authorized to establish and carry out an Indian youth intern program for any Indian sixteen years of age or older who is regularly enrolled in secondary school, vocational school, or higher education program during usual school terms.

SEC. 208. (a) In establishing and administering the Indian youth intern program, the Secretary shall designate or recognize community service fields including those related to education, child development, recreation, law, health services, engineering, research, science, government, agriculture and forestry, business and commerce, and other appropriate pursuits, which can provide useful experience to Indian youth in exploring and participating in activities related to their future choices of possible careers.

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

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

SEC. 209. In establishing and carrying out the Indian youth intern program, the Secretary shall take such action as may be necessary to assure that—

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

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

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

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

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

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

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

SEC. 210. For the purpose of carrying out the provisions of this part D, there is hereby authorized to be appropriated $10,000,000 for the first fiscal year after the enactment of this Act, and $15,000,000 for each of the next two succeeding fiscal years.

PART E—EDUCATIONAL RESEARCH AND DEVELOPMENT

SEC. 211. (a) The Secretary is authorized to make grants to and contracts with universities and colleges and other public and private nonprofit agencies, institutions, and organizations, and to and with individuals for research, surveys, and demonstrations in the field of Indian education and for the dissemination of information derived from such research, surveys, and demonstrations.

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

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

SEC. 212. For the purposes of carrying out the provisions of this part E, there is hereby authorized to be appropriated $2,000,000 for the first fiscal year after enactment of this Act, and $3,000,000 for each of the next two succeeding fiscal years.

PART F—ADULT, VOCATIONAL, AND EARLY CHILDHOOD EDUCATION

SEC. 213. After consultation with persons competent in the appropriate field of education, which persons shall include Indians who are not employees of the Federal Government, the Secretary shall present to the Ninety-fourth Congress, within sixty days of the convening thereof—

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

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

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

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

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

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

SEC. 214. For the purpose of carrying out the provisions of this part F, there is hereby authorized to be appropriated $750,000 for the first fiscal year after the enactment of this Act.

PART C—GENERAL PROVISIONS

SEC. 215. No funds from any grant or contract pursuant to this title shall be made available to any school district unless the Secretary is satisfied that the quality and standard of education, including facilities and auxiliary services, for Indian students enrolled in the school of such district are at least equal to that provided all other students from resources, other than resources provided in this title, available to the local school district.

SEC. 216. No funds from any contract or grant pursuant to this title except as provided in part B shall be made available by any Federal agency directly to other than public agencies and Indian tribes, institutions, and organizations: *Provided,* That school districts, State education agencies, and Indian tribes, institutions, and organizations assisted by this title may use funds provided herein to contract for necessary services with any appropriate individual, organization, or corporation.

SEC. 217. (a)(1) Within six months from the date of enactment of this Act, the Secretary shall, to the extent practicable, consult with national and regional Indian organizations with experiences in Indian education to consider and formulate appropriate rules and regulations to implement the provisions of this title.

(2) Within seven months from the date of enactment of this Act, the Secretary shall present the proposed rules and regulations to the Committees on Interior and Insular Affairs of the United States Senate and House of Representatives.

(3) Within eight months from the date of enactment of this Act, the Secretary shall publish proposed rules and regulations in the Federal Register for the purpose of receiving comments from interested parties.

(4) Within ten months from the date of enactment of this Act, the Secretary shall promulgate rules and regulations to implement the provisions of this title.

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

SEC. 218. The Secretary is authorized and directed to provide funds, pursuant to this Act; the Act of April 16, 1934 (48 Stat. 596), as amended; or any other authority granted by him to any tribe or tribal organizational which controls and manages any previously private school. The Secretary shall transmit annually to the Committees on Interior and Insular Affairs of the United States Senate and House of Representatives a report on the educational assistance program conducted pursuant to this section.

SEC. 219. The assistance provided in this Act for the education of Indians in the public schools of any State is in addition and supplemental to assistance provided under title IV of the Act of June 23, 1972 (86 Stat. 235).

Amend the title so as to read: "An Act to provide maximum Indian participation in the Government and education of the Indian people; to provide for the full participation of Indian tribes in programs and services conducted by the Federal Government for Indians and to encourage the development of human resources of the Indian people; to establish a program of assistance to upgrade Indian education; to support the right of Indian citizens to control their own educational activities; and for other purposes."

Mr. MEEDS (during the reading). Mr. Speaker, I ask unanimous consent that the Senate bill be considered as read and printed in the RECORD.

The SPEAKER Is there objection to the request of the gentleman from Washington?

There was no objection.

With the following committee amendments:

S. 1017

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 "Indian Self-Determination and Education Assistance Act".

CONGRESSIONAL FINDINGS

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

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

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

(b) The Congress further finds that—

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

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

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

DECLARATION OF POLICY

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

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

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

DEFINITIONS

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

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

(b) "Indian Tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (85 Stat. 688) which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians;

(c) "Tribal organization" means the recognized governing body of any Indian tribe; any legally established organization of Indians which is controlled, sanctioned, or chartered by such governing body or which is democratically elected by the adult members of the Indian community to be served by such organization and which includes the maximum participation of Indians in all phases of its activities: *Provided,* That in any case where a contract is let or grant made to an organization to perform services benefitting more than one Indian tribe, the approval of each such Indian tribe shall be a prerequisite to the letting or making of such contract or grant;

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

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

REPORTING AND AUDIT REQUIREMENTS

SEC. 5 (a) Each recipient of Federal financial assistance from the Secretary of Interior or the Secretary of Health, Education, and Welfare, under this Act, shall keep such records as the appropriate Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the cost of the project or undertaking in connection with which such assistance is given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Comptroller General and the ap-

propriate Secretary, or any of their duly authorized representatives, shall, until the expiration of three years after completion of the project or undertaking referred to in the preceding subsection of this section, have access (for the purpose of audit and examination) to any books, documents, papers, and records of such recipients which in the opinion of the Comptroller General or the appropriate Secretary may be related or pertinent to the grants, controls, subcontracts, subgrants, or other arrangements referred to in the preceding subsection.

(c) Each recipient of Federal financial assistance referred to in subsection (a) of this section shall make such reports and information available to the Indian people served or represented by such recipient as and in a manner determined to be adequate by the appropriate Secretary.

(d) Any funds paid to a financial assistance recipient referred to in subsection (a) of this section and not expended or used for the purposes for which paid shall be repaid to the Treasury of the United States.

PENALTIES

SEC. 6. Whoever, being an officer, director, agent, or employee of, or connected in any capacity with, any recipient of a contract, subcontract, grant, or subgrant pursuant to this Act or the Act of April 16, 1934 (48 Stat. 596), as amended, embezzles, willfully misapplies, steals, or obtains by fraud any of the money, funds, assets, or property which are the subject of such a grant, subgrant, contract, or subcontract, shall be fined not more than $10,000 or imprisoned for not more than two years, or both, but if the amount so embezzled, misapplied, stolen, or obtained by fraud does not exceed $100, he shall be fined not more than $1,000 or imprisoned not more than one year, or both.

WAGE AND LABOR STANDARDS

SEC. 7. (a) All laborers and mechanics employed by contractors of subcontractors in the construction, alteration, or repair, including painting or decorating of buildings or other facilities in connection with contracts or grants entered into pursuant to this Act, shall be paid wages at 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 of March 3, 1931 (46 Stat. 1494), as amended. With respect to construction, alteration, or repair work to which the Act of March 3, 1921 is applicable under the terms of this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 13, 1934 (48 Stat. 948, 40 U.S.C. 276c).

(b) Any contract, subcontract, grant, or subgrant pursuant to this Act, the Act of April 16, 1934 (48 Stat. 596), as amended, or any other Act authorizing Federal contracts with or grants to Indian organizations or for the benefit of Indians, shall require that to the greatest extent feasible—

(1) preferences and opportunities for training and employment in connection with the administration of such contracts or grants shall be given to Indians; and

(2) preference in the award of subcontracts and subgrants in connection with the administration of such contracts or grants shall be given to Indian organizations and to Indian-owned economic enterprises as defined in section 3 of the Indian Financing Act of 1974 (88 Stat. 77).

CARRYOVER OF FUNDS

SEC. 8. The provisions of any other laws to the contrary notwithstanding, any funds appropriated pursuant to the Act of November 2, 1921 (42 Stat. 208), for any fiscal year which are not obligated and expended prior to the beginning of the fiscal year succeeding the fiscal year for which such funds were appropriated shall remain available for obligation and expenditure during such succeeding fiscal year.

TITLE I—INDIAN SELF-DETERMINATION ACT

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

CONTRACTS BY THE SECRETARY OF THE INTERIOR

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

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

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

CONTRACTS BY THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

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

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

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

GRANTS TO INDIAN TRIBAL ORGANIZATIONS

SEC. 104. (a) The Secretary of the Interior is authorized, upon the request of any Indian tribe (from funds appropriated for the benefit of Indians pursuant to the Act of November 2, 1921 (42 Stat. 208), and any Act subsequent thereto) to contract with or make a grant or grants to any tribal organization for—

(1) the strengthening or improvement of tribal government (including, but not limited to, the development, improvement, and administration of planning, financial management, or merit personnel systems; the improvement of tribally funded programs or activities; or the development, construction, improvement, maintenance, preservation, or operation of tribal facilities or resources);

(2) the planning, training, evaluation of other activities designed to improve the capacity of a tribal organization to enter into a contract or contracts pursuant to section 102 of this Act and the additional costs associated with the initial years of operation under such a contract or contracts;

(3) the acquisition of land in connection with items (1) and (2) above: *Provided*, That in the case of land within reservation boundaries or which adjoins on at least two sides lands held in trust by the United States for the tribe or for individual Indians, the Secretary of Interior may (upon request of the tribe) acquire such land in trust for the tribe; or

(4) the planning, designing, monitoring, and evaluating of Federal programs serving the tribe.

(b) The Secretary of Health, Education, and Welfare may, in accordance with regulations adopted pursuant to section 107 of this Act, make grants to any Indian tribe or tribal organization for—

(1) the development, construction, operation, provision, or maintenance of adequate health facilities or services including the training of personnel for such work, from funds appropriated to the Indian Health Service for Indian health services or Indian health facilities; or

(2) planning, training, evaluation or other activities designed to improve the capacity of a tribal organization to enter into a contract or contracts pursuant to section 103 of this Act.

(c) The provisions of any other Act notwithstanding, any funds made available to a tribal organization under grants pursuant to this section may be used as matching shares for any other Federal grant programs which contribute to the purposes for which grants under this section are made.

PERSONNEL

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

"(C) any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village as defined in the Alaska Native Claims Settlement Act (85 Stat. 688), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians and includes any tribal organization as defined in section 4(c) of the Indian Self-Determination and Education Assistance Act."

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

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

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

(d) Section 502 of the Intergovernmental Personnel Act of 1970 (84 Stat. 1909, 1925) is amended—

(1) by deleting the word "and" after paragraph (3);

(2) by deleting the period after paragraph (4) and inserting in lieu thereof a semicolon and the word "and"; and

(3) by adding at the end thereof the following new paragraph:

"(5) Notwithstanding the population requirements of section 203(a) and 303(c) of this Act, a 'local government' and a 'general local government' also mean the recognized governing body of an Indian tribe, band, pueblo, or other organized group or community, including any Alaska Native village, as defined in the Alaska Native Claims Settlement Act (85 Stat. 688), which performs substantial governmental functions. The requirements of sections 203(c) and 303(d) of this Act, relating to reviews by the Governor of a State, do not apply to grant applications from the governing body of an Indian tribe, although nothing in this Act is intended to discourage or prohibit voluntary communication and cooperation between Indian tribes and State and local governments."

(e) Notwithstanding any other law, executive order, or administrative regulation, an employee serving under an appointment not limited to one year or less who leaves Federal employment to be employed by a tribal organization on or before December 31, 1985, in connection with governmental or other activities which are or have been performed by employees in or for Indian communities is entitled, if the employee and the tribal organization so elect, to the following:

(1) To retain coverage, rights, and benefits under subchapter I of chapter 81 ("Compensation for Work Injuries") of title 5, United States Code, and for this purpose his employment with the tribal organization shall be deemed employment by the United States. However, if an injured employee, or his dependents in case of his death, receives from the tribal organization any payment (including an allowance, gratuity, payment under an insurance policy for which the premium is wholly paid by the tribal organization, or other benefit of any kind) on account of the same injury or death, the amount of that payment shall be credited against any benefit payable under subchapter I of chapter 81 of title 5, United States Code, as follows:

(A) payments on account of injury or disability shall be credited against disability compensation payable to the injured employee; and

(B) payments on account of death shall be credited against death compensation payable to dependents of the deceased employee.

(2) To retain coverage, rights, and benefits under chapter 83 ("Retirement") of title 5, United States Code, if necessary employee deductions and agency contributions in payment for coverage, rights, and benefits for the period of employment with the tribal organization are currently deposited in the Civil Service Retirement and Disability Fund (section 8348 of title 5, United States Code); and the period during which coverage, rights, and benefits are retained under this paragraph is deemed creditable service under section 8332 of title 5, United States Code. Days of unused sick leave to the credit of an employee under a formal leave system at the time the employee leaves Federal employment to be employed by a tribal organization remain to his credit for retirement purposes during covered service with the tribal organization.

(3) To retain coverage, rights, and benefits under chapter 89 ("Health Insurance") of title 5, United States Code, if necessary employee deductions and agency contributions in payment for the coverage, rights, and benefits for the period of employment with the tribal organization are currently deposited in the Employee's Health Benefit Fund (section 8909 of title 5, United States Code); and the period during which coverage, rights, and benefits are retained under this paragraph is deemed service as an employee under chapter 89 of title 5, United States Code.

(4) To retain coverage, rights, and benefits under chapter 87 ("Life Insurance") of title 5, United States Code, if necessary employee deductions and agency contributions in payment for the coverage, rights, and benefits for the period of employment with the tribal organizations are currently deposited in the Employee's Life Insurance Fund (section 8714 of title 5, United States Code); and the period during which coverage, rights, and benefits are retained under this paragraph is deemed service as an employee under chapter 87 of title 5, United States Code.

(f) During the period an employee is entitled to the coverage, rights, and benefits pursuant to the preceding subsection, the tribal organization employing such employee shall deposit currently in the appropriate funds the employee deductions and agency contributions required by paragraphs (2), (3), and (4) of such preceding subsection.

(g) An employee who is employed by a tribal organization under subsection (e) of this section and such tribal organization shall make the election to retain the coverages, rights, and benefits in paragraphs (1), (2), (3), and (4) of such subsection (e) before the date of his employment by a tribal organization. An employee who is employed by a tribal organization under subsection (e) of this section shall continue to be entitled to the benefits of such subsection if he is employed by another tribal organization to perform service in activities of the type described in such subsection.

(h) For the purposes of subsections (e), (f), and (g) of this section, the term "employee" means an employee as defined in section 2105 of title 5, United States Code.

(i) The President may prescribe regulations necessary to carry out the provisions of subsections (e), (f), (g), and (h) of this section and to protect and assure the compensation, retirement, insurance, leave, reemployment rights, and such other similar civil service employment rights as he finds appropriate.

(j) Anything in sections 205 and 207 of title 18, United States Code to the contrary notwithstanding, officers and employees of the United States assigned to an Indian tribe as authorized under section 3372 of title 5, United States Code, or section 2072 of the Revised Statutes (25 U.S.C. 48) and former officers and employees of the United States employed by Indian tribes may act as agents or attorneys for or appear on behalf of such tribes in connection with any matter pending before any department, agency, court, or commission, including any matter in which the United States is a party or has a direct and substantial interest: *Provided*, That each such officer or employee or former officer or employee must advise in writing the head of the department, agency, court, or commission with which he is dealing or appearing on behalf of the tribe of any personal and substantial involvement he may have had as an officer or employee of the United States in connection with the matter involved.

ADMINISTRATIVE PROVISIONS

SEC. 106. (a) Contracts with tribal organizations pursuant to sections 102 and 103 of this Act shall be in accordance with all Federal contracting laws and regulations except that, in the discretion of the appropriate Secretary, such contracts may be negotiated without advertising and need not conform with the provisions of the Act of August 24, 1935 (49 Stat. 793), as amended: *Provided*, That the appropriate Secretary may waive any provisions of such contracting laws or regulations which he determines are not appropriate for the purposes of the contract involved or inconsistent with the provisions of this Act.

(b) Payments of any grants or under any contracts pursuant to section 102, 103, or 104 of this Act may be made in advance or by way of reimbursement and in such installments and on such conditions as the appropriate Secretary deems necessary to carry out the purposes of this title. The transfer of funds shall be scheduled consistent with program requirements and applicable Treasury regulations, so as to minimize the time elapsing between the transfer of such funds from the United States Treasury and the disbursement thereof by the tribal organization, whether such disbursement occurs prior to or subsequent to such transfer of funds. Tribal organizations shall not be held accountable for interest earned on such funds, pending their disbursement by such organization.

(c) Any contract requested by a tribe pursuant to sections 102 and 103 of this Act shall be for a term not to exceed one year unless the appropriate Secretary determines that a longer term would be advisable: *Provided*, That such term may not exceed three years and shall be subject to the availability of appropriations: *Provided, further*, That the amounts of such contracts may be renegotiated annually to reflect factors, including but not limited to cost increases beyond the control of a tribal organization.

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

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

(f) The contracts authorized under sections 102 and 103 of this Act and grants pursuant to section 104 of this Act may include provisions for the performance of personal services which would otherwise be performed by Federal employees including, but in no way limited to, functions such as determination of eligibility of applicants for assistance, benefits, or services, and the extent or amount of such assistance, benefits, or services to be provided and the provisions of such assistance, benefits, or services, all in accordance with the terms of the contract or grant and applicable rules and regulations of the appropriate Secretary: *Provided*, That the Secretary shall not make any contract which would impair his ability to discharge his trust responsibilities to any Indian tribe or individuals.

(g) Contracts and grants with tribal organizations pursuant to sections 102, 103, and 104 of this Act and the rules and regulations adopted by the Secretaries of the Interior and Health, Education, and Welfare pursuant to section 107 of this Act shall include provisions to assure the fair and uniform provision by such tribal organizations of the services and assistance they provide to Indians under such contracts and grants.

(h) The amount of funds provided under the terms of contracts entered into pursuant to sections 102 and 103 shall not be less than the appropriate Secretary would have otherwise provided for his direct operation of the programs or portions thereof for the period covered by the contract: *Provided*, That any savings in operation under such contracts shall be utilized to provide additional services or benefits under the contract.

PROMULGATION OF RULES AND REGULATIONS

SEC. 107. (a) The Secretaries of the Interior and of Health, Education, and Welfare are each authorized to perform any and all acts and to make such rules and regulations as may be necessary and proper for the purposes of carrying out the provisions of this title.

(b) (1) Within six months from the date of enactment of this Act, the Secretary of the Interior and the Secretary of Health, Education, and Welfare shall each to the extent practicable, consult with national and regional Indian organizations to consider and formulate appropriate rules and regulations to implement the provisions of this title.

(2) Within seven months from the date of enactment of this Act, the Secretary of the Interior and the Secretary of Health, Education, and Welfare shall each present the proposed rules and regulations to the Committees on Interior and Insular Affairs of the United States Senate and House of Representatives.

(3) Within eight months from the date of enactment of this Act, the Secretary of the Interior and the Secretary of Health, Education, and Welfare shall publish proposed rules and regulations in the Federal Register for the purpose of receiving comments from interested parties.

(4) Within ten months from the date of enactment of this Act, the Secretary of the Interior and the Secretary of Health, Education, and Welfare shall promulgate rules and regulations to implement the provisions of this title.

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

REPORTS

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

REASSUMPTION OF PROGRAMS

SEC. 109. Each contract or grant agreement entered into pursuant to sections 102, 103, and 104 of this Act shall provide that in any case where the appropriate Secretary determines that the tribal organization's performance under such contract or grant agreement involves (1) the violation of the rights or endangerment of the health, safety, or welfare of any persons; or (2) gross negligence or mismanagement in the handling or use of funds provided to the tribal organization pursuant to such contract or grant agreement, such Secretary may, under regulations prescribed by him and after providing notice and hearing to such tribal organization, rescind such contract or grant agreement and assume or resume control or operation of the program, activity, or service involved if he determines that the tribal organization has not taken corrective action as prescribed by him: *Provided*, That the appropriate Secretary may, upon notice to a tribal organization, immediately rescind a contract or grant and resume control or operation of a program, activity, or service if he finds that there is an immediate threat to safety and, in such cases, he shall hold a hearing on such action within ten days thereof. Such Secretary may decline to enter into a new contract or grant agreement and retain control of such program, activity, or service until such time as he is satisfied that the violations of rights or endangerment of health, safety, or welfare which necessitated the rescission has been corrected. Nothing in this section shall be construed as contravening the Occupational Safety and Health Act of 1970 (84 Stat. 1590), as amended (29 U.S.C. 651).

EFFECT ON EXISTING RIGHTS

SEC. 110. Nothing in this Act shall be construed as—

(1) affecting, modifying, diminishing, or otherwise impairing the sovereign immunity from suit enjoyed by an Indian tribe; or

(2) authorizing or requiring the termination of any existing trust responsibility of the United States with respect to the Indian people.

TITLE II—THE INDIAN EDUCATION ASSISTANCE ACT

SEC. 201. This title may be cited as the "Indian Education Assistance Act".

PART A—EDUCATION OF INDIANS IN PUBLIC SCHOOLS

SEC. 202. The Act of April 16, 1934 (48 Stat. 596), as amended, is further amended by adding at the end thereof the following new sections:

"SEC. 4. The Secretary of the Interior shall not enter into any contract for the education of Indians unless the prospective contractor has submitted to, and has had approved by the Secretary of the Interior, an education plan, which plan, in the determination of the Secretary, contains educational objectives which adequately address the educational needs of the Indian students who are to be beneficiaries of the contract and assures that the contract is capable of meeting such objectives: *Provided*, That where students other than Indian students participate in such programs, money expended under such contract shall be prorated to cover the participation of only the Indian students.

"SEC. 5. (a) Whenever a school district affected by a contract or contracts for the education of Indians pursuant to this Act has a local school board not composed of a majority of Indians, the parents of the Indian children enrolled in the school or schools affected by such contract or contracts shall elect a local committee from among their number. Such committee shall fully participate in the development of, and shall have the authority to approve or disapprove programs to be conducted under such contract or contracts, and shall carry out such other duties, and be so structured, as the Secretary of the Interior shall by regulation provide: *Provided, however*, That, whenever a local Indian committee or committees established pursuant to section 305(b)(2)(B)(ii) of the Act of June 23, 1972 (86 Stat. 235) or an Indian advisory school board or boards established pursuant to this Act prior to the date of enactment of this section exists in such school district, such committee or board may, in the discretion of the affected tribal governing body or bodies, be utilized for the purposes of this section.

"(b) The Secretary of the Interior may, in his discretion, revoke any contract if the contractor fails to permit a local committee to perform its duties pursuant to subsection (a).

"SEC. 6. Any school district educating Indian students who are members of recognized Indian tribes, who do not normally reside in the State in which such school district is located, and who are residing in Federal boarding facilities for the purposes of attending public schools within such district may, in the discretion of the Secretary of the Interior, be reimbursed by him for the ful per capita costs of educating such Indian students."

SEC. 203. After conferring with persons competent in the field of Indian education, the Secretary, in consultation with the Sec-

retary of Health, Education, and Welfare, shall prepare and submit to the Committees on Interior and Insular Affairs of the United States Senate and House of Representatives not later than October 1, 1975, a report which shall include—

(1) a comprehensive analysis of the Act of April 16, 1934 (48 Stat. 596), as amended, including—

(A) factors determining the allocation of funds for the special or supplemental educational programs of Indian students and current operating expenditures;

(B) the relationship of the Act of April 16, 1934 (48 Stat. 596), as amended, to—

(i) title I of the Act of September 20, 1950 (64 Stat. 1100), as amended; and

(ii) the Act of April 11, 1965 (79 Stat. 27), as amended; and

(iii) title IV of the Act of June 23, 1972 (86 Stat. 235); and

(iv) the Act of September 23, 1950 (72 Stat. 548), as amended;

(2) a specific program to meet the special educational needs of Indian children who attend public schools. Such program shall include, but need not be limited to, the following:

(A) a plan for the equitable distribution of funds to meet the special or supplemental educational needs of Indian children and, where necessary, to provide general operating expenditures to schools and school districts educating Indian children; and

(B) an estimate of the cost of such program;

(3) detailed legislative recommendations to implement the program prepared pursuant to clause (2); and

(4) a specific program, together with detailed legislative recommendations, to assist the development and administration of Indian-controlled community colleges.

PART B—SCHOOL CONSTRUCTION

SEC. 204. (a) The Secretary is authorized to enter into a contract or contracts with any State education agency or school district for the purpose of assisting such agency or district in the acquisition of sites for, or the construction, acquisition, or renovation of facilities (including all necessary equipment) in school districts on or adjacent to or in close proximity to any Indian reservation or other lands held in trust by the United States for Indians, if such facilities are necessary for the education of Indians residing on any such reservation or lands.

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

(c) The Secretary may expend not more than 25 per centum of such funds as may be authorized and appropriated pursuant to this part on any school eligible to receive funds under section 208 of this Act.

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

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

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

(e) The Secretary shall consult with the entity designated pursuant to section 5 of the Act of April 16, 1934 (48 Stat. 596), as amended by this Act, and with the governing body of any Indian tribe or tribes the educational opportunity for the members of which will be significantly affected by any contract entered into pursuant to this section. Such consultation shall be advisory only, but shall occur prior to the entering into of any such contract. The foregoing provisions of this subsection shall not be applicable where the application for a contract pursuant to this section is submitted by an elected school board of which a majority of its members are Indians.

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

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

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

(3) projections of the Secretary of future construction needs of the public schools serving Indian children residing on or adjacent to Indian reservations;

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

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

(g) For the purpose of carrying out the provisions of this section, there is authorized to be appropriated the sum of $35,000,000 for the fiscal year ending June 30, 1975; $35,000,000 for each of the four succeeding fiscal years; and thereafter, such sums as may be necessary, all of such sums to remain available until expended.

PART C—GENERAL PROVISIONS

SEC. 205. No funds from any grant or contract pursuant to this title shall be made available to any school district unless the Secretary is satisfied that the quality and standard of education, including facilities and auxiliary services, for Indian students enrolled in the school of such district are at least equal to that provided all other students from resources, other than resources provided in this title available to the local school district.

SEC. 206. No funds from any contract or grant pursuant to this title shall be made available by any Federal agency directly to other than public agencies and Indian tribes, institutions, and organizations: *Provided*, That school districts, State education agencies, and Indian tribes, institutions, and organizations assisted by this title may use funds provided herein to contract for necessary services with any appropriate individual, organization, or corporation.

SEC. 207. (a) (1) Within six months from the date of enactment of this Act, the Secretary shall, to the extent practicable, consult with national and regional Indian organizations with experiences in Indian education to consider and formulate appropriate rules and regulations to implement the provisions of this title.

(2) Within seven months from the date of enactment of this Act, the Secretary shall present the proposed rules and regulations to the Committees on Interior and Insular Affairs of the United States Senate and House of Representatives.

(3) Within eight months from the date of enactment of this Act, the Secretary shall publish proposed rules and regulations in the Federal Register for the purpose of receiving comments from interested parties.

(4) Within ten months from the date of enactment of this Act, the Secretary shall promulgate rules and regulations to implement the provisions of this title.

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

SEC. 208. The Secretary is authorized and directed to provide funds, pursuant to this Act; the Act of April 16, 1934 (48 Stat. 596), as amended; or any other authority granted to him to any tribe or tribal organization which controls and manages any previously private school. The Secretary shall transmit annually to the Committees on Interior and Insular Affairs of the United States Senate and House of Representatives a report on the educational assistance program conducted pursuant to this section.

SEC. 209. The assistance provided in this Act for the education of Indians in the public schools of any State is in addition and supplemental to assistance provided under title IV of the Act of June 23, 1972 (86 Stat. 235).

Amend the title so as to read: "An Act to provide maximum Indian participation in the Government and education of the Indian people; to provide for the full participation of Indian tribes in programs and services conducted by the Federal Government for Indians and to encourage the development of human resources of the Indian people; to establish a program of assistance to upgrade Indian education; to support the right of Indian citizens to control their own educational activities; and for other purposes."

Mr. MEEDS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendments be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The committee amendments were agreed to.

Mr. MEEDS. Mr. Speaker, I move to strike the last word.

Mr. Speaker, it is with a great deal of pleasure that I bring to the floor for passage what I consider to be one of the most significant bills in Indian affairs

since enactment of the Indian Reorganization Act of 1934.

Down through the years of formulation of this Nation's policy on Indian affairs and in the administration of that policy, we have fostered and supported a colonial government on Indian reservations in the form of the Bureau of Indian Affairs and its programs and services.

While many of us here in the Congress, both now and in the past, have called for a final solution to the Indian problem and demanded that Indians be made "first-class" citizens, we have never permitted the Indian tribes and Indian people to gain the necessary experience of controlling and operating the programs and services which will decide their destiny.

The paternalism of our policies has frustrated, rather than facilitated, the development of Indian managerial and governmental experience and skills.

Governmental policies encouraging outside development of Indian resources have frustrated, rather than facilitated, the growth of Indian self-determination, self-government, and self-sufficiency.

The early attempts of the Congress and the administration in the 1930's to bring about the restoration of tribal self-government and move toward Indian self-sufficiency within the trust relationship through the Indian Reorganization Act were all too shortlived.

Without giving this policy adequate time to bear fruit, Congress moved into the disastrous policy of termination, ending the trust relationship and the programs and services of the Federal Government for Indian tribes. I fervently hope that our passage this Congress of the Menominee Restoration Act has totally repudiated this policy.

S. 1017, as amended by the Committee on Interior and Insular Affairs, will provide the necessary administrative machinery to permit tribes to assume the control and operation of Federal programs and services carried out on their reservation for their benefit.

Title I of the bill clarifies and expands the authority of the Secretary of the Interior, and the Secretary of HEW in the case of the Indian health service, to contract with Indian tribes and tribal organizations to operate federally funded programs on the reservations.

The restrictive contracting and procurement laws of the Federal Government, particularly the requirement for competitive bidding, are either waived or made more flexible to facilitate such contracting.

Grants to prospective tribal contractors are authorized to develop their ability to administer such contracts.

Various Interior Department and General Accounting Office recommendations for amendments were adopted by our committee. These amendments have tightened up the bill's provisions on contracting in the areas of auditing and reporting, criminal penalties for misuse of contract funds, advance payment of contract funds, and applicability of the wage and labor standards of the Davis-Bacon Act.

In addition, departmental amendments were adopted which permit Federal employees transferring to tribal employment under such contracts to retain earned civil service benefits to facilitate contracting.

In title II, the committee struck, at the recommendation of the Department of the Interior, four authorized Indian education programs in the area of training of Indian professionals; youth internships; educational research and development; and special educational programs. While these are very desirable programs, the committee accepted the administration's argument that they were already authorized or duplicative. We expect the Secretary to provide us with a report on his activity in these areas.

Committee amendments to the entire bill have eliminated $223,750,000 in authorization for new programs. Again, we feel that these funds and programs are vitally needed, but have relied on the statements of the Department that they either exist or are duplicative.

Mr. Speaker, as amended, this bill will go far to resolving the Indian problems and place again in their hands the control of their own future and their own development.

I urge its enactment.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the conference report on Senate Joint Resolution 40, White House Conference on Library and Information Services, agreed to earlier today.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

CONFERENCE REPORT ON S. 356, CONSUMER PRODUCT WARRANTY AND FEDERAL TRADE COMMISSION IMPROVEMENT ACT

Mr. MOSS. Mr. Speaker, I call up the conference report on the Senate bill (S. 356) to provide disclosure standards for written consumer product warranties against defect or malfunction; to define Federal content standards for such warranties; to amend the Federal Trade Commission Act in order to improve its consumer protection activities; and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of December 16, 1974.)

Mr. MOSS (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from California (Mr. Moss).

Mr. MOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge support of the conference report on S. 356, the Magnuson-Moss Warranty-Federal Trade Commission Improvement Act. This is one of the most important pieces of consumer legislation that will be considered by the 93d Congress. It and similar bills to make consumer product warranties meaningful and enforceable and to improve the consumer protection capabilities of the Federal Trade Commission have been pending in the last three Congresses. The legislation has had extensive comment from business groups, consumers, Government agencies, and others. It is now a balanced piece of legislation which emphasizes increased consumer protection and basic fairness to those subject to its provisions. I believe it is fair to say that S. 356 has broad support from both consumers and business.

Title I is similar to the House bill. It applies to warranties given on "consumer products" but does not require any one to give a warranty. Where a warranty is given, the bill authorizes the Federal Trade Commission to make rules insuring adequate and clear disclosure. The conference report requires that written warranties on most consumer products be designated as either "full" or "limited" warranties. In the case of "full" warranties, a seller would have to meet minimum Federal standards which include refund, repair or replacement of a defective or malfunctioning product within a reasonable time and without charge to the consumer.

Title I also prohibits the disclaimer of implied common law warranties when full or limited warranties or service contracts are given in writing. In the case of a limited warranty, however, a seller could limit the duration of implied warranties to the period of the warranty, provided the limitation was conspicuously disclosed.

Title I also gives congressional endorsement to the establishment of informal dispute settlement procedures, with the participation of independent or governmental entities. The Federal Trade Commission and the Attorney General would enforce the warranty title and would be empowered to obtain injunctive relief against any person violating its provisions or issuing deceptive warranties.

In addition, any person damaged by the failure of a supplier to comply with a warranty or service contract could bring suit in a Federal or State court giving the warrantor an opportunity to cure the breach. In order that such a suit be brought in a Federal district court, the amount in controversy would have to exceed $50,000 and each individual claim

would have to exceed $25. The report authorizes class actions, provided these conditions are met and also where there are at least 100 named plaintiffs notwithstanding any restrictions on such actions which might exist under general principles of Federal law.

Title II of the legislation deals with improvement of the powers of the Federal Trade Commission.

Section 201 expands the jurisdiction of the Federal Trade Commission to matters in or affecting commerce. Both the Senate and House bills contained this provision.

Section 202 clarifies the power of the Federal Trade Commission to issue substantive trade regulation rules defining with specificity acts or practices which are unfair or deceptive to consumers and others under section 5 of the Federal Trade Commission Act. The section then establishes procedures designed to insure that Commission proceedings for the issuance of such rules will benefit from the input of all interested persons and from submission of relevant data and information. Where the Commission determines it is appropriate and necessary for a full and true disclosure of disputed issues of material fact, there may be cross-examination either by interested persons or by the Commission on behalf of such persons. Judicial review is, of course, provided for all Commission rules.

Section 202 directs bank regulatory agencies to issue regulations substantially similar to regulations of the Federal Trade Commission, unless the Federal Reserve Board makes certain findings that such regulations would conflict with monetary policy or that the acts or practices in question are not deceptive.

Section 203 clarifies that the investigative authority of the Federal Trade Commission extends to persons, partnerships, or corporations.

Section 204 clarifies certain provisions of the Alaska pipeline bill regarding representation of the Commission in court. The Commission is authorized to represent itself in actions seeking injunctive relief, relating to consumer redress, to obtain judicial review of a rule or order, and in certain other situations. In all other cases, the Commission must give the Attorney General 45-days notice—increased from 10 days under the Alaska pipeline bill—and thereafter may represent itself only if the Attornel General fails to take the action requested by the Commission. In addition, if the Attorney General declines to appeal a case where the Commission represented itself in the lower courts, the Commission is authorized to appear before the Supreme Court and to represent itself. The Attorney General may also appear on behalf of the United States.

Section 205 authorizes the Commission to bring actions for civil penalties for knowing violations of rules or orders it has issued.

Section 206 is quite significant. It authorizes the Commission to bring civil actions in order to obtain redress for consumers and others who have been injured by violations of existing Commission trade rules, or by persons violating the act, resulting in a cease-and-desist order where a reasonable man would have known under the circumstances that the acts or practices were dishonest or fraudulent.

Section 207 provides for authorization of appropriations for the Federal Trade Commission not to exceed $42 million for the fiscal year ending June 30, 1975, $46 million for the fiscal year ending June 30, 1976, and $50 million for the fiscal year ending June 30, 1977.

I would like to call the attention of the Members to one additional matter. Section 202 of the act—page 40241—provides for judicial review of trade regulation rules of the Commission. After reviewing the conference report, it was the unanimous opinion of the conferees that the standard of review set forth in section 18e(3)(A) should be clarified. The Standard for Judicial Review now found in the conference report provides that the court shall set aside any Commission rule on certain grounds specified in the Administrative Procedure Act and also if "the court finds that the Commission's findings and conclusions, with regard to disputed issues of material fact on which the rule is based, are not supported by substantial evidence in the rulemaking record taken as a whole."

At this time, Mr. Speaker, I would like to yield to the distinguished gentleman from North Carolina (Mr. BROYHILL). In so doing, Mr. Speaker, I want to say I have the strongest regard for the gentleman for his vigorous support and the very active role he has played in making it possible for this legislation to reach this floor.

Mr. Speaker, I am pleased to yield such time as he may consume to the gentleman from North Carolina (Mr. BROYHILL).

Mr. BROYHILL of North Carolina. Mr. Speaker, I thank the gentleman from California for yielding.

Mr. Speaker, I rise in support of the conference agreement on S. 356, the Consumer Product Warranty and Federal Trade Commission Improvement Act. While there are some matters in the agreement which I did not support and on which I continue to have concern regarding their wisdom, I believe that on the whole we reached an agreement which I can recommend to my colleagues.

The conference agreement contains two titles as did the House bill. Title I of the conference report applies to warranties which are given on consumer products. The provisions of title I of the conference report are substantially the same as the provisions of title I as passed by the House. Summarized briefly, the provisions of title I would do the following:

First, authorize the Federal Trade Commission to issue rules requiring that the terms and conditions of written warranties be fully and conspicuously disclosed in simple and readily understood language. These provisions would apply only to warranties on consumer products actually costing more than $5.

Second, require that all written warranties be clearly designated as "full" or "limited" warranties. In order for a warranty to be designated as a "full" warranty, it must incorporate the Federal minimum standards for warranty. If the Federal minimum standards are not incorporated in a warranty, it must be designated as a "limited" warranty.

Third, establish Federal minimum standards for "full" written warranties. These standards would:

a. Require replacement or repair of the product within a reasonable time without charge.

b. Prohibit any limitation on the duration of implied warranties.

c. May not exclude or limit consequential damages for breach of such written warranty unless such exclusion or limitation conspicuously appears on the face of the warranty, and

d. Require that if a warranted product or component part thereof is not repaired after a reasonable number of attempts (as determined by the FTC by rule), the consumer be given the choice of a refund or replacement of such product or component part thereof.

Fourth, encourage warrantors to establish procedures for settling consumer disputes through informal dispute settlement mechanisms and require that the consumer must first resort to the procedures established before commencing a civil action in a court of law.

Fifth, allow class actions in Federal courts under certain circumstances for actions for breach of warranty. There are different requirements imposed by the law before a class can be formed:

a. Individual claims must be $25 or more;

b. The total value must be $50,000 or more;

c. There must be at least 100 named plaintiffs;

d. A class of consumers may not proceed in a class action, except to the extent the court determines necessary to establish the representative capacity of the named plaintiffs, unless the warrantor is afforded a reasonable opportunity to cure the breach of warranty.

It would be my interpretation of the Eisen case that the plaintiffs must make a reasonable attempt to notify all potential members of the class.

DEFINITION OF REFUND

The term "refund" is defined in title I as "refunding the actual purchase price—less reasonable depreciation based on actual use where permitted by rules of the Commission. The intent of the conferees is that the warrantor be allowed to deduct reasonable depreciation where the consumer has enjoyed use of the product prior to obtaining a refund. Any different result could well constitute an inequity in many circumstances. For this reason, it was not intended that the Commission could prohibit deduction for reasonable depreciation by merely failing to issue rules in this regard. We expect the Commission to issue such rules in the near future and thereby inform both warrantors and consumers of the circumstances in which deduction for depreciation will be allowed.

While title I is for the most part fully operative by its own terms, I would like to make one point clear. Nothing in this act would grant to the Commission the authority to require the giving of a war-

ranty on a consumer product, under any circumstances.

AMENDMENTS TO THE FEDERAL TRADE ACT

Title II of this legislation amends the Federal Trade Act in several respects. An extremely important aspect of this title is that it establishes a clear set of rights for persons in the new procedures the FTC is required to follow in promulgating rules defining unfair or deceptive acts or practices. These procedures, together with a provision authorizing the FTC to seek consumer redress for rule violations form the heart of the added consumer protection afforded by the bill.

The rulemaking provision embodies two important principles. First, it provides that rules promulgated by the FTC pursuant to the bill will have the force and effect of law. Second, because of the new significance of FTC rules, the bill imposes certain new standards in FTC rulemaking proceedings to assure that all premises for these rules—which will have a potentially pervasive and deep effect—are soundly based. We have taken pains, however, to introduce flexibility into both principles.

PRESENT FTC RULEMAKING AUTHORITY

For a number of years, the FTC issued rules defining acts or practices deemed unfair or deceptive to consumers. During this period, there were continuing assertions that the FTC did not possess substantive rulemaking authority, and that any rules it issued had only the effect of being a guideline to industries.

In the Octane Rating case, the court held that the Federal Trade Act did confer authority to the FTC to issue substantive rules defining both unfair methods of competition and unfair or deceptive acts or practices to consumers. Under this interpretation, the FTC has the authority to issue substantive rules which may affect an entire industry and, in some cases, a great number of industries. However, the act is silent regarding the procedural requirements to be followed in issuing these rules; therefore, those persons immediately and seriously affected by such rules have no procedural rights before the agency except the informal rulemaking procedure set by the Administrative Procedures Act. Thus, the Interstate and Foreign Commerce Committee determined that the Federal Trade Commission Act should be amended to provide adequate procedural safeguards for those affected by the Commission's rules. In our judgement, more effective, workable, and meaningful rules will be promulgated if persons affected by such rules have an opportunity, by cross-examination and rebuttal evidence, to challenge the factual assumptions on which the agency is proceeding and to show in what respect such assumptions are erroneous.

NEW FTC RULEMAKING PROCEDURES

With respect to the new procedural safeguards for factfinding, we have not turned rulemaking proceedings into adjudicatory proceedings as those terms have been traditionally understood under the Administrative Procedures Act. Rather, we have tried to develop a wholly new type of proceeding designed to balance the need to test the premises of proposed FTC rules with the obvious need to grant the FTC the power to expedite proceedings and avoid being tied up by trial-type tactics. First, there is a right to cross-examination and submission of rebuttal evidence for the proceedings, but the right is limited to disputed issues of material fact. We have provided in appropriate cases that cross-examination be conducted by a representative of a group to enable the Commission to speed up a proceeding where there is a likelihood of substantial delay. We have also—in a wholly unique provision—specifically authorized the Commission to conduct cross-examination for those persons who may not have counsel or who may not wish to ask questions themselves. Thus the right to cross-examination is far from absolute, and much less extensive than it would be in a typical adjudicatory proceeding. We are quite frankly relying in this area on two factors: the commonsense and fairness of the FTC, and, of course, the review function of the courts, which are not to affirm rules if, among other things, the FTC's handling of rebuttal evidence and cross-examination has prevented full disclosure of material issues of fact and thus prevented a fair determination of the entire proceedings.

WAIVER AUTHORITY

The provision that grants rules the force and effect of law is also not absolute. The rulemaking authority contains an exemption provision pursuant to which persons may seek waiver of a rule because in their circumstances, application of the rule would be unreasonable or unnecessary in light of the purposes of the rule. While we intend that the agency and the courts would, of course, always have authority to apply waiver doctrines where appropriate in an enforcement case, this exemption provision gives additional flexibility to the rules by permitting some persons to seek exceptions in advance.

ANTITRUST RULEMAKING AUTHORITY NOT INTENDED

The rulemaking provision, I might add, does not affect any authority the FTC might have to promulgate rules which respect to "unfair methods of competition" including, of course, antitrust prohibitions. I myself do not believe that the FTC has any such authority. I am advised that there is a passing reference in the appellate court decision in the Octane Posting case, to the effect that the FTC may have some kind of authority to issue some kind of antitrust rules. But the case, of course, did not deal with antitrust rules. Antitrust rules would obviously have a far more pervasive effect than rules defining unfair or deceptive acts or practices, and I would feel very uncomfortable giving such antitrust rules the same effect as this bill gives consumer practice rules. Accordingly, we have made clear that the new bill does not deal with the antitrust laws.

CONSUMER REDRESS

The rulemaking authority's "bite" in this new legislation derives from the consumer redress and civil penalties provisions, which may come into play in appropriate cases of rule violations, as well as in other clearly defined circumstances. The consumer redress provision, as a whole, is a significant advance in consumer protection, for it, together with the carefully drafted class action provisions in title I, should provide an answer to the multifaceted and perennial problem of class actions. In part because of my objections, a similar consumer redress provision was defeated on the floor of the House. I was initially opposed to the addition of such a provision in conference because it was being added without an opportunity for hearings to permit the public to be heard and without full recognition of what we were doing to clearly spell out the authority of the FTC to seek consumer redress. However, I acceded to the provision finally adopted because it seeks to provide protections against unfairness and is aimed at making whole those consumers who actually show injury from a rule violation or knowingly dishonest and fraudulent practices.

CIVIL PENALTIES

One aspect of the civil penalties provision deserves comment because the idea involved is a relatively new one. The penalty provisions permit the FTC, after it has obtained a cease-and-desist order, to go into court to obtain civil penalties for the conduct subject to the order if it was engaged in with actual knowledge that the conduct was unfair or deceptive and in violation of section 5. Sometimes, in dealing with a joint scheme, the Commission will proceed against only some of the persons involved in the joint action. We have added a new provision which will now enable the FTC to seek civil penalties in court against the other persons involved in the scheme but not technically parties to the initial FTC proceeding and thus not technically subject to the cease-and-desist order. I might add, of course, that these persons will be entitled to their day in court before being assessed with penalties, and for that reason are granted a de novo trial on all factual issues in the penalty action.

SELF REPRESENTATION IN THE COURTS

The conference report contains one provision that gives me a good deal of concern. That provision is the one that grants to the Federal Trade Commission the authority to represent itself through its own attorneys in the Supreme Court under certain circumstances. This provision was added to the conference report despite great expressions of concern from the chief legal officers of the United States, the Attorney General, former Solicitor General Ervin Griswold, and all nine justices of the Supreme Court. What other expertise could we possibly draw from? I would like to caution my colleagues that if we allow this type erosion of the Solicitor General's authority to continue, we will fragment what has traditionally been a central authority designed to coordinate a uniform position for Federal Government litigation.

CONCLUSION

All in all, I believe the bill represents a reasonable compromise between the Senate and House versions and a responsible piece of legislation. It completes the FTC reform begun with the amendments

to the Alaska pipeline bill, and these two bills together constitute an important new consumer protection measure for which we should all feel proud.

Mr. MOSS. Mr. Speaker, I yield to the gentleman from Texas (Mr. ECKHARDT) such time as he may consume.

Mr. ECKHARDT. Mr. Speaker, as the gentleman from North Carolina (Mr. BROYHILL) has just indicated, we are establishing a new category somewhere between the adjudicatory and the rulemaking process of the present Administrative Procedures Act, and I think it is very important that we clearly understand exactly what we are doing.

There is a provision on page 33 of the report which states that—

If the Commission determines (1) that there are disputed issues of material fact, and (2) that it is necessary to resolve such issues, interested persons would be entitled to present such rebuttal submissions and to conduct (or have conducted by the Commission) such cross-examination of persons commenting orally as the Commission determines to be appropriate and required for a full and true disclosure with respect to such issues. The only disputed issues of material fact to be determined for resolution by the Commission are those issues characterized as issues of specific fact in contrast to legislative fact.

I point out the word "orally," and I wish to find out if the gentleman from California (Mr. Moss) feels that that language is exclusive, or merely descriptive of the section dealing with oral presentation.

Mr. MOSS. It is the intent and the understanding of the gentleman from California that the words "commenting orally" were intended to be descriptive, and not limiting. In other words, the Commission could authorize cross-examination of written submissions if it determined that it was appropriate.

Mr. ECKHARDT. For instance, if the Commission should rely, in making a rule on a written report of one of its agents and cross-examination of that agent is necessary for fair determination of the rulemaking procedure taken as a whole, the Commission should make that agent available for cross-examination. Am I correct in that?

Mr. MOSS. The gentleman is indeed correct.

Mr. BROYHILL of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from North Carolina.

Mr. BROYHILL of North Carolina. I thank the gentleman for yielding.

I concur in the gentleman's interpretation.

Mr. ECKHARDT. Each of us was on the conference committee, and I understand that to be in accord both with the language and with the discussions there; is that not correct?

Mr. BROYHILL of North Carolina. That is correct.

Mr. ECKHARDT. I thank the gentleman.

Mr. McCOLLISTER. Mr. Speaker, the civil penalties provision for violations of section 5 of the FTC Act (section 205) of S. 356 requires proof of a defendant's knowledge of the illegality of his conduct before penalties can be imposed. This means that penalties cannot be imposed if a defendant, in good faith, believes that his conduct is permissible. His belief may be based on lack of knowledge of the law, or on a reasonable judgment that his circumstances are different from those to whom an order or rule may apply, or indeed on the view, held in good faith, that his conduct is defensible under the FTC Act for any reason. The penalties provision thus does not convert FTC action applicable to someone else, or a mere complaint against the defendant himself, into knowledge of illegality. The reason is clear: No person should ever have to pay for the right to his day in court to defend his own conduct by being compelled to assume a risk of a $10,000 per day penalty should he ultimately lose. On the other hand, it is not the intent of the Congress to establish a system to encourage court challenges merely for the purpose of thwarting the FTC or delaying its legitimate objections to illegal practices under provisions of the FTC Act.

Mr. MOSS. Do any other members of the committee at this time seek recognition?

Mr. Speaker, I move the previous question on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So the conference report was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON HOUSE JOINT RESOLUTION 1180, SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR ENDING JUNE 30, 1975

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the House joint resolution (H.J. Res. 1180) making urgent supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes, with Senate amendments thereto, disagrees to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas? The Chair hears none and appoints the following conferees: Messrs. MAHON, WHITTEN, BOLAND, FLOOD, SLACK, CEDERBERG, MICHEL, and WYATT.

FURTHER LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute.)

Mr. O'NEILL. Mr. Speaker, I would like to make the following announcement.

We had scheduled for today the chrome bill next. By mutual agreement of both sides on this issue, it will be eliminated from the schedule, and it will not be brought up for the remainder of the session. It will be scheduled sometime early in the 94th Congress.

AUTHORIZING A TECHNICAL CORRECTION IN THE ENROLLMENT OF S. 356

Mr. MOSS. Mr. Speaker, I call up the Senate concurrent resolution (S. Con. Res. 126) authorizing a technical correction in the enrollment of S. 356, and ask unanimous consent for its immediate consideration.

The Clerk read the Senate concurrent resolution as follows:

S. CON. RES. 126

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate is authorized and directed, in the enrollment of S. 356, An Act to provide disclosure standards for written consumer product warranties against defect or malfunction; to define Federal content standards for such warranties; to amend the Federal Trade Commission Act in order to improve its consumer protection activities, and for other purposes, to make the following technical correction:

Section 18(e)(3)(A), as inserted by section 202(a) of the Conference Report on such bill, is amended to read as follows:

"(A) the court finds that the Commission's action is not supported by substantial evidence in the rulemaking record (as defined in paragraph (1)(B) of this subsection) taken as a whole, or".

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MOSS. Mr. Speaker, I indicated at the time of my statement on the conference report that I intended to offer this essential resolution in order to clarify an understanding of the conferees. We feel that the standard of review could be better expressed as follows:

The court shall hold unlawful and set aside the rule on certain grounds specified in the Administrative Procedures Act or

And now I quote from the resolution—if—

the court finds that the Commission's action is not supported by substantial evidence in the rule-making record (as defined in paragraph (1)(B) of this subsection) taken as a whole, or.

This, Mr. Speaker, is strictly to clarify and make very clear the intent of the conferees and to do it through the concurrent resolution so that there will be no possibility of error.

Mr. Speaker, I yield to the gentleman from North Carolina, Mr. BROYHILL.

Mr. BROYHILL of North Carolina. I thank the gentleman for yielding.

Mr. Speaker, it is necessary to clarify the language in the conference report, not because of any disagreement among the conferees but because of some legal interpretation of the language which was included in the conference report. We want to make crystal clear that any rules that are issued by the commission must be based upon the substantial evidence that is developed in the consideration of the rule. That is the purpose of the amendment—to clarify the provision in the Judicial Review section.

Mr. MOSS. I thank the gentleman.

Mr. Speaker, I urge adoption of the concurrent resolution.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MOSS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the Senate concurrent resolution just concurred in.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

WAR CLAIMS ACT AMENDMENTS

Mr. ECKHARDT. Mr. Speaker, I call up the conference report on the Senate bill (S. 1728) to increase benefits provided to American civilian internees in Southeast Asia, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ASHBROOK. Mr. Speaker, reserving the right to object, is there a printed report?

Mr. ECKHARDT. There is.

Mr. ASHBROOK. Mr. Speaker, further reserving the right to object I take this time to ask if there is anything in the conference report that is not germane.

Mr. ECKHARDT. No, there is not.

Mr. ASHBROOK. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of December 17, 1974.)

Mr. ECKHARDT. Mr. Speaker, on August 12, 1974 the House passed amendments to the War Claims Act of 1948 to increase benefits provided to American civilian internees in Southeast Asia and for other purposes. The House language differed from the Senate and a conference was needed. The conference report has been filed and it is a good report. It reflects the give and take that one expects in a conference between two bodies.

I will summarize briefly the recommended solution. First, both the Senate bill and the House amendment increased the authorized detention benefits for American civilians during the Vietnam conflict from $60 per month to $150 per month in order to raise the benefits for civilians to the same level presently authorized for military personnel. The conference substitute retains this provision.

Second, the House amendment would have eliminated the priority in existing law for all unpaid award holders, both individual and corporate, up to $35,000. The conference substitute retains this priority under which $11,000 has already been paid to each award holder. Therefore, $24,000 or the unpaid balance of each remaining award, whichever is less, will be paid under this priority.

Since each corporate award holder will receive up to $24,000 under this provision, the language in the House amendment providing an additional priority for payments to corporate award holders up to $50,000 was omitted from the conference substitute.

Third, the House amendment would have created a priority for all individual awards up to $500,000. The conference substitute creates a priority for individual awards up to $250,000. The conferees agreed that the equitable considerations favoring a priority for the payment of remaining individual awards would be adequately recognized by the priority adopted in the conference substitute. The balance of amounts in the war claims fund will then be used to make pro rata payments on the remaining individual and corporate awards.

While this legislation was pending in the House, the Department of Justice was requested to refrain from certifying funds for distribution to the war claims fund until this Congress completed action on S. 1728. The Department agreed to this request. It is my understanding that certain funds are now ready to be certified by the Department of Justice for distribution to the war claims fund, and it is also my hope that this transfer and any future transfers will be accomplished as soon as possible upon enactment of this legislation.

Mr. Speaker, the conference report reflects a reasonable resolution of the differences in the Senate and House measures. It will provide an equitable solution for the payment of the remaining awards from the war claims fund. I urge its adoption.

Mr. Speaker, I yield to the gentleman from North Carolina (Mr. BROYHILL).

Mr. BROYHILL of North Carolina. Mr. Speaker, I thank the gentleman for yielding.

I rise in support of the conference report.

Members will recall when the bill was before the House, the issue was, are we going to give priority to individual claimants to the war claims funds and, if so, how much that priority would be in terms of dollars?

The conference report says we are giving priority to claims of individual persons up to $250,000 and then those other claimants, including corporations, would share on a pro rata basis in the balance of the fund.

I think it is a good compromise. It is, in my opinion, a better bill than when it left the House. Although I do still disagree with the principle of giving individuals this preference, as we have done here, at least we have a better bill than when it left the House.

Mr. YOUNG of Illinois. Mr. Speaker, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Illinois.

Mr. YOUNG of Illinois. Mr. Speaker, I would like to associate myself with the remarks of the distinguished gentleman from North Carolina (Mr. BROYHILL).

Mr. ECKHARDT. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ECKHARDT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on S. 1782, just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

FEDERAL RAILROAD SAFETY ACT OF 1970 AND HAZARDOUS MATERIALS TRANSPORTATION CONTROL ACT OF 1970

Mr. JARMAN. Mr. Speaker, I call up the conference report on the bill (H.R. 15223) to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Control Act of 1970 to authorize additional appropriations, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of December 13, 1974.)

Mr. JARMAN (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. JARMAN. Mr. Speaker, the House and Senate conferees held three lengthy sessions to iron out differences between their respective versions of H.R. 15223.

I believe we have brought to the floor a product which is much better than the bills either House produced.

The bill is called the Transportation Safety Act of 1974, and deals with the problems of railroad and aviation accidents, and with the matter of transporting hazardous materials by any mode of transportation.

Title I is the Hazardous Materials Transportation Act. The conferees consolidated the many faceted jurisdictions within the executive branch over hazardous materials transportation into the office of the Secretary of Transportation. He and he alone will have regulatory

powers involving the carriage of hazardous materials. We also ban radioactive materials from passenger aircraft, unless it is necessary for use in research or medical activity. We see no need to submit unsuspecting passengers to the perils of potentially dangerous materials. We have put some teeth in this new legislation by making civil and criminal penalties for violations of regulations quite severe.

Title II is the Rail Safety Improvement Act of 1974. The conferees adopted the House-passed provisions with minor changes.

Title III is the Independent Safety Board Act. The House did not have a similar provision, but we agreed with the Senate on the necessity of an independent National Transportation Safety Board. We felt, like the Senate, that if we wanted to have expanded emphasis on transportation safety, we would have to have a board free from the influences of other Government agencies. This is particularly true in the field of surface transportation safety. At present the National Transportation Safety Board is a part of the Department of Transportation, and most of the surface accidents involving railroads and trucks are investigated by the Federal Railroad Administration and the Federal Highway Administration. We want the new independent Board to be much more involved in those areas—particularly in passenger train accidents.

We stripped the Senate bill of an attempt to terminate the present chairman of the National Transportation Safety Board, and we will have no part of efforts to change the composition of the new Board. We feel that the Board will be responsive to the public's need with their new independence. We did make a change as a concession to the Senate—and that involved requiring at least two members of the Board to have certain technical and professional background qualifications, but we do not require or intend for the full Board to be named on such a basis, because we felt to do so might stack the Board with industry-oriented people who may not allow the public interest to prevail in their decisions.

I recommend this conference report to the House as a good bill, one which will improve safety in all modes of transportation, and one which is sorely needed.

Mr. Speaker, I yield to the gentleman from Tennessee (Mr. KUYKENDALL).

Mr. KUYKENDALL. Mr. Speaker, for the sake of the record, I want to compliment the chairman of the subcommittee for this conference report and point out that there is one area in which the Senate had a major change and we accepted what I think was a meaningful compromise and that is the makeup of the National Transportation Safety Board.

The Senate passed and required technical qualifications for all five members of the Board. The compromise said that such technical or managerial obligations apply to two members of that Board.

Would the gentleman care to comment on the meaning of that compromise on the qualifications?

Mr. JARMAN. Mr. Speaker, the intent is that we only intend to have two members with technical qualifications.

Mr. KUYKENDALL. Is it not true that the additional managerial term would also basically qualify any member of the present Board, if the President should choose to reappoint?

Mr. JARMAN. That is correct.

Mr. KUYKENDALL. I have a second question also with reference to the matter of legislative record.

For the first time, Mr. Speaker, we have given the Secretary of Transportation safety responsibility and access to the manufacture of containers. I would also like to ask the chairman of the subcommittee to comment on the point that the component parts of container manufacture of the containers are also covered under the intent of this legislation; for instance, if we have a container of sulphuric acid, the person that makes the seal and the spigot would also be covered; is that not correct?

Mr. JARMAN. That is correct. The gentleman has stated it exactly and the component parts are covered.

Mr. PICKLE. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. Mr. Speaker, I am happy to yield to the gentleman from Texas.

Mr. PICKLE. Mr. Speaker, I wanted to ask a question for the legislative record. The conference committee specifies in section 108, which was in the Senate version and not in the House version of the bill, it is intended to limit the carriage of radioactive materials to those relating to research, medical diagnosis, and therapy.

I assume it is not the purpose of this section to eliminate those items for carriage which contain tiny trace elements or small quantities of radioactive material on scheduled passenger flights, is that correct?

Mr. JARMAN. Yes, the gentleman is correct in his interpretation.

Mr. PICKLE. By way of explanation, I understand there is a possibility the language in section 108 might be interpreted, when the regulations are issued, so that a person could be prohibited from boarding an aircraft because he was wearing a pacemaker in his heart. Would that be true, by application?

Mr. JARMAN. No, that is not the intent.

Mr. PICKLE. I have one other question for clarification. What about automatic fire extinguishers? On most airplanes they are triggered by intense heat. They are operated by small quantities of radioactive materials. This legislation would not prevent that type of extinguisher from being used aboard a plane, would it?

Mr. JARMAN. No, I would say to the gentleman that it would not keep those articles off.

Mr. PICKLE. I thank the gentleman.

Mr. KUYKENDALL. Mr. Speaker, I urge adoption of the conference report. I think the House bill went through practically intact, and I think the chairman of the subcommittee, the chairman of the full committee and members of the staff are to be congratulated for their work on what is a very important bill, particularly in the area of radioactive materials.

Mr. JARMAN. Mr. Speaker, I thank the gentleman for his comments and for his valuable assistance on this bill.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AMENDING SECTION 510 OF THE MERCHANT MARINE ACT OF 1936

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 12427), to amend section 510 of the Merchant Marine Act, 1936, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. ASHBROOK. Mr. Speaker, reserving the right to object, I would ask my friend from Michigan if there are any amendments here that are not germane.

Mr. DINGELL. Mr. Speaker, if the gentleman will yield to me, I will say that first of all, all of the amendments save one are germane and are technical in character. There is one amendment which is nongermane, and if the gentleman will permit, I will elaborate.

The bill actually contains two principal sections. The amendments to the Merchant Marine Act already cited allow the trade-in of mariner vessels in the reserve fleet to upgrade both the moving fleet and also upgrade the reserve fleet, which now has reached such a state of deterioration that it is of no value.

The second section is a bill, which was earlier passed by the House as H.R. 12208, passed the House April 2, 1974, overwhelmingly. That, my colleagues will recall, is a minor bill which resolved a jurisdictional problem relating to the port of Sacramento and for the other ports on the west coast.

It resolved a jurisdictional conflict between the ICC, which claimed jurisdiction over portions of water carriage on the west coast, and the Federal Maritime Commission by simply stating that in those instances the jurisdiction will be fixed by Congress as belonging to the Federal Maritime Commission.

Mr. ASHBROOK. Mr. Speaker, further reserving the right to object, what I understand the gentleman to say then is that the one section that is not germane does include a bill formerly passed by this House?

Mr. DINGELL. The gentleman is correct.

Mr. ASHBROOK. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the Senate amendments, as follows:

Page 1, lines 7 and 8, strike out "the Merchant Marine".

Page 1, line 8, after "Marine" insert: "this".

Page 1, line 8, strike out "Act, 1936," and insert: "Act".

Page 1, line 8, strike out "'legislation in".

Page 2, line 6, strike out "vessel[s]" and insert: "vessel".

Page 2, line 7, strike out "vessel[s]" and insert: "vessel".

Page 2, line 8, strike out "vessel[s]" and insert: "vessel".

Page 2, line 9, strike out "vessel[s]" and insert: "vessel".

Page 2, line 10, strike out "vessel[s]" and insert: "vessel".

Page 2, line 12, strike out "vessel[s]" and insert: "vessel".

Page 2, line 18, strike out "vessel[s]" and insert: "vessel".

Page 3, after line 3, insert:

SEC. 2. (a) The Shipping Act, 1916, as amended (46 U.S.C. 801–842), is amended by inserting a new section 3 to read as follows:

"SEC. 3. Notwithstanding part III of the Interstate Commerce Act, as amended (49 U.S.C. 901 et seq.), or any other provision of law, rates and charges for the barging and affreighting of containers or containerized cargo by barge between points in the United States, shall be filed solely with the Federal Maritime Commission in accordance with rules and regulations promulgated by the Commission where (a) the cargo is moving between a point in a foreign country or a noncontiguous State, territory, or possession and a point in the United States, (b) the transportation by barge between points in the United States is furnished by a terminal operator as a service substitute in lieu of a direct vessel call by the common carrier by water transporting the containers, or containerized cargo under a through bill of lading, (c) such terminal operator is a Pacific Slope State, municipality, or other public body or agency subject to the jurisdiction of the Federal Maritime Commission, and the only one furnishing the particular circumscribed barge service in question as of the date of enactment hereof, and (d) such terminal operator is in compliance with the rules and regulations of the Federal Maritime Commission for the operation of such barge service. The terminal operator providing such services shall be subject to the provisions of the Shipping Act, 1916.".

(b) Within one hundred and twenty days after enactment of this Act, the Federal Maritime Commission shall promulgate rules and regulations for the barge operations described in the amendment made by the first section of this Act. Such rules shall provide that the rates charged shall be based upon factors normally considered by a regular commercial operator in the same service.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

JOHN A. BLATNIK LOCK

Mr. JOHNSON of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 17589) to designate the new Poe lock on the Saint Marys River at Sault Sainte Marie, Mich., as the "John A. Blatnik Lock."

The Clerk read as follows:

H.R. 17589

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the new Poe lock on the Saint Marys River at Sault Sainte Marie, Michigan, shall hereafter be known and designated as the "John A. Blatnik lock". Any reference in any law, map, regulation, document, record, or other paper of the United States to such lock shall be held to be a reference to the "John A. Blatnik lock".

The SPEAKER pro tempore. Is a second demanded?

Mr. GROVER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. JOHNSON) will be recognized for 20 minutes, and the gentleman from New York (Mr. GROVER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California.

Mr. JOHNSON of California. Mr. Speaker, H.R. 17589 would name the new Poe lock as the John A. Blatnik Lock, at Sault Sainte Marie, Mich.

This bill came out of the Committee on Public Works unanimously. There was no opposition to it.

Mr. JONES of Alabama. Mr. Speaker, it is a distinct and high privilege for me to rise in support of H.R. 17589 to designate the new Poe lock on the Saint Marys River at Sault Sainte Marie, Mich., as the John A. Blatnik lock in honor of my dear friend and distinguished colleague and chairman of our Public Works Committee.

The new Poe lock is a feature of the project for deepening of the connecting channels in the Great Lakes to depths commensurate with those in the St. Lawrence Seaway. This deepening project has permitted the full utilization of the St. Lawrence Seaway to bring ocean going commerce to all of the Great Lakes.

Congressman JOHN BLATNIK was first elected to the Congress in 1946. He is retiring at the end of this session after 28 years of honorable and distinguished public service to his constituents and to the United States. From the beginning of his service in the Congress he has championed the development of the St. Lawrence Seaway and navigation in the Great Lakes. He was a leading and vital force in bringing about the authorization of the St. Lawrence Seaway and the legislation to deepen and widen the connecting channels of the Great Lakes, opening the ports of the Great Lakes to the trade routes of the world.

Not only did he sponsor both the Seaway and channel deepening legislation, but presided as chairman of the Rivers and Harbors Subcommittee during the construction of the largest of the interlakes locks, now named the Poe lock. This lock is on one of the connecting channels—the 63-mile St. Marys River linking the Mesabi Iron Range with the Chicago-Gary industrial complex of Lake Michigan, and measures 1,200 feet in length by 110 feet in width, in contrast to the 860 by 80 feet dimensions of the other locks. This larger size has permitted construction of the superlakers, the enormous 1,000-foot oreboats which carry iron ore and taconite from Lake Superior to the Lake Michigan industrial region. In turn, this larger scale, more economical interlake transport has encouraged the development of domestic sources for the Nation's backbone iron and steel industry, instead of relying, as we might have been forced to, on imports from Labrador.

Congressman BLATNIK has also been a leading advocate of the deepening of the major harbors of the Great Lakes. His efforts have played a significant role in the development and economic and social well-being of a vast part of our Nation which is served by the Great Lakes.

For these reasons, Mr. Speaker, as well as for his many contributions to the Great Lakes and the Nation, I urge enactment of this legislation honoring this great man.

Mr. JOHNSON of California. Mr. Speaker, I have no further requests for time.

Mr. GROVER. Mr. Speaker, we have no requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. JOHNSON) that the House suspend the rules and pass the bill H.R. 17589.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

AGRICULTURAL CONSERVATION TIME EXTENSION

Mr. BERGLAND. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 3943) to extend the time for using funds appropriated to carry out the 1973 rural environmental assistance program and the 1974 rural environmental conservation program.

The Clerk read the Senate bill as follows:

S. 3943

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law or regulation issued by the Secretary of Agriculture, the time within which producers may request and receive approval for cost-sharing assistance under the 1973 Rural Environmental Assistance Program and the 1974 Rural Environmental Conservation Program (as authorized by sections 7 to 15, 16(a), and 17 of the Soil Conservation and Domestic Allotment Act, as amended, and title X of the Agricultural Act of 1970, as amended) is extended to December 31, 1975, and funds appropriated for such programs shall remain available for making payments to eligible producers until December 31, 1976, for practices carried out during the period July 1, 1972, to December 31, 1975.

The SPEAKER. Is a second demanded?

Mr. THONE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Minnesota (Mr. BERGLAND) will be recognized for 20 minutes, and the gentleman from Nebraska (Mr. THONE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota (Mr. BERGLAND).

Mr. BERGLAND. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill does not entail any new money or any new program. It

simply extends to December 31, 1975, the time required to complete the conservation practices that have been authorized by law, otherwise scheduled to be completed by December 31, of this year.

Mr. Speaker, this problem arose when, in 1973, the administration terminated the 1973 Rural Environmental Assistance program and impounded most of the funds for the program for 1974.

On December 28, 1973, a Federal Court decreed that those impoundments were illegal, and forced their reinstatement.

In April, 1974, the Department of Agriculture announced a conservation program for the 1973 and 1974 authorization. Because of the lateness of the time in which it was annnounced the farmers of the country did not have time to complete 2 years work in less than 9 months.

Many of the land improvement contractors left the business because they felt the program was terminated. Much of the country was devastated by near record rain fall last spring, not only preventing this installation of badly needed conservation measures, but adding to the conservation needs. As a consequence we find, Mr. Speaker, that $100 million in vitally needed conservation practices will not be completed by the termination date as required by law.

Mr. Speaker, I urge the bill be adopted.

I yield to the gentleman from Nebraska.

Mr. THONE. Mr. Speaker, I would like to associate myself with the remarks of the gentleman from Minnesota. He and Chairman POAGE have been most active in the passage of this needed bill.

Mr. Speaker, to comply with the original intent of Congress, to maintain our precious soil and water resources, and to comply with the court order, the soil conservation program compliance period just must be extended for 1 year as mandated in this legislation.

Urban oriented administrations have paid far too little heed to the need to maintain and expand our on-the-farm programs to conserve water and topsoil.

In 1973 the funds were impounded. A Federal court ordered that these funds be invested in conservation during 1974. The program to make available both 1973 and 1974 funds was not announced until late in April 1974. Unsatisfactory weather compounded the problems.

When it appeared that Federal assistance for conservation work was ending in 1973, many contractors went into other specialties or reduced their operations. Then when the programs were reinstated by the courts and 2 years' appropriations were scheduled for 1 year, there were not enough contractors left in the business to do the work—even if the weather had been ideal. Additionally, there is much tillable ground that needs conservation work, but they have made the need for such work even greater.

At this time there is still some $50 million of the 1973 program that has not been committed and about $85 million remaining in the 1974 program. Therefore, to comply with the original intent of Congress, to maintain our precious soil and water resources, and to comply with the court order, the program period must be extended.

Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Minnesota (Mr. BERGLAND) that the House suspend the rules and pass the Senate bill, S. 3943.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BERGLAND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

OPPOSING THE GRANTING OF PERMANENT RESIDENCE IN THE UNITED STATES TO CERTAIN ALIENS

Mr. EILBERG. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. Res. 1518) opposing the granting of permanent residence in the United States to certain aliens.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. FISH. Mr. Speaker, reserving the right to object and I do not intend to object, would the gentleman from Pennsylvania briefly explain the nature of the resolution.

Mr. EILBERG. Under section 244 of the Immigration and Nationality Act, several hundred administrative decisions of the Department of Justice granting permanent-resident status to aliens who have been in the United States for a period of 7 years or more are sent to the Congress annually for our review. Unless either body of Congress approves a resolution opposing the granting of permanent residence to such aliens, they will automatically acquire that status upon the adjournment of this Congress. The Immigration Subcommittee has reviewed each of the cases referred and has unanimously agreed that the granting of permanent resident alien status to the six aliens referred to in House Resolution 1518 is not warranted. This resolution has been cleared on both sides of the aisle and I would urge its approval at this time.

Mr. FISH. I thank the gentleman for his explanation and would note that the resolution has been cleared on this side of the aisle and I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. WYLIE. Mr. Speaker, reserving the right to object, for the record I wish to ask if any of the persons referred to in this resolution have a private bill which has been reported from the Committee on the Judiciary or any such bills now pending in the Committee on the Judiciary.

Mr. EILBERG. Mr. Speaker, the answer is: No.

Mr. WYLIE. Mr. Speaker, further reserving the right to object, is this procedure to expedite the ongoing operations of the Department of Justice, as far as these people are concerned. Is it in any way contrary to whatever action the Attorney General has taken on the question of deportation; does the gentleman know?

Mr. EILBERG. Mr. Speaker, the answer is no to the gentleman's final question. These aliens have been found to be deportable and the Special Inquiry Officer's decision denying suspension of deportation has been reversed by the Board of Immigration Appeals. We are complying with the law since all of these decisions have been referred to us for approval or disapproval, and there are hundreds of cases in this category. In these six cases however, we believe it would be grossly improper to allow these people to acquire the status of permanent resident aliens.

Mr. WYLIE. In other words, the gentleman has been working with the Attorney General's office?

Mr. EILBERG. Yes.

Mr. WYLIE. This bill then is in fact a confirmation of what the Attorney General intends to do?

Mr. EILBERG. The gentleman is correct insofar as it relates to the determination of deportability which has been made by the Department of Justice in each of these cases.

Mr. WYLIE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COPYRIGHT MISCELLANY

Mr. KASTENMEIER. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 3976) to amend title 17 of the United States Code to remove the expiration date for a limited copyright in sound recordings, to increase the criminal penalties for piracy and counterfeiting of sound recordings, to extend the duration of copyright protection in certain cases, to establish a National Commission on New Technological Uses of Copyrighted Works, and for other purposes, as amended.

The Clerk read the Senate bill as follows:

S. 3976

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

TITLE I—AMEND TITLE 17, UNITED STATES CODE, AND FOR OTHER PURPOSES

SEC. 101. Section 3 of the Act of October 15, 1971 (85 Stat. 391), is amended by striking out "and before January 1, 1975".

SEC. 102. Section 104 of title 17, United States Code, is amended—

(1) by striking out "Any person" and inserting in lieu thereof "(a) Except as provided in subsection (b), any person"; and

(2) by adding at the end thereof the following new subsection:

"(b) Any person who willfully and for profit shall infringe any copyright provided by section 1(f) of this title, or who should knowingly and willfully aid or abet such infringement, shall be fined not more than $25,000 or imprisoned not more than one year, or both, for the first offense and shall be fined not more than $50,000 or imprisoned not more than two years, or both, for any subsequent offense."

SEC. 103. Section 2318 of title 18, United States Code, is amended by striking out all after "fined" and inserting in lieu thereof "not more than $25,000 or imprisoned for not more than one year, or both, for the first offense and shall be fined not more than $50,000 or imprisoned not more than two years, or both, for any subsequent offense.".

SEC. 104. In any case in which the renewal term of copyright subsisting in any work on the date of approval of this bill, or the term thereof as extended by Public Law 87-668, by Public Law 89-142, by Public Law 90-141, by Public Law 90-416, by Public Law 91-147, by Public Law 91-555, by Public Law 92-170, or by Public Law 92-566 (or by all or certain of said laws), would expire prior to December 31, 1976, such term is hereby continued until December 31, 1976.

TITLE II—NATIONAL COMMISSION ON NEW TECHNOLOGICAL USES OF COPYRIGHTED WORKS

ESTABLISHMENT AND PURPOSE OF COMMISSION

SEC. 201. (a) There is hereby created in the Library of Congress a National Commission on New Technological Uses of Copyrighted Works (hereafter called the Commission).

(b) The purpose of the Commission is to study and compile data on:

(1) the reproduction and use of copyrighted works of authorship—

(A) in conjunction with automatic systems capable of storing, processing, retrieving, and transferring information, and

(B) by various forms of machine reproduction, not including reproduction by or at the request of instructors for use in face-to-face teaching activities; and

(2) the creation of new works by the application or intervention of such automatic systems or machine reproduction.

(c) The Commission shall make recommendations as to such changes in copyright law or procedures that may be necessary to assure for such purposes access to copyrighted works, and to provide recognition of the rights of copyright owners.

MEMBERSHIP OF THE COMMISSION

SEC. 202. (a) The Commission shall be composed of thirteen voting members, appointed as follows:

(1) Four members, to be appointed by the President, selected from authors and other copyright owners;

(2) Four members, to be appointed by the President, selected from users of copyright works;

(3) Four nongovernmental members to be appointed by the President, selected from the public; generally, with at least one member selected from among experts in consumer protection affairs;

(4) The Librarian of Congress.

(b) The President shall appoint a Chairman, and a Vice Chairman who shall act as Chairman in the asbence or disability of the Chairman or in the event of a vacancy in that office, from among the four members selected from the public generally, as provided by clause (3) of subsection (a). The Register of Copyrights shall serve ex officio as a nonvoting member of the Commission.

(c) Seven voting members of the Commission shall constitute a quorum.

(d) Any vacancy in the Commission shall not affect its powers and shall be filled in the same manner as the original appointment was made.

COMPENSATION OF MEMBERS OF COMMISSION

SEC. 203. (a) Members of the Commission, other than officers or employees of the Federal Government, shall receive compensation at the rate of $100 per day while engaged in the actual performance of Commission duties, plus reimbursement for travel, subsistence, and other necessary expenses in connection with such duties.

(b) Any members of the Commission who are officers or employees of the Federal Government shall serve on the Commission without compensation, but such members shall be reimbursed for travel, subsistence, and other necessary expenses in connection with the performance of their duties.

SEC. 204 (a) To assist in its studies, the Commission may appoint a staff which shall be an administrative part of the Library of Congress. The staff shall be headed by an Executive Director, who shall be responsible to the Commission for the Administration of the duties entrusted to the staff.

(b) The Commission may procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 per day.

EXPENSES OF THE COMMISSION

SEC. 205. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this title until June 30, 1976.

REPORTS

SEC. 206. (a) Within one year after the first meeting of the Commission it shall submit to the President and the Congress a preliminary report on its activities.

(b) Within three years after the enactment of this Act the Commission shall submit to the President and the Congress a final report on its study and investigation which shall include its recommendations and such proposals for legislation and administrative action as may be necessary to carry out its recommendations.

(c) In addition to the preliminary report and final report required by this section, the Commission may publish such interim reports as it may determine, including but not limited to consultant's reports, transcripts of testimony, seminar reports, and other Commission findings.

POWERS OF THE COMMISSION

SEC. 207. (a) The Commission or, with the authorization of the Commission, any three or more of its members, may, for the purpose of carrying out the provisions of this title, hold hearings, administer oaths, and require, by subpoena or otherwise, the attendance and testimony of witnesses and the production of documentary material.

(b) With the consent of the Commission, any of its members may hold any meetings, seminars, or conferences considered appropriate to provide a forum for discussion of the problems with which it is dealing.

TERMINATION

SEC. 208. On the sixtieth day after the date of the submission of its final report, the Commission shall terminate and all offices and employment under it shall expire.

The SPEAKER. Is a second demanded?

Mr. RAILSBACK. Mr. Speaker, I demand a second.

Mr. DINGELL. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman from Michigan opposed to the bill?

Mr. DINGELL. I am opposed to the bill, Mr. Speaker.

The SPEAKER. Is the gentleman from Illinois opposed to the bill?

Mr. RAILSBACK. No, I am not, Mr. Speaker.

The SPEAKER. The gentleman from Michigan (Mr. DINGELL) is opposed to the bill, and the gentleman qualifies.

Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Wisconsin (Mr. KASTENMEIER) will be recognized for 20 minutes, and the gentleman from Michigan (Mr. DINGELL) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 3976, the bill before the House, which passed the Senate on September 9, 1974, is addressed to three issues, all related to the copyright law. First, it would render permanent the expiring prohibition against piracy of sound recordings and maximum existing imprisonment penalties for willful infringement for profit and for counterfeiting of sound recordings (sections 101, 102, and 103);

Second, it would extend the duration of expiring copyrights in certain cases (section 104), and

Third, it would establish a National Commission on New Technological Uses of Copyrighted Works (sections 201–208).

PIRACY PROVISIONS

I turn first to the provisions of S. 3976 involving piracy of sound recordings (secs. 101, 102, and 103). These sections, as proposed to be amended, are identical in effect with the provisions of H.R. 13364, as it passed the House on October 7, 1974, and has since been pending in the Senate Committee on the Judiciary. For parliamentary reasons it has now become desirable for the House again to pass the identical provisions—also amended as to penalties—in enacting S. 3976.

The principal purpose of H.R. 13364, like that of sections 101, 102, and 103 of S. 3976, is to eliminate the present January 1, 1975, expiration date from Public Law 92-140, which first gave copyright protection to sound recordings. The measure also makes increases in the penalties for willful infringement for profit of sound recording copyrights and in the penalties for knowing and fraudulent transportation of sound recordings carrying counterfeit labels.

The effect of these provisions would be to render permanent the existing tentative protection of sound recordings and to fix new penalties for willful infringement of sound recordings carrying counterfeit labels. The new penalties would be for a first offense a maximum fine of $25,000 or a maximum of 1 year's imprisonment or both, and for subsequent offenses a maximum fine of $50,000 or a maximum of 2 years' imprisonment or both. Existing penalties call for a fine of not less than $100 nor more than $1,000 and imprisonment of not more than 1 year, whether for a first or a subsequent offense.

EXTENSION OF EXPIRING COPYRIGHTS

Section 104 of title 1 of the legislation would extend until December 31, 1976,

the copyright in works now in their second term of copyright and due to expire on December 31, 1974. Copyright in approximately 124,000 works will expire on December 31 of this year unless an interim extension of the term is passed. Of this total, approximately two-thirds of expiring copyrights are musical compositions. The Copyright Office estimates that an additional 13,350 copyrights are due to expire in calendar year 1975 and 15,300 in calendar year 1976. By the end of 1976 the total of copyrights affected by interim extension legislation would be approximately 153,500.

If section 104 is enacted, it will be the ninth in a series of interim extensions of the renewal term of expiring copyrights, which began with Public Law 87–668 in 1962. The first 3-year interim extension was followed by a two-year extension, Public Law 89–142, then by five successive 1-year extensions, Public Laws 90–141, 90–416, 91–147, 91–555, and 92–170, and finally by another 2-year extension, Public Law 92–566, which expires at the end of this year. S. 3976 would add another 2-year extension, ending on December 31, 1976.

The principal justification for the extensions has been the bill for general revision of the copyright law, which would add 19 years to the renewal term of all subsisting copyrights, making a total term of 75 years. In the past, support of these temporary extensions was thought warranted under the view that a total 75-year term for subsisting copyrights was fully justified. As long as the revision bill providing a 75-year term was progressing toward enactment, it was thought undesirable to allow subsisting copyrights to expire while the bill was moving through the necessary legislative process. Families of authors, and in a few instances authors themselves, as well as assignees and successors of assignees are direct beneficiaries of the royalties from the majority of these copyrights, and it seemed drastic to permit their works to fall into the public domain during active legislative consideration of a bill that would definitively extend the term in all subsisting copyrights. It should be noted that in no case would any of these works be given protection longer than the 75-year term which is established as the norm under the revision bill, S. 1361, which passed the Senate on the same day as did S. 3976.

The revision bill became stalled in the Senate because of a dispute over rights in cable television transmissions, an issue completely unrelated to the length of copyright term.

Senate passage of S. 1361 on September 9, 1974, by a margin of 70 to 1, warrants the view that considerable legislative momentum has been regained by the revision project. Indeed the prospect for revision seems brighter than at any time since 1967.

A total of 150,000 copyright properties are caught up in the question of extension by the end of 1976. About two-thirds of these works are musical compositions, and in the bulk of these cases the families of composer-authors or their heirs, as well as a few authors and assignees, will benefit personally from royalty payments flowing from these works.

In short, the committee believes that the status and prospects of the general revision bill do provide the justification for another interim extension.

As chairman of the subcommittee that recommended that S. 3976 be favorably reported to the House, I am conveying the views of the Judiciary Committee as I understand them. For myself, however, I cannot concur in the action of my colleagues in ordering a further extension of expiring renewal terms of copyright. I continue to be of the opinion that in too many instances the measure will operate to provide an unjustifiable windfall at the expense of the public domain (see dissenting views in House Report Nos. 92–605 and 92–1449).

NATIONAL COMMISSION ON NEW TECHNOLOGICAL USES OF COPYRIGHTED WORKS

Title II of S. 3976 would create a National Commission on New Technological Uses of Copyrighted Works in the Library of Congress. The Commission would study and compile data on the use of copyrighted works "in conjunction with automatic systems capable of storing, processing, retrieving, and transferring information, and—by various forms of machine reproduction, not including reproduction by or at the request of instructors for use in face-to-face teaching activities."

Twelve members of the Commission would be appointed by the President with four each from among three groups:

First, authors and copyright owners;

Second, copyright users; and

Third, the general public.

The committee amendment No. 3 requires that at least one of the four public members shall be selected from among experts in consumer protection affairs. The Librarian of Congress would serve as the 13th voting member, and the Register of Copyrights would serve ex officio as a nonvoting member. The supporting staff, headed by an executive director, would be an administrative part of the Library of Congress.

Within 3 years after enactment of the bill, a final Commission report would be made, including recommendations for changes in the copyright law for the twin purposes of assuring access to copyrighted works while providing appropriate recognition of proprietary interests. An interim report would be due within 1 year after the first Commission meeting.

The inadequacy of the present law to deal with the range of problems arising from the use of copyrighted works in computer systems is well recognized. Moreover, even though section 108 of the revision bill deals with certain aspects of library photocopying, and other aspects of the problem are now before the Supreme Court in the Williams and Wilkins case, neither enactment of the revision bill nor a definitive decision in the lawsuit can be expected to solve the copyright problems presented by library photocopying or reprography generally. Both of these important public issues urgently need to be studied in depth by recognized experts, and to be reviewed by a commission or other organized body representing all of the interests affected. It is for this reason the committee is advised that the Copyright Office has supported creation of a National Commission either as part of the general revision bill or, if necessary, as separate legislation.

The committee agrees that it is not necessary to await enactment of the general revision package before undertaking the studies and consultations contemplated in title II of S. 3976. We share the hope of the Register of Copyrights that the studies and consultations needed to provide solutions to the copyright problems presented by reprography and the storage and transfer of information will be undertaken without further delay, and that they may be considered independent of the general revision bill itself.

COST OF COMMISSION

The Librarian of Congress has given the committee the following schedule of estimated expenses of the Commission:

	1st year	2d year	3d yea
Salaries	$476, 800	$692, 800	$929, 800
Other expenses	108, 000	111, 500	142, 500
Total	584, 800	804, 300	1, 072, 300
Total 3-year cost		2, 461, 400	

Although the committee recognizes that cost estimates of this character must often be rough, and although it tentatively accepts and adopts these estimates, the committee serves notice that it intends to exercise its oversight function and to keep itself informed with respect to these substantial expenditures. Expenditures of the magnitude of those here involved cannot be allowed to occur without close legislative scrutiny.

More significantly and specifically, however, the committee, by its amendment No. 4, has amended section 205 of this bill to limit the authorization to appropriate funds. As so amended, the authorization applies only to funds for the period preceding June 30, 1976.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. KASTENMEIER. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I thank the gentleman for yielding.

I want to say on my own behalf and on behalf of the members of the subcommittee and of the full committee that I fully agree with the comments made by the gentleman from Wisconsin (Mr. KASTENMEIER).

There is concern about copyrights' expiring, and removal of the expiration date with respect to sound recordings and with respect to piracy and the creation of a National Commission on New Technological Uses of Copyrighted Works would seem to be very much in order and would help the Congress to act intelligently and constructively on this at a future time.

Mr. Speaker, I hope there will be an overwhelming vote in support of this measure.

Mr. Speaker, I rise in support of S. 3976. In 1962 the House began drafting a general revision of our copyright law.

An uncontroversial part of that revision is a provision that would extend the life of a copyright from its present term of 56 years (28+28) to 75 years. Believing that such a change was just 1 or 2 years down the legislative road in the early 1960's, the Congress chose to extend the life of existing copyrights since the new revision contemplated a 19-year longer term for such copyrights. In other words, every year copyrights expire and the Congress thought on eight prior occasions that it would be unfair to those copyrights that would expire just prior to the enactment of the new revision because their rights would be lost and placed in the public domain, whereas those copyrights that expired after the enactment of the new law would have received an expanded life of 19 years (75—56). The only equitable solution to this dilemma in light of the anticipated new revision was to keep the expiring copyrights alive until the Congress completed its work on the new revision law.

After several years of working on the general revision the House passed in 1967 a comprehensive copyright revision bill and in the interim the Congress kept expiring copyrights alive. Meanwhile in the other body the House-passed General Revision bill got bogged down in controversy and in the interim while the House waited for the other body to act, expiring copyrights were kept alive. After 7 years of waiting, last September by a vote of 70 to 1, the other body passed the General Copyright Revision bill, S. 1361. Given this action by both Houses, the likelihood of a general revision law next year is excellent. However, in the meanwhile, we have a total of 150,000 valuable copyright properties that will expire at the end of this month unless this 2-year extension is granted. About 100,000 of those 150,000 copyrights are of musical compositions and in the vast majority of these cases, the composer, author or their heirs are benefiting personally from royalty payments flowing from these copyrights.

Mr. Speaker, it is important to point out that in no case would any of these copyrights be given protection longer than the 75-year term which is contained in the revision bill. In other words, if this bill is adopted, those copyrights that would have expired in 1962 but for the extensions, will have used up 14 of their 19 years and when the new revision bill is enacted, hopefully in the next Congress, they will have 5 years remaining for a total of 75 years.

Mr. Speaker, it would make no sense to me for the Congress to have kept expiring copyrights alive all these years because of an anticipated enactment of a new law and just when it looks as if the Congress is going to enact that new law, it lets existing copyrights die. Given this situation, I believe we can live with just one more extension. I urge the Members to support this legislation.

Mr. KASTENMEIER. Mr. Speaker, I appreciate the comments of the gentleman from Illinois with respect to the creation of a commission.

The committee and, indeed, the Senate are sensitive to the fact that the Congress has been reluctant to create a commission, but we have really no alternative. Unless we are prepared to defer for years to come the treatment of technological uses of copyright, we can literally handle it in no other way.

The committee does recommend the creation of this commission.

Yesterday morning, the second page of the Washington newspaper contained a major discussion of a bill before the Supreme Court in which certain technological uses of copyright are referred to, but we cannot expect the court to determine in each instance how storage and retrieval systems and how various computer systems shall function under existing law, and consequently, we will have to, in our codification of copyright, eventually come to the point where we specifically write into the law the recommendations of this commission which the Senate thinks—and we join the Senate in this—should be created.

We did add an amendment, the Danielson amendment, which would require this commission to report back to the House of Representatives on an interim basis, in 18 months.

Mr. Speaker, on balance, I would say that it is necessary for the House to pass this legislation at this time.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DANIELSON).

Mr. DANIELSON. Mr. Speaker, I thank my chairman for yielding.

Mr. Speaker and Members of the House, I, too, urge the support of this bill, which I feel we must pass at this time.

As my chairman has pointed out, the bill contains three operative provisions. The first is really to ratify a bill we passed earlier this year establishing penalties for the piracy of copyrighted works, principally phonograph records and tapes.

The second, being a critical one as far as time is concerned, is to extend until December 31, 1976, those copyrights which would otherwise expire on December 31, 1974. The reason this is necessary is that a comprehensive revision of the copyright laws will soon be underway. The other house sent a bill to us in September, but it is too complex a subject to be completed this year, although we do propose to go into it early next year. But this bill is to prevent these valuable copyrights from expiring at this time, so it is essential that we do pass this bill.

The last item, the commission, is inherently valuable in our forthcoming review of the copyright laws. With the advent of computer technology, recall electronics, data storage and the like, it is impossible for our courts to handle cases of copyright infringement under the existing law, which is the 1909 copyright law. The existing copyright law was passed and on the books long before anyone dreamed of the radio, let alone computer technology and the like. I therefore strongly urge that we pass this bill.

Mr. DINGELL. Mr. Speaker, I do have a request from my good friend, the gentleman from Illinois (Mr. RAILSBACK) and I yield 5 minutes at this time to that gentleman.

Mr. RAILSBACK. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of S. 3976. This bill has three main provisions.

The first main provision containing sections 101, 102, and 103, would remove the expiration date—January 1, 1975—and grant regular term copyright protection of records and tapes and increase the criminal penalties for piracy and counterfeiting of sound recordings as amended by the Judiciary Committee. This part of the bill is identical to legislation passed earlier this year by the House (H.R. 13364, October 7, 1974). This legislation has the support of the Register of Copyrights, Departments of State, Justice, and Commerce.

The second main provision contained in section 104 of the bill would extend until December 31, 1976, the copyright in works now due to expire on December 31, 1974. If this extension is enacted, it would be the ninth in a series of interim extensions of the renewal term of expiring copyrights which began in 1962. The principal justifications for these extensions for the bill is the general revision of the copyright law, S. 1361, which passed the Senate and is pending before the Subcommittee on Courts, Civil Liberties and the Administration of Justice. The general revision legislation would add 19 years to the renewal term of all existing copyrights making a total of 75 years. Given the likelihood of favorable action on this general revision legislation early next year, it is only equitable to extend existing copyrights.

The third main provision of S. 3976 is contained in title 2 of the bill and it would create a National Commission on New Technological Uses of Copyrighted Works. The Commission would study and compile data on the computer uses of copyrighted materials as well as the various forms of machine reproduction of copyrighted works. The Commission would complete its work within 3 years. This National Commission idea first passed the other body in the 90th Congress. This year it passed the other body twice, first as part of the general copyright revision bill, S. 1361, and then as title 2 of this bill presently before us today, S. 3976.

The creation of a Commission is always closely scrutinized by the House and many times the creation of a Commission meets with the disfavor of this body, and rightly so. But there is a critical need for the very specialized information which this Commission is expected to provide. The Judiciary Committee neither possesses the expertise nor will it have time to develop such a study. One of the legislative matters the committee will be working on early next year will be a general revision of the entire copyright law which has remained pretty much intact since 1909. The creation of this Commission is presently a part of the general revision bill (S. 1361). It will be useful to establish a Commission at this time in order to help us prepare for and facilitate the resolution of these highly technical copyright issues.

At first the Copyright Office projected

a total 3-year cost of the Commission at almost $2.5 million. The Subcommittee on Courts, Civil Liberties and the Administration of Justice was unanimous in believing that this estimate was excessive and should be cut back. After the report was filed, I was advised by the Register of Copyrights that, given the disposition of the subcommittee, the cost of the Commission can and shall be revised downward by at least one-half and maybe more. This can be done, as I understand, by using the personnel and office space of the Library of Congress and the office and personnel of the Register of Copyrights. I believe these two offices should work closely together and develop the needed technical information and keep the cost down to a bare minimum.

To assist in keeping the cost down, the committee adopted an amendment offered by the gentleman from California (Mr. DANIELSON) which would limit the money authorization for the Commission to June 30, 1976, which would be for 1½ years, which is exactly one-half of the Commission's total life of 3 years. This will have the effect of forcing the Commission back to the Congress after half of its life is completed, giving the Congress the opportunity to review the Commission's work product to date, its direction and use of its money. Given the critical need for this particular study the assurances of the Register of Copyrights and this built-in authorization safeguard, I urge my colleagues to support the enactment of S. 3976.

Mr. DINGELL. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I have no doubt but what this piece of legislation will pass, but I think the Members of the House ought to know that it is an incredibly bad piece of legislation.

Before I proceed to denounce the legislation for what it is, I would like to compliment my good friend and colleague, the gentleman from Wisconsin (Mr. KASTENMEIER), who has been very fair in giving me notice so that I might get up this year, as I do every year, to point out the outrage that this piece of legislation is.

I want it understood that my remarks, in no fashion, should be interpreted by my colleagues as in any fashion indicating anything other than the highest regard, deservedly and properly so, that I have for my good friend and colleague, the gentleman from Wisconsin (Mr. KASTENMEIER).

What does this bill do? First of all, it is a Christmas tree. This bill comes up, by the way, at the end of every session as it does every Congress. It is the ninth time since 1962 that the Congress has had this kind of an extension bill before us.

And what is the real thrust of the bill? The real thrust of the bill is to extend copyrights—to extend copyrights. And whom does it extend them for? For the authors, for their heirs, for a bunch of poor old ladies who hold copyrights? By no means—not for old ladies, not for heirs, not for anybody other than the big publishing houses who are going to have their copyrights extended for the ninth time.

I have asked for copies of the hearings—where the hearings were had, and I must confess I have received two documents which I am informed cover the question of whether or not copyrights should be extended. But a quick reading—and that was all the time I had on these two documents—indicates that the question was never really placed before the American people or their representatives whether copyrights going back now 50 and 60 years should be extended for another year.

The beneficiaries are interesting: ASCAP—ASCAP—one of the curious institutions which hold copyrights, and which holds them not for the benefit really of the authors, but which holds them for the benefit of its own interests. And Broadcast Music—and they, also. Each of these institutions would merit a very careful consideration from the standpoint of the antitrust laws as to their actions, activities, and as to whether in fact they serve the public interest, which, in my view at least, is highly doubtful.

In other years we had the gentleman from New York, Manny Celler, the beloved late chairman of the Committee on the Judiciary, who would rise and assure the House that this is the last time we are ever going to have this question before us, because we are going to have a general revision of the copyright law, next Congress.

He began those promises of revisions in 1962, and periodically I would inquire as to when he was going to deliver on that promise. In one instance, he finally in his last year here decided that he was going to renege on the promise altogether, that his commitments which I quoted to him in the record were simply not going to be honored.

I recognize the fact that this is brought up during the closing days of the session. It is much easier to handle a piece of legislation that has as little merit as this during the closing days than to face the searching scrutiny of a proper hearing and proper consideration by Members of this body with regard to the merits of the legislation.

Let us have a clear understanding of the function of the copyright laws. The copyright laws were to protect the works of authors which had originality and which had merit, and to give them a period during which they would not move into the public domain, during which time the author would be assured that he would be the sole beneficiary of his labors. That situation has largely been corrupted by a number of circumstances.

First of all, the original copyright, once extended under the law, has been statutorily extended to the detriment of the public at large on no less than nine occasions, and so almost all the original authors and holders of these copyright laws have now passed from the realm of the living. Very few of those many thousands who are cited in the report are still around to derive the benefits of their copyrights and benefits of their labors.

These copyrights have passed to the big publishing houses. They have passed to the recording companies. They have passed to other persons who have them as speculators, and to others who otherwise bought the interests in these copyrights.

The argument is made that this section is going to cost the taxpayers nothing. It is not going to cost them anything as taxpayers, but as readers, as consumers, and as citizens it is going to cost them plenty, because they are going to keep on paying for the ninth extension of the copyright laws for the benefit not of the public at large, for the benefit not of the public domain, but for the benefit of the publishing houses and ASCAP and speculators, investors, and persons like that.

That is who the beneficiaries of this legislation are. They are not the widows and they are not the children and they are not the heirs and they are not the authors, but they are often a bunch of possible antitrust violators who stand to get by flat of the Congress of the United States another extension of the copyright laws for their particular benefit. That is what is at stake.

There are other things in this legislation that Congress ought to be aware of. The Judiciary Committee has been studying these copyright laws at least since I came to the Congress in 1955. They always promise a general revision of the copyright law especially in connection with these extensions. They now set themselves up a commission in this bill to study copyright revisions. We are literally awash in commissions in this town, and these commissions cost a great deal of money.

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Texas.

Mr. BROOKS. Mr. Speaker, I want to say, and I am a member of the Judiciary Committee, I have been guilty since 1962 of studying time and again the extension of this copyright bill, and at the last meeting of the Judiciary Committee I told them I had crossed that wire for the last time. They have told us and told us in this Congress and in that committee that we are just going to extend it one more time, and I believe we have extended it long enough. I want to say since 1962 we have been extending it. I believe 12 years is long enough to give these people the benefit and the advantage of extending their original contract.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, my sentiments are very similar to those of the gentleman for Texas.

The Judiciary Committee under its new chairman in this Congress has been preoccupied for over a year with extraordinary burdens, including two Vice Presidential nominations and the Presidential impeachment proceedings. Had we not had these burdens we might have moved a great deal of other business out of the committee before the end of this Congress. Hopefully, the committee will not have to repeat those assignments in the next Congress. Surely, before the end of the next Congress we should

have come up with some permanent legislation to take care of this once and for all, and should cease granting these 1-year extensions.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Texas (Mr. KAZEN).

Mr. KAZEN. Mr. Speaker, I would ask the gentleman, how old are some of the copyrights which are being prolonged and extended by this bill?

Mr. DINGELL. Let me ask my friend, the gentleman from Wisconsin, that question: How old are some of the oldest copyrights involved in this?

Mr. KASTENMEIER. Mr. Speaker, if the gentleman will yield, they are from 1906 and date from the period 1906 to 1918. Normally those obtained in 1906 would expire 56 years thereafter, in 1962. In 1962 the Congress decided to extend these copyrights and they will have been extended nine times since then. So those particular copyrights are extended. However, in no event could they be extended beyond 75 years. I think the Members are entitled to know that it was contemplated that originally a new term would be contemplated of life plus 50 but all existing copyrights would be extended to a total of 75 years, and it was in that context that these early existing extensions of subsisting copyrights was passed by the Congress.

Mr. DINGELL. I thank my colleague. So they go from 56 years plus 9 years plus 1 year, that is 66 years, and then when the general copyright extension comes forward they will extend it to 75 years, and through this pattern; if we are here at the end of that time, we will have an American copyright extension bill before us, just as this one is.

Mr. KAZEN. Mr. Speaker, if the gentleman will yield, I associate myself with the remarks of the gentleman in the well and I am of the opinion that these copyrights have been protected long enough.

Mr. DINGELL. I agree with the gentleman.

Mr. HUNGATE. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Missouri.

Mr. HUNGATE. Mr. Speaker, I thank the gentleman for his effort, but I would like to point out that our former colleague, Chairman CELLER, did remind us: Promises are like pie crusts: They are easily broken.

Mr. DINGELL. I can only assume that was a campaign promise. The hard fact is that they are going to set up in addition to that a commission——

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. DINGELL. Mr. Speaker, I yield myself 2 additional minutes.

Mr. Speaker, they are going to figure out how to extort further from the reading public, the listening public, and the consuming public.

We ought to take a look at the four members from the authors and copyright owners, four from the copyright users, and four from the general public; that means the publishers, not the citizens of art; four nongovernmental members selected from the public generally.

Then there is the Library of Congress. Now, the Library of Congress is a longtime supporter of long-term extensions of copyrights. Every time we get one of these abominations before the House, we find one of the principal pushers and promoters is the Library of Congress.

Then there are the folks in the Copyright Office. They are here taking care of ASCAP and BMI and the big publishing companies.

This is nothing more than a ripoff of the American consumer, the American reading public, and the American listening public. I say "Shame." We ought not to have it here. We ought not to have it here at this time. It is going to extort more money from the people. We are told it is not going to cost the Government anything, but the Commission will cost a pile of money, a couple million dollars. In addition to that, the reading public, the listening public, the consuming public, are going to be ripped off. This legislation ought to be summarily defeated.

Mr. ASHBROOK. Mr. Speaker, will the gentleman from Wisconsin yield?

Mr. KASTENMEIER. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I thank the gentleman.

I want to apologize for rising a little late to bring up this point. I notice the hour is 12:25. I wondered if we were heading in the direction of consideration of the private bill for the relief of one Nelson Rockefeller.

Mr. KASTENMEIER. Mr. Speaker, that matter will be up shortly; but we are presently on the copyright bill.

Mr. Speaker, in that connection, I yield to the gentleman from Tennessee (Mr. FULTON).

Mr. FULTON. Mr. Speaker, I take this time to express my strong support of this legislation and I commend the Committee on the Judiciary, especially on this particular section we are considering.

Before the 93d Congress adjourns, we must extend the limited copyright protection afforded to sound recordings against modern-day pirates of the legitimate work of musicians, artists, and record companies. Title I of S. 3976 does this. It continues to provide a tool for Federal law enforcement authorities to move against the thieves who steal the creative efforts of composers, arrangers, singers, musicians, and the countless others who bring us the wide world of recorded music.

Pirates steal the successful works of others. When a recording company produces a "hit," the pirates move in and reproduce it on tape. These leeches on legitimate business and labor pay no musicians, no artists, little or no advertising and promotion and seldom, if ever, pay copyright fees to composers and publishers. Yet, they skim the cream off the industry.

Pirates sell cheap reproductions of the recordings which have taken many hours and many hundreds of dollars to produce. Because no fees are paid, they sell their imitations at lower cost. But stolen merchandise often is cheaper.

Legitimate companies pay for what they use and pay for what they produce. They contribute to pension and welfare funds. They pay scores of experts. They spend money to create and to promote. They bear the losses of recordings that do not become hits.

Without the protection of Federal antipiracy legislation, the pirates will increase their activities. This would be intolerable since last year, despite Federal legislation and similar laws in many States, record pirates are estimated to have earned $200 million with their stolen merchandise.

We need more protection against pirates, not less. We need less piracy, not more. The pending legislation increases penalties against those convicted of piracy.

While I represent one of the music centers of America and scores of people in my district have a direct stake in protecting legitimate recordings, this is not a parochial problem. It is necessary that we extend the Federal antipiracy law so that it does not die on December 31, and increase the penalties against the pirates.

I commend the distinguished chairman of the Copyright Subcommittee (Mr. KASTENMEIER) and the chairman of the Judiciary Committee (Mr. RODINO) for their efforts in this regard.

Mr. KASTENMEIER. Mr. Speaker, I would like to yield 3 minutes to the gentleman from New York (Mr. SMITH), a member of the subcommittee.

Mr. SMITH of New York. Mr. Speaker, I might say to the gentleman from Michigan, that there was testimony before our committee that in addition to ASCAP and the Broadcast Music Institute and some of the big people in the publishing field also, there are a great deal of royalties which go from their ownership of copyrights to the original authors and families of authors.

I had a letter myself from one of these authors who hoped that we would continue with the extension of the copyright.

Now, the only justification for this further extension, after eight different extensions, is the fact that from year to year there has been the good possibility, or a possibility, that the copyright law would undergo in this Congress a general revision, and if we will remember, this House has voice-passed a revision of the copyright bill. The other body had not moved on it until this last September, at which time, I think it was September 9, the other body did pass a general revision of the copyright law.

I understand it is the intention of the chairman, the gentleman from Wisconsin (Mr. KASTENMEIER) to move forward on the House side in the new Congress as soon as possible, because now that the other body has moved and there is a prospect of enacting a general revision of this law, it looks as if we may get this general revision; so it seems only logical and fair to extend those copyrights that would otherwise expire during the interim period between December 31 of this year and the time when a general revision of the copyright law is adopted.

The fact is that the general revision will create a term of some 75 years of

copyrights as opposed to our present term of 56 years—two terms of 28. In addition to that, I might say, if the Members will remember, those who were here when the House passed a general revision bill, the rest of the world has copyrights that extend for lifetime of the author plus 50 years in many instances.

We here in the United States have copyright protection extending for the shortest period. I am sure the effort will be made in the new copyright revision, as it was in the two bills the House did pass, to bring the United States more in harmony with the rest of the world.

I would like to make one remark, if I may, about the commission. I think some sort of institution, commission, committee, advisory board, is necessary to go into these questions of automatic data processing and reproduction that are now facing us and recommend a legal resolution to these tough questions.

So, Mr. Speaker, I hope S. 3976 will be passed overwhelmingly by this House.

Mr. KASTENMEIER. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. DRINAN).

Mr. DRINAN. Mr. Speaker, I commend the members of the subcommittee of which I am a member. I also commend the distinguished chairman of the subcommittee, Mr. KASTENMEIER, for working out the best arrangement that is possible under all the present circumstances. I have difficulties with this bill, as the chairman does.

Mr. KASTENMEIER. Mr. Speaker, let me say briefly in conclusion that while I sympathize with the importance of what the gentleman from Michigan (Mr. DINGELL) has had to say about the extension of existing copyrights, nonetheless the Congress has spoken, and spoken often, on the subject. It has in the past consistently extended these copyrights, and the fact of the matter is that next year is a year when we should have general revision.

I think the proponents can and have made that point. Next year, when we come back for general revision, that Congress will have an opportunity to determine whether it wants to extend subsisting copyrights for 75 years, as it proposed in the legislation, and whether it wants a term of life plus 50. Thus far, there is every indication that it will do as they did in the House and as they did in the Senate in 1964.

Mr. DRINAN. Mr. Speaker, it is always difficult to know how to vote on a bill which contains both the good and the bad. S. 3976 is a measure of that kind. It has three discrete parts: First, a provision to extend existing copyrights; second, a provision to perpetuate copyright protection for sound recordings, first enacted in 1971, and third, a provision to establish a National Commission on New Technological Uses of Copyrighted Works. I support the first part, but not the second and third sections.

The decision whether to vote for or against in this case is further complicated by the status of the beneficiaries of part of the bill. In the past several weeks, I have received a number of letters from the survivors, heirs, and descendants of many famous American writers and composers. They seek an extension of existing copyrights on the ground that part, and in some instances, most of their present income derives from royalties which are still being paid on the works of the deceased artist. To be sure, the case they present is compelling.

But their just claim for continued protection cannot be evaluated in a vacuum. Other interests are at stake. A great number of these existing copyrights are in fact held by large corporations whose business practices, in the view of some, are not consistent with the antitrust laws. For example, just a few weeks ago the Justice Department filed a civil complaint against a large number of the major book publishers alleging monopolistic practices. These charges, if proved, would indicate the shoddy and unfair manner in which these companies have treated the American consumer and the rest of the industry. Extending copyrights which may inure largely to the benefit of these corporations and at the expense of the consumer is something which should give each of us pause.

Furthermore, S. 3976 would extend without limitation the copyright protection we first gave to sound recordings in 1971. On October 10, 1974, this House passed H.R. 13364, a bill nearly identical to the sound recording copyright provisions of S. 3976. I voted against that bill in subcommittee, in full committee, and on the floor, principally for three reasons: First, we did not adequately examine the impact of the law on the competitive aspects of the recording industry, on consumer prices, and on artistic freedom; second, the criminal penalties in H.R. 13364 were too severe, and third, the act did not contain an expiration date as did the original law. Since that occasion, I have seen no evidence which would persuade me to alter my position on the matter.

In addition, this bill would establish a National Commission on New Technological Uses of Copyrighted Works. With 13 members appointed by the President, this agency would examine the innovative aspects of copyrights and report its findings and recomendations to the Congress and the President. The estimated cost for three years is $2,461,400.

In my judgment the cost of the Commission is excessive. At a time when there is great concern over the size of the Federal budget, I cannot justify the nearly $2.5 million which this bill authorizes for this new agency. I think we could save the taxpayers a great deal of money if we merely authorized funds to support independent research on the subject. That would surely accomplish our aim, and reap the additional advantage of securing truly independent and disinterested judgments about the applicability of copyrights in these new and emerging areas.

I also object to the provision which gives the President the sole power of appointment. The bill does not even contain the usual requirement that the Senate give its advice and consent to the nominees for the Commission. When it is considered that the Commission staff will be an administrative part of the Library of Congress, the requirement of presidential exclusivity is more astounding.

Furthermore at least eight of its members must be chosen from among those who have a vested interest in preserving and extending copyrights. What is needed at the present time is not perpetuation of entrenched economic power. What is needed is independent and dispassionate judgment of the utility of the assumed benefits of copyright protection. The appointment mechanism of this bill is hardly calculated to achieve that result.

One, of course, cannot be blind to the interests of the descendents of composers and writers. Nor on the other hand can one be insensitive to the grave concerns of the American consumer and taxpayer. For these reasons, I vote, though reluctantly, against this bill.

The SPEAKER. The question is on the motion offered by the gentleman from Wisconsin (Mr. KASTENMEIER) that the House suspend the rules and pass the Senate bill (S. 3976), as amended.

The question was taken and the Speaker announced the ayes appeared to have it.

Mr. DINGELL. Mr. Speaker, I object to the vote on the grounds that a quorum is not present and make the point of order that a quorum is not present.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Before the Chair makes a determination, the Chair is going to state that we are going immediately into the Vice Presidential confirmation proceedings after this vote.

Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 292, nays 101, not voting 41, as follows:

[Roll No. 715]

YEAS—292

Abdnor	Breaux	Cotter
Addabbo	Brinkley	Coughlin
Anderson, Calif.	Broomfield	Crane
	Brotzman	Cronin
Anderson, Ill.	Brown, Calif.	Culver
Andrews, N. Dak.	Brown, Mich.	Daniel, Dan
	Brown, Ohio	Daniel, Robert W., Jr.
Annunzio	Broyhill, N.C.	
Arends	Buchanan	Daniels, Dominick V.
Armstrong	Burgener	
Ashley	Burke, Calif.	Danielson
Badillo	Burke, Mass.	Davis, S.C.
Baker	Burlison, Mo.	Davis, Wis.
Barrett	Burton, Phillip	Delaney
Bauman	Byron	Dellenback
Beard	Casey, Tex.	Denholm
Bell	Cederberg	Dennis
Bergland	Chamberlain	Dent
Bevill	Clausen, Don H.	Derwinski
Biaggi		Dickinson
Biester	Cleveland	Diggs
Bingham	Cochran	Donohue
Blackburn	Cohen	Dorn
Blatnik	Collins, Ill.	Dulski
Boggs	Collins, Tex.	Duncan
Boland	Conable	du Pont
Bolling	Conlan	Eckhardt
Bowen	Conte	Edwards, Ala.
Brademas	Corman	Eilberg

Erlenborn	Latta	Rooney, Pa.
Esch	Leggett	Rose
Evins, Tenn.	Lehman	Rosenthal
Fascell	Lent	Rostenkowski
Findley	Litton	Rousselot
Fish	Long, La.	Roy
Flood	Long, Md.	Ruppe
Flynt	Lott	St Germain
Foley	Lujan	Sandman
Ford	McClory	Sarasin
Forsythe	McCollister	Sarbanes
Fraser	McCormack	Satterfield
Frelinghuysen	McDade	Scherle
Froehlich	McFall	Schneebeli
Fulton	McKinney	Sebelius
Fuqua	Madden	Seiberling
Gettys	Madigan	Shoup
Giaimo	Mallary	Shriver
Gibbons	Mann	Shuster
Gilman	Maraziti	Sisk
Ginn	Martin, Nebr.	Skubitz
Goldwater	Martin, N.C.	Smith, Iowa
Green, Oreg.	Mathias, Calif.	Smith, N.Y.
Green, Pa.	Mathis, Ga.	Spence
Griffiths	Matsunaga	Staggers
Gubser	Mayne	Stanton,
Gude	Meeds	J. William
Guyer	Melcher	Steed
Hamilton	Mezvinsky	Steele
Hammer-	Michel	Steelman
schmidt	Miller	Steiger, Ariz.
Hanley	Minish	Steiger, Wis.
Hanrahan	Mink	Stephens
Hansen, Idaho	Mitchell, N.Y.	Stuckey
Harsha	Mizell	Sullivan
Hastings	Moakley	Symington
Hébert	Moorhead,	Symms
Hechler, W. Va.	Calif.	Talcott
Heckler, Mass.	Moorhead, Pa.	Thompson, N.J.
Heinz	Morgan	Thomson, Wis.
Helstoski	Mosher	Thornton
Henderson	Murphy, Ill.	Tiernan
Hicks	Myers	Towell, Nev.
Hillis	Nelsen	Treen
Hinshaw	Nichols	Udall
Hogan	Nix	Ullman
Holifield	Obey	Van Deerlin
Holt	O'Brien	Vander Veen
Holtzman	O'Neill	Veysey
Horton	Patman	Vigorito
Hosmer	Patten	Waldie
Huber	Pepper	Walsh
Hudnut	Pettis	Ware
Hungate	Peyser	Whalen
Hunt	Pike	White
Hutchinson	Powell, Ohio	Whitehurst
Johnson, Calif.	Preyer	Widnall
Johnson, Pa.	Pritchard	Wiggins
Jones, Ala.	Quie	Williams
Jones, Tenn.	Quillen	Wilson, Bob
Karth	Railsback	Winn
Kastenmeier	Randall	Wolff
Kemp	Rangel	Wright
Ketchum	Reid	Yatron
King	Rhodes	Young, Alaska
Kluczynski	Rinaldo	Young, Fla.
Koch	Robinson, Va.	Young, Ga.
Kyros	Robison, N.Y.	Young, Ill.
Lagomarsino	Rodino	Young, Tex.
Landgrebe	Roe	Zablocki
Landrum	Rogers	Zion

NAYS—101

Abzug	Gonzalez	Perkins
Andrews, N.C.	Gray	Pickle
Ashbrook	Gross	Poage
Aspin	Gunter	Price, Tex.
Bafalis	Harrington	Rarick
Bennett	Hawkins	Rees
Bray	Hays	Regula
Breckinridge	Ichord	Reuss
Brooks	Jarman	Riegle
Burke, Fla.	Johnson, Colo.	Roberts
Burleson, Tex.	Jones, Okla.	Roush
Burton, John	Jordan	Roybal
Butler	Kazen	Runnels
Carney, Ohio	Luken	Ryan
Carter	McCloskey	Schroeder
Chappell	McEwen	Sikes
Clancy	McKay	Slack
Clawson, Del	McSpadden	Snyder
Clay	Mahon	Stanton,
Conyers	Mazzoli	James V.
de la Garza	Metcalfe	Stokes
Dellums	Milford	Stratton
Devine	Mitchell, Md.	Stubblefield
Dingell	Mollohan	Studds
Drinan	Moss	Taylor, Mo.
Edwards, Calif.	Murphy, N.Y.	Taylor, N.C.
Evans, Colo.	Murtha	Teague
Fisher	Natcher	Thone
Fountain	Nedzi	Traxler
Frenzel	Parris	Vander Jagt
Gaydos	Passman	Vanik
Wampler	Wilson,	Waggonner
Whitten	Charles, Tex.	Wydler
Wilson,	Wylie	Young, S.C.
Charles H.,	Yates	
Calif.		

NOT VOTING—41

Adams	Frey	O'Hara
Alexander	Goodling	Owens
Archer	Grasso	Podell
Brasco	Grover	Price, Ill.
Broyhill, Va.	Haley	Roncallo, Wyo.
Camp	Hanna	Roncallo, N.Y.
Carey, N.Y.	Hansen, Wash.	Rooney, N.Y.
Chisholm	Howard	Ruth
Clark	Jones, N.C.	Shipley
Collier	Kuykendall	Stark
Davis, Ga.	Macdonald	Wyatt
Downing	Mills	Wyman
Eshleman	Minshall, Ohio	Zwach
Flowers	Montgomery	

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

The Clerk announced the following pairs:

Mr. Howard with Mr. Carey of New York.
Mr. Shipley with Mr. Owens.
Mr. Rooney of New York with Mr. Clark.
Mr. Roncalio of Wyoming with Mr. Davis of Georgia.
Mr. Haley with Mr. Hanna.
Mrs. Chisholm with Mrs. Grasso.
Mr. Downing with Mrs. Hansen of Washington.
Mr. Flowers with Mr. Collier.
Mr. Macdonald with Mr. Camp.
Mr. Montgomery with Mr. Archer.
Mr. O'Hara with Mr. Eshleman.
Mr. Price of Illinois with Mr. Broyhill of Virginia.
Mr. Stark with Mr. Frey.
Mr. Alexander with Mr. Goodling.
Mr. Adams with Mr. Grover.
Mr. Jones of North Carolina with Mr. Kuykendall.
Mr. Minshall of Ohio with Mr. Mills.
Mr. Roncallo of New York with Mr. Ruth.
Mr. Wyman with Mr. Wyatt.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFIRMING NELSON A. ROCKEFELLER AS VICE PRESIDENT OF THE UNITED STATES

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1519 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1519

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 28(d)(4) of rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. Res. 1511) confirming Nelson A. Rockefeller as Vice President of the United States. After general debate, which shall be confined to the resolution and shall continue not to exceed six hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Judiciary, and Representative Robert W. Kastenmeier, of Wisconsin, the Committee shall rise and report the resolution to the House, and the previous question shall be considered as ordered on the resolution to final adoption or rejection.

Mr. DELANEY. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Michigan (Mrs. GRIFFITHS) for the purpose of making a unanimous-consent request.

Mrs. GRIFFITHS. Mr. Speaker, I ask unanimous consent that I may be permitted to revise and extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from Michigan?

Mr. WALDIE. Mr. Speaker, I reserve the right to object, and I shall not object, but I do so in order to ask the gentleman from New York a question.

The question is: I asked for time to speak on the rule, and I was told that because I was in opposition to it I could not speak; that the gentleman from New York (Mr. DELANEY) was anxious to get the matter over with. I ask the gentleman from New York: Will I be granted permission to speak on the rule?

Mr. DELANEY. Mr. Speaker, what the gentleman from California said is true. The gentleman asked for time. I told the gentleman I was in favor of the adoption of the rule, and that from what the gentleman indicates in the Committee on Rules he was in opposition to it, and I told the gentleman I had no intention of delaying it any further.

Mr. Speaker, I yield 30 minutes to the gentleman from Nebraska (Mr. MARTIN).

Mr. WALDIE. Mr. Speaker, I have reserved the right to object.

The SPEAKER. The gentleman from California has reserved the right to object.

The regular order has been demanded. The regular order is: Is there objection to the request of the gentlewoman from Michigan?

Mr. WALDIE. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

Mr. WALDIE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will state that a quorum has just been established. The Chair will count.

Two hundred thirty-five Members are present. A quorum is present.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Nebraska (Mr. MARTIN) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1519 provides that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Resolution 1511 confirming Nelson A. Rockefeller as Vice President of the United States.

House Resolution 1519 provides for a waiver of clause 28(D)(4) of rule XI of the Rules of the House—the 3-day rule.

House Resolution 1519 provides for 6 hours of general debate—2 hours to be controlled by the chairman of the Judiciary Committee, 2 hours to be controlled by the ranking minority member of the Judiciary Committee and 2 hours to be controlled by Representative ROBERT W. KASTENMEIER of Wisconsin. After general debate is concluded, the committee shall rise and report the resolution to the House, and the previous question shall be considered as ordered on the resolution to final adoption or rejection.

Mr. Speaker, I urge the adoption of House Resolution 1519 in order that we may discuss, debate and pass House Resolution 1511.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from New York has explained, House Resolution 1519 provides for 6 hours of debate on House Resolution 1511 providing for the confirmation of Nelson A. Rockefeller as the Vice President of the United States. The 6 hours are to be divided equally between the chairman and the ranking member of the committee and the gentleman from Wisconsin (Mr. KASTENMEIER) representing those in opposition to the resolution.

I am not going to speak very long, nor am I going to cover the subjects included in the committee report. I should like to call attention to the House, however, that the request from President Ford for the nomination of Nelson Rockefeller as Vice President was made 5 months ago tomorrow. I compliment the House Committee on the Judiciary and its chairman, the gentleman from New Jersey (Mr. RODINO) for the excellent, exhaustive, and detailed study which they have made of Mr. Rockefeller and his activities throughout his entire life.

Immediately upon receipt of this message, the chairman of the committee appointed and set up an able, adequate staff to go into every phase of Mr. Rockefeller's life. In addition to this, 31 agencies in the Federal Government were requested to make a complete report of all activities of Mr. Rockefeller in any context that he or his family had had with those particular agencies, and of all correspondence Mr. Rockefeller or his family had had with those agencies.

Over 400 FBI agents were put on the job of investigating very thoroughly from the day that Nelson Rockefeller was born up to the present in every area of the United States in which he had appeared, and other parts of the world as well.

I just wonder, Mr. Speaker, how many Members of the Congress could come up with a clean bill of health from such an exhaustive investigation as Mr. Rockefeller has gone through.

I want to speak about some of the things that I learned about Nelson Rockefeller beginning back in 1926. I first met Nelson Rockefeller at Dartmouth College up at Hanover, N.H. I was a sophomore, and he was a freshman. I did not know him well on campus, but I do know some things about him that happened during our college years together.

First of all, he was just a plain, ordinary student at the college, just as plain as an old shoe. In regard to his allowance, his allowance was probably less than the average student at Dartmouth received at that time. It was far less than many students received.

Because of Nelson Rockefeller's upbringing in a good Christian home, and the fundamental teachings that he received from both his mother and his father, he learned from a very early age as a young boy that 10 percent of his allowance was to be contributed to the church or to charitable institutions.

When Nelson Rockefeller was at Dartmouth, from the very modest allowance which he received from his parents he contributed 10 percent to the church in Hanover, N.H., and in addition to that, Mr. Speaker, he attended church services regularly every Sunday, and in addition to that he taught a Sunday school class. How many college students engage in that sort of activity?

Another thing that Nelson Rockefeller learned from his boyhood, from his mother and from his father, was that he was going to have a great responsibility, in his manhood, to society and to his fellow citizens because of the tremendous wealth of the Rockefeller family. It was impressed on young Nelson Rockefeller that he should use this power and this money wisely and for the benefit of mankind, and all the Rockefeller children have done that. They have done an outstanding job in handling the tremendous wealth which that family has and in contributing millions and millions of dollars to be helpful not only to fellow citizens in the United States but also in many, many other countries of the world.

There are some cynics in the country today who do not understand this basic philosophy of Nelson Rockefeller and his family. They put some sinister connotations on the fact that the Rockefellers have contributed funds and made loans to their friends and to institutions in order to be helpful. This is part of his way and it was the way he was brought up and it is the only way he understands how to utilize the wealth that family has accumulated: for the benefit of mankind.

Then a few words regarding his public life: He has been elected four times as Governor of the great State of New York, representing about 18 million people. He has had vast administrative experience as the chief executive officer in New York State.

In the field of the Federal Government, five Presidents of the United States of both parties have appointed Nelson Rockefeller to responsible jobs in our Federal Government in both the domestic and foreign fields. In every one of these jobs Mr. Rockefeller has done an outstanding job and has been commended for the work that he did in the particular duties and jobs to which he was assigned by these five Presidents of the United States.

So he has had experience not only in the domestic field but also in the foreign field.

As a result of his background and experience Nelson Rockefeller is well qualified to be the next Vice President of the United States.

In closing, Mr. Speaker, I would like to quote from the last two very brief paragraphs of the majority report on this resolution:

> Looking at the total record, however, the Committee finds Nelson A. Rockefeller fit and qualified to be Vice President, and believes his nomination merits confirmation pursuant to the Twenty-fifth Amendment.
>
> Nothing in the Committee's hearing record or in its investigative files was found to disqualify Mr. Rockefeller from service. On the contrary, the evidence warrants an endorsement of his capacity and fitness to serve as Vice President.

Mr. Speaker, I second those views. I support the rule and I support the nomination of Mr. Rockefeller as Vice President of the United States.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Nebraska. I will yield very briefly. I will not yield for a speech by the gentleman.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman for yielding and I do not intend to make a speech.

The gentleman has mentioned that he felt that the Committee on the Judiciary had gone through Mr. Rockefeller's record very thoroughly.

If the gentleman will remember, yesterday in the Committee on Rules I raised the issue and question whether there had been a thorough and complete investigation of the potential impact of the Foundation activities in the political arena. Is the gentleman satisfied that the Committee on Judiciary gave adequate and thorough time on that point or should the rule provide more time for such subject matter?

Mr. MARTIN of Nebraska. I cease to yield to the gentleman any further. That will be covered very thoroughly by the Members of the Committee on the Judiciary in the general debate that will take place in a few minutes.

Mr. ROUSSELOT. Assuming we get the time.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield to the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Speaker, I appreciate the fact that I am being allotted 2 hours of time principally for those who are in opposition to this resolution. My question to the gentleman from Nebraska is whether there is anything in the rule which would prevent the distinguished chairman of the Committee on the Judiciary, the gentleman from New Jersey (Mr. RODINO) or the gentleman from Michigan (Mr. HUTCHINSON) from allowing time to those who oppose the confirmation of Mr. Rockefeller.

Mr. MARTIN of Nebraska. Mr. Speaker, that is correct and normally the chairman and the members of the committee are very fair in allowing time under the rule.

Mr. HOGAN. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from Maryland.

Mr. HOGAN. Mr. Speaker, I just want briefly to call attention to a House resolution which I introduced a year ago, which would create a solution to the problem of how we handle Vice Presidential nominations under the 25th amendment. The confirmation resolution would be a matter of high privilege and come directly to the floor. I will not go into the details, of the procedures in my House resolu-

tion but I hope the Committee on Rules, having been confronted with this problem twice under the 25th amendment, will early next year deal with this procedural situation with regard to handling of Vice-Presidential nominations.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. SARBANES).

Mr. SARBANES. Mr. Speaker and Members of the House, I regret that the Committee on Rules chose not to honor the request of the chairman of the Committee on the Judiciary for 8 hours of debate on this very important matter. I should note, of course, that the Committee on Rules originally reported a rule providing for 4 hours of debate and subsequently reconsidered that matter and allotted 6 hours for debate purposes.

I very much regret that the Committee on Rules chose not to give 8 hours of debate time, because I think the issue before us today is enormously important. It is imperative that every Member of the House have an opportunity to hear the arguments both pro and con, not only wtih respect to Nelson Rockefeller as an individual, but also, and perhaps more importantly, with respect to some very fundamental questions raised by this nomination concerning the relationship between political power and private economic power in our society.

Now, I am not going to try to go into the substance of the matters that will be covered in the general debate after the adoption of the rule, but I urge the Members to take the report of the committee and to peruse it carefully and in particular to go through those arguments contained in the minority report and the additional, supplemental, and dissenting views contained in the report with respect to this nomination.

I also asked the Members to go to the printed hearings and look at those sections which attempt, incompletely I regret, to lay out the reach of the private economic power that is exercised by the Rockefeller family. I believe that issue, the merger of great, concentrated private economic power with the public power of the National Government of the United States, raises a very fundamental question which each Member of this House, before he votes today on the nominee, ought to consider as responsibly as possible.

Mr. DELANEY. Mr. Speaker, I yield three minutes to the gentleman from Iowa (Mr. MEZVINSKY).

Mr. MEZVINSKY. Mr. Speaker, I thank the gentleman from New York.

Mr. Speaker, the reason I am speaking on this rule is to add to the remarks of the gentleman from Maryland. When I appeared before the Rules Committee and support the chairman's request for 8 hours, I did so because we are dealing with a situation that is unique.

Under the 25th amendment, we cannot simply treat this nomination as a national convention-like confirmation, but rather we must really analyze and test the particular designee; in this case, Mr. Rockefeller.

I would submit that the issue of conflict of interest is sophisticated, one that has never come before this body in the form that the nomination of Mr. Rockefeller presents today.

It is terribly unique. It is one that calls for understanding. One must look at the report, understand the hearings, because, as was pointed out, we have cynicism which exists, we have suspicion that runs rampant. The 25th amendment and this designee fall into the category of whether or not this House can face an issue that is terribly unique.

The problem is one of conflict; the problem is one of economic influence in this country and its merger with political influence. The question is whether we as a body can face it, face it forthrightly and debate the issue so that history can see whether or not we recognize its significance and judge whether the 25th amendment is really operating as it was envisioned by those who drew it up several years ago.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague yielding to me.

The reason I appeared before the Rules Committee yesterday was for two reasons: Either to encourage an expansion to 8 hours of debate on the House floor, or, to have as an alternative the Judiciary Committee reexamine the issue of the impact of a vast number of foundations controlled by the Rockefeller interests in the field of political action. My understanding is that this subject was really not fully explored, and I felt it should be. I was led to believe the subject would be covered in the Judiciary Committee hearings or I would have testified myself.

Second, I was very disturbed when I picked up the Los Angeles Times yesterday—and I understand many papers across the country also used a photo of our chairman, Mr. RODINO, and Mr. Rockefeller toasting. In these many news stories and wire photos we were told that this confirmation here today was just pro forma—that everything was set; it was all done, and the "formality" of the vote would now almost automatically follow.

I was somewhat disturbed that we were not really being allowed the full 8-hour discussion of this important issue. Now, it is true that I am disinclined to vote for this nomination, but that was not the reason I was so concerned about this specific nomination coverage across the country. The subtle and not so subtle direction of this news coverage was that the nomination was "in the bag"—it was all wrapped up. There was going to be a big celebration in the Senate a few minutes after the confirmation. The television people would all be there in the Senate for the first time in the history of the Senate and the House would just kind of go through the motions today.

That presumption concerned me in a substantial way. I did not feel we were sent here by our constituents to be a rubberstamp. Even though the Committee on the Judiciary has spent hours upon hours and days upon days on this subject, it still requires our thought and proper time. I was concerned that suddenly there was a great effort to cut down the time on the floor and not give us the opportunity to make proper inquiry on some of these issues.

I am grateful to the Committee on Rules for increasing the time to 6 hours. I think that was correct. But I still believe that with a subject of the magnitude of this nomination especially when the electorate as a whole has not had an opportunity to vote on candidacy, we should have an opportunity to express the concepts and questions of our own countryman on the issues that need to be raised. I thought it should be extended to 8 hours or the Committee on the Judiciary should return to its hearing room and consider the ramifications of the Rockefeller foundations that they have not had a chance to study.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I would be glad to yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, I share the thoughts the gentleman has so well expressed, but I want to say that I think the publication of the picture of the chairman of the Committee on the Judiciary was very unfair and gave a completely false impression. The press has taken it and tried to make of it something that it actually was not.

Mr. ROUSSELOT. Yes. Especially when Mr. RODINO informed us that that picture was taken a week before yesterday's news story it really did not relate to the moment; and I think it was rather unfortunate that it was played across the country the way it was and that we were just a kind of rubberstamp operation here in the House.

Mr. MARTIN of Nebraska. Mr. Speaker, in reply to the gentleman I would like to point out that when we had the nomination of Mr. Gerald R. Ford for Vice President about a year or so ago, that there was 6 hours granted under the rule, and the House used slightly over 5 hours.

Mr. DELANEY. Mr. Speaker, I yield to the chairman such time as he may consume, since his name has been brought up.

Mr. RODINO. I thank the gentleman for yielding.

Mr. Speaker, I would like to comment on the subject that the gentleman from California brought up a while ago, and that is the use of a picture which depicted me and another member of the Committee on the Judiciary toasting Mr. Rockefeller, the Vice President-designate.

It is unfortunate that this picture was used, and used at a time prior to the debate on this very momentous question. That picture was taken more than a week ago, at the conclusion of the hearings, and at a time when this Member had surely not made up his mind as to how he would vote on the confirmation, or on the resolution which was before the committee.

This Member has sought to protect the rights of those who have been in opposition at all times. As a matter of fact, I regret very much that that picture, which was taken in a very private little gathering to which I had been invited and to which I went out of courtesy because I had been invited by the minority staff, portends to show anything other than a simple courtesy on my part to be with the Members of the minority because they had asked after we had concluded with the hearings. It is nothing more. To read anything in that, anything beyond that, is absolutely unfair and dishonest.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. Mr. Speaker, I thank the gentleman for yielding. I want to speak in support of the rule and also say that I share the regret of the chairman that his picture was used, and I think it gave the wrong impression. I am happy the gentleman gave an explanation, and I want to concur in the explanation he made.

I would also like to say that the Committee on Rules has been very fair in granting the 6-hour rule. As a matter of fact, although my colleagues on the other side of the aisle requested an 1-hour rule, they are getting the 4 hours which they requested for themselves, because the rule provides 2 hours to the chairman of the committee and 2 hours to the gentleman from Wisconsin (Mr. KASTENMEIER). So there are 4 hours provided to my colleagues on that side of the aisle. It seems to me that it is eminently fair that distribution of time has been made as it has been made.

I think we should recall that this investigation by the House Committee on the Judiciary has been going on for 4 months and that we have carried on a thorough and complete investigation. We have had access to FBI reports. We have examined a vast amount of material which is contained in a large volume which is available to the Members.

Mr. Speaker, I certainly want to commend the chairman of the committee and my colleague, the ranking minority member, the gentleman from Michigan (Mr. HUTCHINSON) for the kind of thoroughgoing investigation which has been carried on to illuminate and inform the Members so they can vote intelligently on this subject today. It seems to me that we have a very compelte record available to us.

I want to support the appraisal of the nominee that has been made by my colleague, the ranking member of the Committee on Rules, and I wish to state that I am hopeful that we can get on to the general debate on this subject, and that we may vote to confirm the nominee.

I might say that the plans for the swearing-in are not unlike the plans which were made with respect to the other Vice Presidential nominee, Gerald R. Ford, when he was confirmed as Vice President. It seems to me the leadership is the one that has made these plans; it is not the mombers of the committee who have made the plans as to what is going to follow the vote here today.

Mr. DELANEY. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. WALDIE).

Mr. WALDIE. Mr. Speaker, I want to thank the Speaker and not the unyielding gentleman from New York (Mr. DELANEY) for the 5 minutes that were just yielded to me. I want also to suggest that it is precisely that type of attitude on the part of the gentleman from New York, in denying an opportunity to fully debate and to fully examine the facts of this nomination, that causes the nomination to be viewed with suspicion by many.

Mr. DELANEY. Mr. Speaker, will the gentleman yield?

Mr. WALDIE. No, I will not yield. Mr. Speaker, I ask for regular order. I am not going to yield to the gentleman. I suggest the gentleman can do as he required of me—make a point of order of no quorum if he wants some time.

Mr. Speaker, I am taking this 5 minutes because there is not sufficient time during general debate, although I am with those Members who appreciate that we have extended the time for debate from 4 hours to 6 hours.

Even so, there are those members on this committee who are asking for additional time, and they are entitled to it. So the best way we can get time is to use part of this hour on the rule to speak to the issues that we will not be able to address in general debate.

One of the problems with the debate and with this issue is this: We have had given to us as of last night a volume consisting of almost 1,400 pages of hearings of the Committee on the Judiciary. I am fairly familiar with these pages, as are most of the members of the committee, but I dare say that hardly any other Members of the House are familiar with the hearings which the Committee on the Judiciary held. Although I found some objection in terms of the scope of those hearings, they still are quite instructive as to the particular holdings of the nominee and as to the potential use by the nominee of his private wealth contrary to public interest, as well as the actual use of that private wealth.

Mr. Speaker, it is very difficult to examine Mr. Rockefeller in terms of his concepts of wealth and my concept of wealth. For example, when one questions him about the use of $22 million of his family's money to purchase the office of Governor—and I use that term advisedly—there is not a soul in the world, I am sure, who believes Nelson Rockefeller could have been elected without his family coming up with $20 million-plus. The nominee does not perceive $20 million as being a great sum of money.

Now, that really is not good for the system. It has little to do with whether wealthy people should be denied access to public office. The question is: Should access to public office be made equally accessible to poor people as well as wealthy people? With a Rockefeller in the picture, it is not equally accessible.

The nominee says that was an abuse in the past that no longer will occur because New York has passed laws preventing that and the Federal Government has passed laws preventing that.

I then asked the nominee: "Do you agree that was an abuse at the time it was being exercised by you?"

And the nominee said, "Well, it was legal."

I said, "That really was not the question. Was it ethical? Was it an ethical use of your private wealth?"

The nominee said that he equated that particular issue of morality with legality.

And then the most incredulous testimony of all contained in this record came when I asked the nominee if his testimony before our committee was testimony of direct recollection or if his testimony was testimony of reconstruction.

He said it was all reconstruction. There was no direct recollection in his testimony.

I said, "This committee has just been through an episode of listening to one of the most famous voices in this land, the former President of the United States, on tape, advising his staff people how to testify before congressional committees under oath or before courts; and the way to testify, the former President of the United States, Mr. Nixon, said, was to say, 'You don't recall.' "

Reconstruct or reconstruction, no direct recollection. Those are precisely the words the nominee used before our committee.

I am suggesting to the House that if the Members have an opportunity to read this record, they will find and conclude as I have, and as did many of the 12 members constituting the majority of the Democrats on that committee, that the nominee, charitably, was less than candid before our committee.

It just simply is not correct, as the nominee says, that the loans he made were, in fact, loans. It was apparent, and the nominee admitted, that he made gifts to these individuals prior to their obtaining public employment and subsequent to their leaving public employment. But he made "loans" in the intervening intervals between obtaining public employment and ending public employment. Moneys given by the nominee to these officials were denominated as loans, loans not containing any interest or bearing any collateral, and loans inevitably forgiven when the nominee left public office so that they could be converted into a gift without violating a statute of New York.

The SPEAKER. The time of the gentleman from California has expired.

Mr. MARTIN of Nebraska. Mr. Speaker. I yield 2 minutes to the gentleman from California (Mr. WIGGINS).

Mr. WIGGINS. Mr. Speaker, I request the attention of the gentleman from New York (Mr. DELANEY), a member of the Committee on Rules.

The division of time under this rule is fairly unique, 2 hours being granted the chairman of the Committee on the Judi-

ciary, 2 hours to the ranking minority member of that committee, and 2 hours to a member of the committee, the gentleman from Wisconsin (Mr. KASTENMEIER).

Will you explain to me why the Committee on Rules granted 2 hours to the gentleman from Wisconsin (Mr. KASTENMEIER)?

Mr. DELANEY. I believe it was because, first of all, the time is usually divided between the majority and minority, which was done. Then the opposition claimed time. In an effort to be fair and because of the fact that there were as many votes against as there were for, they decided to assure the opposition an equal amount of time.

There is no limitation, either on the majority chairman or the minority or the ranking member, in granting additional time as they see fit.

What we tried to do here was to limit the discussion to the rule itself and not to the merits.

Mr. WIGGINS. I understand. The gentleman has answered my question that the 2 hours for the gentleman from Wisconsin (Mr. KASTENMEIER) is for the benefit of those who oppose the nomination.

Is it the gentleman's purpose to yield a portion of his time to those Republicans on this side of the aisle whom may also oppose the nomination?

Mr. KASTENMEIER. Mr. Speaker, will the gentleman yield?

Mr. WIGGINS. Yes, I yield to the gentleman from Wisconsin.

Mr. KASTENMEIER. I gave assurance to the chairman and members of the Committee on Rules that I would be willing to yield not more than 30 minutes to opponents of the nomination from the minority. However, I ask that those members be designated and that I be given the names so that I might program their time.

In the interval, however, I understand that certain of such members have sought time from the ranking minority member, and perhaps there are some other accommodations.

I can assure the gentleman from California that I have reserved a limited amount of time for minority members.

Mr. WIGGINS. How much time is the gentleman now prepared to designate for minority members who oppose the nomination?

Mr. KASTENMEIER. As I told the gentleman from California (Mr. DEL CLAUSEN), even at this moment I would be willing to reserve up to 30 minutes, but would prefer it if the 30 minutes were specifically requested by Members of the minority in opposition, so that I would be able to program accordingly, because I have had requests for all the remaining hour and a half. Personally, at this time, I have reserved 10 minutes, specifically, for Members of the minority.

The SPEAKER. The time of the gentleman has expired.

Mr. WIGGINS. I thank the gentleman for his explanation.

Mr. DELANEY. Mr. Speaker, I yield 5 minutes to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Speaker, I want to thank the gentleman from New York (Mr. DELANEY) for yielding time to me. I do not intend to take the 5 minutes. I want to speak in opposition to this rule, not only because I oppose the confirmation of Mr. Rockefeller, but because I feel very strongly, despite the thorough investigation by the Committee on the Judiciary, that there are serious matters that we have not investigated. To vote, therefore, on his nomination at this time is really premature.

Let me explain the reasons that I say this.

In the first place, we know that this nominee, if he assumes the Vice Presidency, and becomes President, would be faced with very serious conflicts of interest. There is no question about that. How do we protect the public on this issue?

The nominee says he will set up a blind trust. That is a symbolic gesture; it affords no real protection. I submit the only way to protect the public is through full disclosure of the extent of the nominee's economic power. How far does the power reach? How does it function? Is the nominee, for example, able to control the voting power of the stocks—worth billions of dollars—administered by the trust department of the Chase Manhattan Bank? We don't know. Is the nominee able to control the voting or management of the assets of the various foundations he and other members of his family have set up? We don't know the answer to that either. We cannot tell you about the distribution of, and the full range through which the nominee exercises, economic power. Without knowing what the nominee's real economic interests are, the public has no way of assessing or evaluating the disinterestedness of his conduct. We have left the public unprotected.

This is not a frivolous point, because we are talking about enormous economic power affecting central political and governmental issues, questions of antitrust policy, energy policy, tax policy, and the like, which will be coming up for this nominee's decision if he becomes President of the United States.

So I think just on this issue of failing to obtain full financial disclosure and thereby failing to protect the public, the rule should be rejected.

I also think this rule is premature because we still do not know if the gifts and "loans" made by Mr. Rockefeller were legal. The Committee on the Judiciary, unfortunately, did not make an independent investigation into the legality of the gifts that the nominee made. Let me say to the Members that we received a letter from six law professors telling us that these gifts violated the criminal laws of the State of New York. Aside from that letter all the committee has are briefs by the nominee's lawyers, who obviously have a biased point of view. I think it would be absurd if, after this nominee were confirmed, we were to learn that he had, in fact, violated the laws of the State of New York. I am not suggesting that he has, but I am suggesting that the committee should have made that study before it asked Members of the House of Representatives to vote.

We also have not obtained from this nominee a complete list of the gifts that he made while he was Governor of the State of New York. We cannot assure the Members or the people of this country that there are no other gifts to public officials. Mr. Rockefeller refused to supply a complete list of gifts to nonrelatives. Furthermore, we cannot tell you whether Mr. Rockefeller's brothers made gifts to persons who held public offices while Mr. Rockefeller was Governor.

I think these are important questions to which we need to get the answers. For this reason, this rules comes prematurely.

In addition, I am deeply troubled that the nominee has failed to give us clear answers on essential matters of national policy. We cannot, therefore, tell our constituents that we voted in accordance with what we knew his positions to be.

For example, Mr. Rockefeller made no specific statements on anti-trust enforcement, foreign tax credits for multinational corporations, excess profits taxes and price rollbacks in the oil industry, and Federal tax reform. Because these matters will inevitably present conflicts of interest to a man of the nominee's great wealth, he should have been most careful to provide specifics in order to reassure the American people. He provided none.

The nominee dodged repeated questions on executive privilege, wiretapping, pardons for Watergate defendants and the use of the FBI to stifle dissent. He refused to promise not to lie to the public, and not to set up a "plumbers" operation, should he become President.

Mr. Rockefeller made no commitment about whether he would favor U.S. recognition of the Palestine Liberation Organization, but instead made the profoundly disturbing observation that the Palestinians "were on their land, and they—the Israelis—took the land." He also refused to say whether he saw any danger in massive Arab investments in U.S. defense industries.

The nominee made no statement or the central issue of reordering Government priorities to deal with human needs. He would not indicate whether or where he felt the military budget could be cut. He would not even answer a direct question about whether he agreed with President Ford's proposed cuts in food stamps, medicaid and medicare assistance to the elderly.

I know the public wants answers to these questions, and is entitled to answers. I believe, therefore, that without the answers to these and other questions posed, this rule should be defeated.

Mr. SARBANES. Mr. Speaker, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from Maryland.

Mr. SARBANES. I thank the gentlewoman for yielding.

I want to comment on an observation made by the ranking minority member of the Commitee on Rules earlier in the debate when he pointed out that 6 hours was allowed for the debate on Gerald Ford. I want to ask him how in all good conscience his committee could have, as it originally did, made the decision to schedule only 4 hours of debate on Nelson Rockefeller, a far more controversial appointment than Gerald Ford, and an appointment which raises very fundamental issues not present in the previous Vice-Presidential confirmation.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. SANDMAN).

Mr. SANDMAN. Mr. Speaker, I would like to ask the gentleman from New York a question, since the time is so divided.

We have some people who are in opposition who have already taken 5 minutes. The chairman of the Committee on the Judiciary will have 2 hours to divide among those same people, if he chooses. That will give him a second shot at it, and then the gentleman from Wisconsin (Mr. KASTENMEIER) comes up as the anchor man, and he can give them as much time as he chooses. I wonder if there is any agreement for a little fairness here. Do they have to be first and last to the jury all the time, or are we going to do it the fair way? When does Mr. KASTENMEIER's time begin?

Mr. DELANEY. Is the gentleman asking me?

Mr. SANDMAN. I am asking the gentleman from New York.

Mr. DELANEY. I imagine they should rotate, and the chairman of the Committee on the Judiciary would end it.

Mr. SANDMAN. Does he have the right to give the same people the same time?

Mr. DELANEY. The Speaker will regulate that and recognize them. They try as nearly as possible to keep them on an even keel. That is a procedural question.

The SPEAKER. The time of the gentleman has expired.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from California.

Mr. JOHN L. BURTON. I thank the gentleman for yielding.

I am really kind of startled. Is this not a nonpartisan issue? Is this man not to be the Vice President of all of the people, and is it not a nonpartisan issue? I do not understand the minority saying "one side" or "the other side."

Mr. SANDMAN. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I decline to yield further.

Mr. Speaker, I yield 7 minutes to the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. Mr. Speaker, I rise in opposition to this rule. I appeared before the Committee on Rules in opposition to this rule as well.

I recognize the many pressures that have been generated to get the House to act on confirmation this week. If I do not place the concern for speedy action above all other considerations, it is because I am aware, as the Members are, that on 18 different occasions totaling almost 39 years, our Nation has been without a Vice President, and the Republic still stands.

Congress has provided for an orderly line of succession and if for any reason we should again be without a President before the present term is completed, remote as that coincidence may seem, it would be only a matter of minutes before a new acting President could be sworn into office.

I believe that the confirmation of a Vice President fits more properly into the responsibilities of the incoming Congress than into those of the present Congress, which includes many men and women who are retiring from office and which will be passing into history in a few days.

The prime consideration must be our responsibility to the American people. Whatever action we take must strengthen their confidence in the democratic process and in democratic government, a confidence that has been greatly undermined by the events of the past 2 years under the Nixon and Ford administrations.

We are all aware of the unprecedented character of the Rockefeller nomination. A self-impeached President, Richard Nixon, named as his successor Gerald Ford, the first nonelected President in the history of our Nation. President Ford, in turn, has nominated a man for Vice President who would be elevated to the second highest office in the land, again without benefit of a popular vote. Thus, the two highest officers of our Nation, for the first time, would be nonelected.

These are most unusual circumstances. It is ironic that both the confirmation of Gerald Ford as Vice President and the nomination of Nelson A. Rockefeller as Vice President should both be the first implementation of the 25th amendment to the Constitution because throughout the long deliberations that preceded adoption of this amendment, these circumstances were never discussed or even envisioned.

Last year, when I testified in opposition to the confirmation of Gerald Ford as Vice President, I noted that nowhere in the hearings or debate on the 25th amendment could any suggestion be found that it would be proper for a President who was the subject of a serious impeachment inquiry to name his successor.

The fact that Gerald Ford used his newly acquired Presidential powers to grant a sweeping, unprecedented and, in my view, illegal pardon to Mr. Nixon only strengthens my belief that it was inappropriate for Congress to allow Richard Nixon, in effect, to pick the next President of the United States. Are we now to compound this misjudgment by having the line of succession go from Mr. Nixon to Mr. Ford to Mr. Rockefeller, without any reference to the wishes of the electorate?

At the time of the Ford nomination, I urged the Congress to take a different path rather than confirm a Vice President. I pointed out that for all its checks and balances and separation of powers among the three branches of Government, the Constitution is primarily designed to protect the predominance of the public will as expressed through elections. It would be an abuse of the intent of this amendment to allow it to be used to fill both Chief Executive offices without an election.

Accordingly, I introduced H.R. 11230, which amends title 3, United States Code, relative to Presidential succession, to provide that if the elected President and Vice President both leave office, the Speaker of the House would act as President only until a new election for President and Vice President was held, thus reaffirming the ultimate power of the people over the Government.

I believe that recent events have vindicated the need for such legislation and I intend to reintroduce it in the 94th Congress. With hindsight, we can certainly agree that the Nation would be in a much stronger position now to deal with the enormous problems of the economy and international relations if new national elections had been held and if the American people had been allowed to choose a national leadership in which they had confidence.

Traditionally, the President has been allowed to choose a compatible Vice President, presumably because the electorate requires assurance that the policies it voted for in the person of the President will be continued by his successor. But there is no pouplar mandate for either Mr. Ford or Mr. Rockefeller, or for their policies. Despite numerous opportunities during their long public careers, neither ever came close to winning a Presidential nomination and the most recent public opinion polls show that neither enjoys majority support.

The closest we have come to a determination of any kind of a public mandate is in the recent national elections, which certainly were an overwhelming repudiation of Watergate and of Mr. Ford's actions and policies to date. The men and women who will be seated in January were the winners in the first national election held since the Watergate scandal. If there is to be a vote on this nomination, it should be theirs. I therefore believe that no rule should be granted for a vote on the Rockefeller confirmation until the 94th Congress convenes.

It should also be recalled that under the 25th amendment, no deadline is imposed on the President in nominating a Vice President and no deadline is imposed on Congress for confirming a nomination. We are not expected to function simply as rubber stamps. We can reject as well as confirm. I also must register my objection to the atmosphere of inevitability that has been created around the Rockefeller nomination. Some Members have been quoted as saying, "If not Rockefeller, then who?" If in a democratic nation of 200 milion people, only one individual can be found who is con-

sidered acceptable as Vice President, then we are in terrible trouble. In my view, that is a manufactured dilemma.

In the debate in the Senate last week on the Rockefeller nomination, Senator BIRCH BAYH, the author of the 25th amendment, explained that he was particularly conscious throughout long hearings and floor debate:

That in this one instance—

That is, the confirmation of a Vice President—

the Congress would serve as surrogate electors: that, in fact, we were the vehicle through which our constituents' feelings were to be made known and that public sentiment was a critical element in the decisionmaking process for those of us called upon to vote.

He went on to say that—

While the legislative history of the amendment does not spell out the precise details of how each one of us is to reach that judgment, it does make it abundantly clear that it is a unique function we are called upon to perform and that its uniqueness stems, in large measure, from our responsibility to reflect upon the sentiments of those who, normally, have the right to make this decision for themselves.

Senator BAYH said that because of the long series of potential conflicts between Mr. Rockefeller's private interests and the public interest, the people of this country would not credit him with the ability to make an impartial decision and therefore would not have the necessary confidence of the American people.

He also pointed out that the 25th amendment requires the judicious consideration of all the facts before Congress votes on the confirmation of a Vice-Presidential nominee.

We do not have all the facts. Far from it, despite the apparently lengthy hearings held by the Senate and House. While this amount of time might suffice for an ordinary citizen, Mr. Rockefeller is no ordinary citizen. In fact, as I said in my testimony last month to the House Judiciary Committee, Nelson Rockefeller is a "partner in the greatest agglomeration of private power in the history of our Nation" and "Rockefeller power is entirely unique as a huge, interlocking complex of economic and other interests both here and abroad."

POINT OF ORDER

Mr. MARTIN of Nebraska. Mr. Speaker, a point of order. I object to the gentlewoman in the well reading her remarks because she did not ask unanimous consent before she started to read her remarks, and that is according to Jefferson's Manual.

The SPEAKER. The question is: May the gentlewoman from New York read her remarks?

The question was taken; and the Speaker announced that the ayes appeared to have it.

The SPEAKER. The gentlewoman from New York may proceed.

Ms. ABZUG. Mr. Speaker, I defend your right to speak but not to read your speech.

In addition to the innumerable points at which the public interest may collide with the private interests of the Rockefeller group, with its vast investments in oil, other sources of energy, utilities, transportation, banks, communications, chemicals, et cetera, a number of questions remain outstanding as to whether decisions made by Mr. Rockefeller during his 15 years as Governor of New York State benefited the special interests he associated with. In a letter to the chairman of the Judiciary Committee, I cited nine specific areas of conflict relating to gubernatorial decisions and actions. Those remain for the most part uninvestigated.

There is also strong evidence to indicate that Nelson A. Rockefeller during his tenure in office as Governor and following his resignation violated two sections of the New York State Penal Code and the New York State Public Officers Law by giving gifts and interest-free loans totaling almost $2 million to various public officials.

I have presented to the incoming district attorney of New York County outlining a "prima facie" case that Mr. Rockefeller did violate these laws. Until the district attorney of New York County makes a thorough investigation of the facts and the law and until it is determined whether Mr. Rockefeller is innocent or guilty of breaking the law, I believe it would be unwise for the House to proceed with a vote on confirmation.

If it does proceed to a vote, Congress may be placed in the highly awkward position of having elevated to the Vice Presidency a man who may be subject to a grand jury investigation and trial. The Nation would then find itself again involved in an all too familiar and repulsive discussion of whether a Vice President is immune from prosecution. Or, as appears more likely, if Mr. Rockefeller is confirmed, no investigation at all will be held, and large numbers of Americans will feel more than ever that equal justice has once again been subverted and that the rich and powerful are above the law.

I strongly urge the House to vote against the rule at this time. It should be left to the incoming Congress to decide whether it requires more facts before acting on the confirmation. It may also want to consider legislation on a special election, which I referred to earlier, and it may feel that it is necessary to revise the 25th amendment to prevent us from having a nonelected President and a nonelected Vice President.

For most of its 2 years in office, the 93d Congress has been immersed in the Watergate and impeachment inquiries. It is only fitting that we should allow the next chapter to be handled by the most recently elected representatives of the American people.

I urge a vote against the rule.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Speaker, I thank the gentleman for yielding. I rise in support of the rule and for the confirmation of Nelson Rockefeller to be Vice President of the United States. Following upon the last statement made by the gentlewoman from New York and others, it seems to me that there is some confusion about the role of this Congress as to what our role really is today.

Wisely, the 25th amendment gave Congress the power of confirmation over the President's choice of who he wants to be Vice President. While this charges us with the responsibility to closely scrutinize a nominee, it does not empower us to make the selection ourselves. The 25th amendment clearly does not give the Congress authority to impose its own preference on the President. As a matter of fact, that approach was rejected during the debate on the floor of this Congress.

In the months of investigations and hearings, we have learned more about the President's choice for Vice President, Nelson Rockefeller, than we will ever know about most of our friends and our relatives; yet nothing that would disqualify the man from being Vice President has been found.

Obviously, some have found instances and circumstances they personally dislike; but, most have found a man of intelligence, who, aided by his vast experience, could make numerous, important contributions to this country as Vice President.

Our Nation has been too long without a Vice President and I, for one, am pleased that the question of confirmation is before us today and I will cast my one vote for confirmation, trusting that we will have a Vice President before the New Year.

Mr. DELANEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. RODINO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. Res. 1511) confirming Nelson A. Rockefeller as Vice President of the United States.

The SPEAKER. The question is on the motion offered by the gentleman from New Jersey (Mr. RODINO).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. Res. 1511) with Mr. NATCHER in the chair.

The Clerk read the title of the resolution.

By unanimous consent, the first reading of the resolution was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from New Jersey (Mr. RODINO) will be recognized for 2 hours, and the gentleman from Michigan (Mr. HUTCHINSON) will be recognized for 2 hours, and the gentleman from Wisconsin (Mr. KASTENMEIER) will be recognized for 2 hours.

The Chair would like to state that the gentleman from New Jersey (Mr. RODINO) will be recognized first; the gen-

tleman from Michigan (Mr. HUTCHINSON) will be recognized next; the gentleman from Wisconsin (Mr. KASTENMEIER) will be recognized next. The Chair will alternate from side to side as we proceed through the general debate.

At this time, the Chair recognizes the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my colleagues, barely 1 year and 13 days ago, this House met to consider the nomination of Gerald R. Ford to be Vice President.

At that time, the American Vice-Presidency was vacant for the 17th time in our history, but for the first time our Constitution has provided a mechanism by which to address such a vacancy—the 25th amendment, recommended by the Congress in 1965 and ratified by the States in 1967.

And as we exercised our responsibility under section 2 of that amendment 1 year ago, one fact certainly was very clear—a fact which recent history has only reaffirmed: that the responsibility with which we were charged was at its very heart the examination of a man's qualifications and fitness to hold the highest office in America, that of President of the United States.

That, of course, is the great responsibility facing us today. That is why the Committee on the Judiciary has inquired and deliberated for 17 long and searching weeks before making our studied recommendation to this House.

Nine Vice Presidents of the United States have succeeded to the Presidency during the unexpired term of an incumbent President. John Tyler, Millard Fillmore, Andrew Johnson, Chester Arthur, Theodore Roosevelt, Calvin Coolidge, Harry Truman, Lyndon Johnson, and Gerald R. Ford have all ascended to the Presidency during their terms as Vice President.

But at no time in our history, prior to the resignation of Richard Nixon, had any man become President without having first gone before a national electorate.

And at no time in our history, prior to the submission of this nomination, had any Congress, acting pursuant to the Constitution, been called upon to pass judgment on the nomination of a designated Vice President submitted by an unelected President.

That places a very special burden upon this House, and clearly enunciates the scope of our responsibility. It does not call into question the legitimacy of the nomination, but it does underscore the need to be careful and thorough.

At the same time, however, we are not afforded the luxury of an unnecessarily extended inquiry. The language of the 25th amendment makes clear that our responsibility exists simply "whenever" there is a vacancy; the language of the House and Senate reports in 1965 make clear that the intent of section 2 is to have a nomination considered promptly, and "to virtually assure us that the Nation will always possess a Vice President."

It is particularly important then that we act to fill this vacancy now.

We, as a nation, are confronted by growing problems all too real and familiar—we, as a nation, must look to leadership in the field of energy, in the battle against inflation and recession, and in the quest for peace in the Middle East and elsewhere. I believe those efforts could be severely impaired if we delayed, if we failed to act in an effort, at least, to give the President the help he has told us he needs.

Beyond that, Mr. Rockefeller, if confirmed, might conceivably bring to the Ford administration some of the competence and confidence it so urgently demands. The nominee has had of course years of diverse experience in both foreign and domestic affairs and has served several previous national administrations, Republican and Democrat, as well as the State of New York.

I cannot stand on this floor today, however, and state that my endorsement of this nomination has been an easy decision, or that it has been reached without long study and deep soul searching. I am aware of the opposition it has aroused on the part of many people who have raised serious questions. I personally have some disagreements with parts of Governor Rockefeller's record, and share with some of my colleagues on the Judiciary Committee certain other reservations regarding his nomination.

I find myself particularly concerned with some of his actions and decisions in some of his later years as Governor. The tragic loss of life at the time of the Attica prison revolt is of special concern to me.

Then the previously undisclosed gifts and loans of vast sums of money are also troubling. More than errors of judgment, the Ronan, Miller, and Morhouse loans—among others—reveal at best a serious insensitivity to the uses of private money. Similarly, the publication of the Goldberg book in 1970 is a use of the family wealth that raises very legitimate concern.

But ought any disapproval of some of his actions, ought these misjudgments, which Mr. Rockefeller has recognized and pledged to avoid, constitute a bar to confirmation under the 25th amendment? I have concluded that when balanced against the nominee's experience and competence and the many good works that are a matter of public record—his total dedication to the public service—that they should not.

And I believe, most importantly, that these proceedings have been a very useful and salutary experience for Mr. Rockefeller. He has stated openly and candidly—and on several occasions—that he has been made to understand the seriousness of public concern and the realities of some of his own past insensitivities.

Our extensive hearing record, however, cannot change the fact that I am a Democrat and the nominee is a Republican. But it is without contest that the 25th amendment envisions, and assures, a procedure for the selection of a Vice President that is designed to give the President a person with whom he feels politically and ideologically compatible. According to the legislative history of the amendment, the purpose of this procedure is to assure the country a Vice President of the same political party as the President, someone who would presumably work in harmony with the basic policies of the President.

Nelson Rockefeller, it seems to me, meets that test of compatibility. And so, again, despite any ideological differences he and I may have, I have concluded on the basis of all the evidence before us that Nelson Rockefeller is qualified and fit to be Vice President under the terms of the 25th amendment.

I make that judgment even while respecting the concerns of those who think that this nomination proposes an extraordinary combination of private economic power and public political power. There are those who feel that such a combination ought to be a disqualifying factor, except by election of the people. But this responsibility under the Constitution is not the people's, it is ours. And I believe that we would do a greater disservice if we established a principle that money—either too much of it or too little of it—prevents a man from serving in high public office.

Because the wealth of the Rockefeller family, however, is more than just another large fortune, because it is an unusual aggregation of private economic authority, the Judiciary Committee took great pains to examine the diversity of complex relationships and interrelationships that it creates. We have attempted to measure the network of Rockefeller family wealth and to place it into the perspective of both the American economy and the American political system; we have inquired of the nominee regarding a history of gifts, of loans, and of forgiven loans.

In order to help us do that, immediately after the submission of the President's nomination, the committee assembled a very able and responsible team of staff lawyers and investigators who traveled extensively in New York State and elsewhere. Here in Washington, every agency of the Federal Government was contacted and a request went out for all files in agency possession relating to the nominee.

The results of the committee's thorough investigative efforts were made available to the committee on a continuing basis before and during the hearings.

In addition, all members of the committee had access to, and were briefed on the information accumulated by the Federal Bureau of Investigation. Moreover, the staff of the Joint Committee on Internal Revenue Taxation, working with Judiciary Committee lawyers, conducted an independent audit of Mr. Rockefeller's income tax returns for the period covering the last 7 years. Gift tax returns were reviewed for a longer period. These additional materials were also available to the members.

Another team of committee lawyers, with the assistance and full resources of the Library of Congress, developed thorough analyses of the nominee's public record and positions on critical issues of public policy.

I believe the American people have been well served by these long hours of research and inquiry. The Judiciary Committee has held 9 full days and several evenings of public hearings. We have heard from two dozen witnesses, including the nominee himself on three separate occasions. Our hearing record comprises more than one thousand, four hundred pages. A more exhaustive inquiry of any nominee has probably never been made. That is perhaps as it should be for the Constitution subjects this appointment alone to the scrutiny of both Houses.

Finally, this decision, despite all our searching inquiry, would be easier for me if I were faced with a nominee of my own party and my own political philosophy. But given the limitations of the 25th amendment, I believe President Ford has provided an acceptable nominee, whose experience and administrative abilities will hopefully be brought to bear on the urgent national priorities now before us.

I shall vote aye on this nomination. I urge the House to adopt this resolution.

Before yielding to others, Mr. Chairman, I hope I can be permitted a moment to express my special appreciation to Mr. HUTCHINSON, our ranking minority member.

Throughout all of our painstaking proceedings—not only in this inquiry, but in others that have come before our committee in this 93d Congress—Mr. HUTCHINSON and the minority members have conducted themselves in the best traditions of the collegiality of this House. I know that the difficult work of the Judiciary Committee could not have been accomplished without their best efforts.

And to all members of the committee, and to my 20 colleagues on the Democratic side, I hope I can convey to you how very much your cooperation and counsel and hard work have meant to me over the past months of this Congress.

It has been a high honor to be among you.

The CHAIRMAN. The Chair notes a disturbance in the visitors' gallery, in contravention of the law and the rules of the House. The doormen and guards will remove from the gallery those persons participating in the disruption.

The Chair will remind all persons in the gallery that they are here as guests of the House and that any manifestation of approval or disapproval of proceedings is in violation of the rules of the House.

The Chair recognizes the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Chairman, I yield to the chairman of the Committee on Rules, the gentleman from Indiana (Mr. MADDEN).

Mr. MADDEN. Mr. Chairman, I think I speak in behalf of the vast majority of the Members of this body in commending and congratulating the chairman of the Committee on the Judiciary and also the members of the Committee on the Judiciary on the outstanding and expert and magnificent job which that committee did over the weeks of hearings on this legislation.

Our local papers out in my area, and in fact, all over the country commended the chairman and the ranking minority member of this committee, as well as the members of the committee and the Congress, for the dignified legislative manner in which the Committee on the Judiciary conducted these most difficult hearings on Governor Rockefeller's Vice Presidential nomination.

Mr. Chairman, I thank the gentleman for yielding.

Mr. RODINO. I thank the gentleman from Indiana very much.

Mr. PATTEN. Mr. Chairman, will the gentleman yield?

Mr. RODINO. I will be glad to yield to the gentleman from New Jersey.

Mr. PATTEN. I thank the gentleman.

Mr. Chairman, I would like to join in the remarks of our great speaker, the chairman of the Committee on Rules, and tell the chairman of the Committee on the Judiciary that his colleagues from New Jersey are proud of him. He has brought credit on all of us. He has come to this point with honor to the Congress, honor to his committee, and honor to all the Members of Congress.

We in New Jersey are proud of the job that the chairman and his committee has done.

Mr. RODINO. Mr. Chairman, I thank the gentleman very much for his comments.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. RODINO. I yield to the gentleman from Maryland.

Mr. BAUMAN. I listened with great interest to the impressive details describing the standard by which the chairman of the Committee on the Judiciary feels the nomination should be judged. Of course, I know, as the gentleman does, that he opposed the nomination of Gerald Ford for Vice President.

Has the gentleman changed his view as to what standard should be applied since he cast that vote a year ago, and does he criticize, in some way, those Members who feel a basic difference in the philosophy of government might be grounds for voting against the nominee?

Mr. RODINO. To answer the gentleman, no, I do not criticize them at all, nor have I changed my views.

Circumstances demand that a man exercise his conscience and vote in accordance with the way he feels. If Members feel that way, it is their privilege and their right to vote accordingly.

It was the privilege and the right of this Member, who a year ago felt very strongly, to cast his ballot accordingly.

I feel very strongly in this particular instance, and while I may have some reservations and disagreements, nonetheless, I believe it is in the best interests of our country to confirm the nominee, and since Mr. Rockefeller is completely qualified, I shall not only vote for him, but I urge the House that the confirmation be approved.

In closing, Mr. Chairman, I would like to state that the members of my committee have done, in my estimation, a remarkable job of being able to bring together the facts. Whether they support or do not support this nomination, I respect and admire them for their integrity and for the position that they take.

It is for that reason that I am glad that they will not be foreclosed from expressing their views. I believe it is only in this manner that the American people will have a full understanding of what this House of Representatives is all about.

The CHAIRMAN. The Chair now recognizes the gentleman from Michigan (Mr. HUTCHINSON).

Mr. HUTCHINSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, nearly 4 months ago Nelson A. Rockefeller of New York was nominated by President Ford to be the 41st Vice President of the United States. In that time the Committee on the Judiciary has conducted a searching investigation into the qualifications of the nominee. In fact, our efforts may have been the most thorough ever undertaken by any committee in a confirmation process. But as thorough as we were, nothing was found to cast doubt on the fact that Nelson Rockefeller is qualified to be Vice President.

Indeed, some members of the committee voted "no" when the roll was called in committee for various reasons. But they did not vote "no" because Nelson Rockefeller lacked executive and administrative experience. They did not vote "no" because Nelson Rockefeller failed to be a resourceful, dynamic Governor of New York. They did not vote "no" because Nelson Rockefeller lacked intelligence or knowledge or talent. Rather they voted "no" because Nelson Rockefeller has great wealth, because he didn't remember all the details involved in publishing the Goldberg book, because he commuted the sentence of a convict in bad health—which he should not have done apparently because the convict was once head of the Republican Party in New York—and because he made gifts and beneficial loans to many friends some of whom were State officials.

The ironic aspect of these arguments for voting against confirmation is that traditionally men of good character have viewed wealth, compassion, and generosity as advantages in a public official. One member of the committee, the gentleman from Texas, spoke to this point eloquently, saying:

> I am inclined to think that you have a greater stake in this country than most people. It is to your own best interests that it be successful, that it be prosperous, that it be free. . . ." (Hearings, 1025)

In my opinion the most revealing development of the committee's long inquiry has not concerned the nominee but rather those Members who would deny office to a person solely on the basis of his wealth. There is a critical difference between treating all men equal before the law and between equalizing all men. I am disappointed that this difference escapes some Members. In exercising our constitutional confirmation power I had thought that we were constitutionally precluded from discriminating on the basis of race, sex, religion, or economic status. Thus the only way the argument can rationally be made is not on the

basis of the nominee's status as a wealthy man, but on the basis that the nominee would use his wealth against the common good of the American people. Yet such a basis finds no support in our lengthy record. Every bit of evidence runs counter to the argument. In fact, it almost seems as if Nelson Rockefeller has lived his whole life in a way to disprove that argument. There is utterly lacking any evidence that he ever benefited Rockefeller financial interests at the expense of the people. In contrast the record shows a man of great personal generosity giving much of his income each year to charity. In contrast the record shows a sincere, dedicated public servant for 40 years—a man, who although wealthy enough to lead a carefree existence, worked in the trenches at every level of government under both Republicans and Democrats, but always for the people. Why did he give so much of his money, his time, and himself for so long? Are we to believe that he did so much merely to lull us asleep so he could, after a long and brilliant career in government, betray his country to his family's economic interests?

The nominee's involvement in the publication of a political biography about Arthur Goldberg is another suggested basis for withholding confirmation, but the suggestion has been on the decline since the hearings before the Senate Rules Committee provided a forum for the nominee to answer accusations. At first we heard that the book was scandalous. But reading it laid that to rest.

Then we heard that the method employed to finance the book was designed to cover the nominee's involvement. Although it now appears that the nominee was not involved in financing the book and was unaware of how it was done, he candidly admitted that the method used by others was designed to disassociate the Rockefeller name. Next we heard that the nominee's revelations were slow and less than candid. The nominee then answered that he has always told the full truth as best as he could recollect it and that later revelations were not from his own experience, but the result of his current inquiry of others who were better informed. Since the answer seems to be a good one and there is no evidence to controvert it, resort was made to a smear that the answer was reminiscent of Watergate. So now that issue seems to be without substance.

Another basis for withholding confirmation which is frequently mentioned is Nelson Rockefeller's commutation of L. Judson Morhouse in 1970. As Governor or New York, Nelson Rockefeller had on several occasions commuted the sentences of convicts because incarceration was substantially impairing their health. Between his conviction in 1966 and the conclusion of appellate review in 1970, Morhouse suffered several medical catastrophes. He contracted Parkinson's disease, cancer of the rectum requiring removal of two-thirds of his large intestine, and then had his prostate gland removed. The evidence shows that no one with such a medical history had ever served a sentence in a New York penitentiary. Morhouse applied for clemency and submitted medical affidavits of four respected doctors attesting to his medical condition. Under New York law, the Governor has absolute discretion to grant a commutation. No legal standard need be met.

Governors, of course, prefer to appear reasonable, but on the record there was little reason to question a grant of clemency to this sick man, other than that L. Judson Morhouse had at one time been chairman of the Republican Party in New York. For that reason should this man have been required to serve his sentence? Apparently Nelson Rockefeller thought not. Although the case for clemency was already established, he asked the State medical society for independent verification of Morhouse's condition so that no one later could reasonably challenge the propriety of a commutation.

Three doctors were selected. Although only one doctor of the three made it through a blizzard to see Morhouse, all three consulted and agreed with the previous evaluation made by Morhouse's four doctors that L. Judson Morhouse's health would be substantially impaired by imprisonment.

And on the next day Mr. Morhouse and Mr. Wright received clemency for reasons of health. No one talks about Mr. Wright; he was never State chairman of the Republican Party.

Finally, it is suggested that confirmation should be withheld because the nominee made gifts and loans to public officials. It is argued that this was wrong whether or not it was legal to make such loans and gifts. Perhaps such loans and gifts would be cause for suspicion if made by someone other than the nominee. But Nelson Rockefeller's generosity is well known. For each year he gives a substantial portion of his income to charity, sometimes over 50 percent. And what is not noted by his detractors is that during the same period of time he made loans and gifts aggregating $1,692,219 to a total of 58 other people who were not State employees. As for the State employees, he testified that he made the loans and gifts to them as he made them to others—out of friendship. There is no evidence whatsoever contradicting the testimony. The New York laws do not prohibit making loans or gifts to friends who are State employees. Detractors argue that he did this to influence them. But this does not make sense because as governor the employees in question with one exception all served at his pleasure. By law they were already under his control.

Another fact often overlooked is that the New York laws in question did not become effective until January 1, 1966 and September 1, 1967, respectively, some time after many of the loans and gifts had been made. When this is mentioned, it is replied that it is normally wrong to make such gifts or loans even if it is legal. But if he gave out of friendship and not to influence them, I cannot comprehend the impropriety.

On two occasions the nominee made gifts or loans to individuals who were not residents of New York so that they could relocate in New York and become public officials there. But New York law does not prohibit such loans or gifts no more than it prohibits contributions to those seeking elective office. All that is prohibited is gifts or loans relating to past official conduct. Moreover, in one of the two instances, the law was not in existence at the time.

In conclusion, when the arguments against confirmation are examined, they appear to be without merit. It is perhaps because there is no really sound argument against the nominee that recourse is made to a "constitutional aside" that we must remember that Nelson Rockefeller was nominated by a President who was not elected. Of course, that argument if taken far enough is simply an argument against section 2 of the 25th amendment. However, the time to make such arguments is when we are amending the Constitution. That is when I made my argument against section 2. I do not think that we should hold a duly enacted constitutional procedure against the nominee because we are unhappy with its operation.

Moreover, I have not heard anyone complain that any bill signed into law by the President was not a law or that any veto was less of a veto because the President rose to that office without being elected by the electoral college.

The President is the President, and the mandate of section 2 could not be plainer. It is our duty to confirm or not confirm the nominee on the merits. The record indicates that the nominee is qualified to serve as Vice President. Although it is fair to say that we do not in each instance agree on the answers to the problems of our time, I find Nelson Rockefeller to be a man of integrity, ability, and experience. He is the choice of our President, and there is no reason to deny him that choice.

Mr. KASTENMEIER. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I would at the outset like to compliment my chairman, the gentleman from New Jersey (Mr. RODINO) on the way he has conducted the hearings on the Rockefeller confirmation. The gentleman has been most fair to all of us.

Mr. Chairman, we meet today in these 6 hours to debate possibly the last important matter to come before this 93d Congress. In 6 hours, or 8, or 14, we would not be able to fully reach the parameters of this question. It is the case, as those who have preceded me have suggested, that we have a 1,400-page set of committee hearings replete with addendums, statistics, and graphs. We have countless expressions of opinion with reports and hearings. We also have available to us the reports of the national press and the media who have covered this question rather completely.

There are those who must, however, realize there are limitations both in time and in manner of presentation. What we do or say here this afternoon will not necessarily reach their question in its entirety.

Mr. Chairman, as we are aware, there are those Members who feel, for at least

two reasons, that we ought not vote today but ought to continue this proceeding for either additional investigation on certain questions, or to permit a new Congress to exercise its will on the grounds that the election of November in and of itself serves as a referendum, at least in part, on the question of the Rockefeller nomination.

Regardless of the merit there may be in these reservations, the fact is we will reach a decision on this matter this afternoon.

The major question, it seems to me at the outset, is one's interpretation of the 25th amendment. Clearly, it cannot be purposeful if we are to confirm an individual for Vice President or for President of the United States as we would a Cabinet official. One year ago we considered the then pending nomination of Gerald Ford solely in the context of his serving as President of the United States and we must apply the same standards to this nomination.

The CHAIRMAN. The gentleman has consumed 3 minutes.

Mr. KASTENMEIER. Mr. Chairman, I yield myself 3 additional minutes.

Mr. Chairman, I submit that we stand as surrogates of the public in this matter and that we must view this nomination not solely in terms of constitutional qualifications or whether the FBI has reported to us that the nominee has not been convicted of a crime, is not a Communist, and that he is otherwise fit for office; but rather we must exercise our independent judgment. I submit further that that judgment includes a review of the policies of the nominee himself and the exercise of our own independent judgment as to whether not only is he fit, in terms of conflicts of interest because of his wealth, of possible mistakes in judgment and lack of candor, but whether his policies and his positions are sufficiently central so as to require us to vote in opposition or in affirmation.

We here this afternoon will not be able to debate fully the 25th amendment, but it seems to me the events of the last 2 years compel the next Congress to do so. One thing is certain. Under the 25th amendment we are not a rubber stamp for the President. We have a partnership in this nomination and the Congress must and will exercise its own point of view.

Mr. Chairman, the views of 10 or 12 members of the Democratic side of the Committee on the Judiciary are, of course, in the report. The 12 members constitute a majority of the majority of the committee. There are different perspectives represented by others, both members of the minority and members of the majority, and they will be reflected here this afternoon as they should be. In fact, Mr. Chairman, there may also be views of some American people in opposition to this nomination which will not be expressed here this afternoon. That is unfortunate. Nonetheless, in the context of this debate, we will at least hear both from those right of center and those left of center on questions relating not necessarily to judgment, to failings of the nominee in terms of fitness for office, and to the conflicts of his wealth, but in terms of policies advocated by the nominee.

This is appropriate and when it is completed, Mr. Chairman, I submit that Members of this House this afternoon ought to vote in opposition to this nomination.

Mr. Chairman, for the second time in a little more than a year, this House is being asked to vote to confirm a Vice President selected by the President under the provisions of the 25th amendment. This situation is particularly unique, however, in that we have a nominee selected by a President who was himself placed on the Presidential succession ladder through the provisions of the 25th amendment. We have learned through our first experience with the 25th amendment that Vice Presidential nominees must be judged as we would judge a prospective President. Thus, the burden placed on this House and this Congress through the 25th amendment is a great one.

We must serve as the voice of the people. We must act as surrogates for the people in determining who can best guide us through the difficult times facing this country. More than any other action we may take, our consideration of this nomination, like our consideration of its predecessor nomination, will determine, in part, the course this Nation will travel.

The Judiciary Committee conducted an exhaustive investigation into the record of Nelson Rockefeller. Like every other member of that committee, I weighed the testimony and the record carefully in considering this nomination. That Nelson Rockefeller is well qualified on the basis of his past Government service and record to become Vice President is obviously indisputable. Further, it is clear that he meets the constitutional requirements for this office. However, it is my belief that the 25th amendment places an obligation on us to go beyond his curriculum vitae in our examination of this nominee.

We all are aware that the criteria for our judgment is ill-defined. Lacking the normal barometer for judging a Vice Presidential or Presidential candidate, namely a public election, we are, thus, left with our own individual judgment and our own personally defined criteria. In this regard, we must view, with the broadest application of discretion, Mr. Rockefeller's record and make a judgment as to whether we approve of his policies.

Judging the testimony and the record, then, in that light, I shall cast my vote against confirmation of this nominee for several reasons.

First, I find far too many instances where Nelson Rockefeller's judgment must be called into question. One must question the propriety of the substantial gifts and loans made by Mr. Rockefeller to public officials. That he would seek to be a patron to public officials, who should be bound by public trust and the public interest, is of great concern to me.

The entire incident surrounding the Lasky book on Justice Goldberg and Governor Rockefeller's secret involvement in that incident, is greatly disturbing, particularly what I regard as a lack of candor on his part and that of his brother.

Mr. Rockefeller's judgment with regard to Attica raises grave doubts about this nominee. These are only a few examples, but added to the many others I find in the RECORD, they severely weaken Mr. Rockefeller's ability to command the public confidence and trust which a Vice President, or President, must have to function effectively.

Second, there is the entire matter surrounding the implications of the Rockefeller personal and family fortune, for I find the two to be inseparable. A review of their holdings indicates that they maintain a sizable personal influence in virtually every important aspect of American life—energy, transportation, banking, insurance, electronics and computers, metals, communications, chemicals, forestry and paper manufacturing, real estate, retail sales, pharmaceuticals, investment management, construction, and farm equipment manufacture. While this is an accurate catalog of the personal manifestations of their wealth, it does not nearly reflect the total sphere of influence which this family, through a marriage of interlocking directorates with other wealthy families and individuals, has built into an unrivaled financial and political empire which permeates our entire system.

With this nomination, we face the possibility of merging this tremendous economic power with the greatest political power held in this country. The scope of this private authority raises the serious question of whether or not Mr. Rockefeller, as President, would be able to distinguish between the private interest and the public good. The range of decisions which a President is daily called upon to make is so expansive and fundamental to the Republic's safe conduct that we cannot permit even the suggestion that there is a conflict between personal and public interest in the office of the President.

The current wave of public cynicism rests, in part, on the not-unfounded belief that the special interests and private concerns hold the counsel of the powerful, and that the interests of the people must wait in line while the influential have their say. The strength of our Government is drawn from the depth of its popular support. Never has the public confidence been more shallow and shaken than in these last few years. No matter how judiciously and honorably arrived at, every decision that a President Rockefeller would make would influence his and his family fortune. Even the most carefully considered decision would raise the specter of conflict of interest in the increasingly skeptical eyes of the public.

I am particularly concerned about this area, because the nominee has not responded adequately to it in his committee testimony. There seems to be both a lack of understanding on his part of

the widespread suspicion that great wealth raises, and a certain arrogance of power that this issue of conflict could ever, indeed, apply to him. Mr. Rockefeller's promise to put his holdings in blind trust is hardly adequate. For, when the scope of the Rockefeller wealth is understood, one would have to be blind not to see it. It permeates every corner of American life from Main Street to Wall Street. Mr. Rockefeller could hardly hide it from himself, let alone from the huge bureaucracy which historically is always in tune to the President's interests.

In all candor, I must admit that I find no specific instance of any conspiracy on Mr. Rockefeller's part to advance his economic position at the expense of those he would publicly serve. Yet, the perception of such self-interest motivations will exist in the public mind.

The public views the Rockefeller fortune with a jaundiced eye for other important reasons. Nelson Rockefeller, while a decent and honorable man, represents the inherent inequities in our system. The family wealth is synonymous with all that is exploitative in the economic system of our Nation. It represents a system and a body of laws that have been so designed over the years as to enhance the power of the powerful, increase the wealth of the wealthy, and perpetuate the influence of the influential.

Our experience of the last couple of years has placed an obligation on us to do everything we possibly can to renew public confidence and trust in Government. This nomination can only further shake that confidence and erode that trust.

Finally, I am greatly concerned with the Governor's view of the role of the military in American life and with his apparent total willingness to tolerate what I consider to be "dirty tricks" as a necessary tool of Government at home and abroad.

Mr. Rockefeller has a record of longstanding and continuing support of almost every manifestation of American military power. He was an ardent supporter of American involvement in the Southeast Asian war, and continues to this very day to support American financial assistance to the corrupt dictatorship of General Thieu. He has a long record of endorsement of almost every demand the U.S. Military Establishment has made on the resources of this Nation.

But, particularly disturbing to me is Mr. Rockefeller's view of what I consider totally illegitimate Government activities in foreign countries and here at home. The record shows that Governor Rockefeller believes that the continuance of CIA covert operations into internal affairs of foreign nations is a legitimate expression of American foreign policy. It also reveals the nominee's apparent insensitivity to the necessity of protecting the basic human and constitutional rights of American citizens, particularly when they are endangered by official Government actions such as the FBI COINTELPRO operations, or those subversive White House activities for which the Judiciary Committee recommended articles of impeachment against former President Nixon.

We have had quite enough experience with the type of outlook that says anything can be justified in the name of national security. Our rights have been trampled upon and the sovereignty of foreign nations has been violated. Our reputation at home and abroad has been severely tarnished. In my view, we must exercise the greatest care to make certain that the kind of philosophy that caused our national trauma is not perpetuated. I fear, however, that this is the philosophy of Nelson Rockefeller, and I must reject it.

I hold no personal animus toward Nelson Rockefeller. It seems apparent that he will be confirmed by the House, notwithstanding my own views, and I wish him well in his prospective new position. However, for the above reasons, I cannot in good conscience support this nomination.

On a separate, but related matter, it seems appropriate to consider our experience in the last year with the 25th amendment. There is a valid concern that the 25th amendment has not served the Nation well. It has produced, first, a President who was not elected directly by the people, and now it will result, with the confirmation of Governor Rockefeller, in having the two highest positions in our land held by individuals who have not been chosen by a popular vote. While the chances of our present situation occurring again may be dismissed as improbable, we must remember that we did not seriously contemplate our current situation at the time of consideration of the 25th amendment by the Congress a mere 9 years ago.

The Constitutional Convention of 1787 rejected proposals for the election or appointment of the President by the Congress, and the principle of popular election of our President and Vice President has met the test of time. Yet, we are today involved in a process which is a serious departure from that cherished and firmly established principle of our representative government.

The implications of this procedure, which deprives our citizens of their right to choose directly those individuals who seek to lead our Nation, is sufficiently troublesome that a reexamination of the manner by which a vacancy in the office of Vice President is to be filled, if indeed it should be filled, is warranted.

The CHAIRMAN. The Chair now recognizes the gentleman from Michigan (Mr. HUTCHINSON) for the purpose of recognizing the minority leader.

Mr. HUTCHINSON. Mr. Chairman, I yield 5 minutes to the minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Chairman, I ask unanimous consent that I may be allowed to yield to the gentleman from Oregon (Mr. DELLENBACK) for the purpose of having him read the speech which I otherwise would have made.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. DELLENBACK. Mr. Chairman, speaking for Mr. RHODES:

Mr. Chairman, Nelson Rockefeller, the man whose nomination to be the Nation's Vice President we consider today, has been probed, provoked, tried, tested, and observed from virtually every conceivable angle and perspective. No other person in history—save for the current President of the United States—has undergone such meticulous scrutiny as a prelude to national office.

This is as it should be. The 25th amendment provides Congress with a mechanism through which we can satisfy our legitimate concern that a nonelected President or Vice President is qualified in every respect.

Once again, Mr. Chairman, the Judiciary Committee has performed with a thoroughness that brings credit to this entire body. The members of that committee—in particular, their great chairman, PETER RODINO and the equally great ranking minority member, EDWARD HUTCHINSON—are to be highly commended for their most recent service to the Nation.

As a result of their work and that of the other body, this Congress knows everything there is to know about the man who will become the 41st Vice President of the United States.

We know that Nelson Rockefeller's experience in Government is immense. As Governor of a State that has faced probably every problem known to man, he brings to the executive branch a special understanding of the complex problems confronted at the State and local level, along with a working knowledge of what can be done at the Federal level to help solve them.

We also know a great deal about Governor Rockefeller's financial resources. This is a fascinating subject that has attracted considerable attention. It is important for us to acknowledge the fact that throughout the exhaustive confirmation process, not a single shred of evidence was produced to even remotely suggest that Nelson Rockefeller profited financially from his service in Government. What has been proven is that the Governor is a very generous man. I submit that this is not an undesirable quality for a human being to have, particularly one who is going to be Vice President.

Mr. Chairman, we have a nation that is troubled. We face many domestic problems that simply must be met with affirmative action by the Federal Government.

In Nelson Rockefeller, I submit that the Nation will have a Vice President who will not be just a figurehead or a spokesman. He will be a Vice President willing and able to make a real and definite contribution to the important work which is going to involve all of us during the next 2 years.

I urge his immediate confirmation.

Mr. DELLENBACK. Mr. Chairman, may I ask the gentleman from Arizona if he will yield to me for a moment?

Mr. RHODES. I yield to the gentleman from Oregon.

Mr. DELLENBACK. Mr. Chairman, may I add a few words on my own, not speaking for the gentleman from Arizona (Mr. RHODES).

Mr. Chairman, we deal today with a vote as potentially critical as any of us is ever apt to cast in this House. The Presidency of the United States has so expanded in this modern day that the job is an almost impossible one. The tasks of the Vice President of the United States have not ranked in complexity or importance with those of the President, but at a time when this Nation is in its present deep and severe time of testing, today's vote for or against a person who will both carry heavy loads in his own office and will also serve only a heart beat away from the Presidency is of that same massive, great, and deep importance.

There is no perfect man perfectly prepared to become the Vice President of our country. Our burden is to exercise our very best judgment as to whether confirmation of Nelson Rockefeller as Vice President would be in the best interests of this Nation and of the people whom we represent. It is my personal opinion that in selecting Nelson Rockefeller for this job President Ford has chosen wisely. In Nelson Rockefeller we have a man of integrity, capacity, and dedication as ably equipped to become our Vice President and to serve us and this Nation as any person in this country.

I join with the minority leader, the gentleman from Arizona (Mr. RHODES) in endorsing this proposed confirmation and expressing my hope that we will today overwhelmingly confirm Nelson Rockefeller as Vice President of the United States.

The CHAIRMAN. The Chair now recognizes the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri (Mr. HUNGATE).

Mr. HUNGATE. Mr. Chairman, I thank the chairman for yielding and commend my colleagues on the Committee on the Judiciary, both those who were for and against the nomination, and the diligence they have brought to this discussion and continue to bring to it highlights the issue to the public. Heaven may be better for climate, but I do not think you can beat the Committee on the Judiciary for companionship.

One of our legacies of Watergate must not be an unfounded and unreasoning suspicion of our public officials. Mark Twain noted that a cat that sits on a red hot stove will never do so again. Unfortunately, he also will never again sit on a cold stove.

We must avoid drawing such overly broad conclusions from our recent unfortunate experience. We must trust someone some time, if we are to maintain our republican form of government. We should do our best, we must investigate, but at some point we must trust; even as we are trusted.

At this Christmas season, if there were a star in the East, I might urge Rockefeller's rejection and await the designation of another nominee.

One of my principal concerns is that of whom we get if we reject Mr. Rockefeller and when would the United States get a Vice President?

Our basic document in this situation is the 25th amendment. Whenever there is a vacancy in the Office of Vice President, the President shall nominate a Vice President who shall take office upon confirmation of a majority vote by both Houses of Congress.

Some have suggested we might send the President some Vice President nominee lists. We might send him our laundry lists, too. I suppose, but the President shall nominate. He is the one that has sent us this name, and would send any other.

Governor Rockefeller has demonstrated his ability to do the job and I think his compatibility with President Ford is undeniable.

You know, asking a Democratic Congress to confirm a Republican Vice President is a little bit like one of Brooks Hays stories about the man that said he was going to go home now and if his supper was not ready, he was going to be awfully mad, and if supper was ready, he was not going to eat a bite.

It is a difficult thing we have to do here on the Democratic side.

I was impressed by the witnesses we heard. Possibly my decision was made as much by those in opposition to the Governor, as by what he and his allies did. In opposition to this nomination we heard from the Liberty Lobby. We heard from the American Conservation Union. We heard from the National Lawyers Council. We heard from the American Labor Party. We heard from Americans for Democratic Action. We even heard from the Christian Action Council, with three biblical references why this nomination should be rejected.

Now, when you can be opposed that far on the left and that far on the right, I suspect you begin to occupy some of that middle ground where we find most of the American people.

The public disclosure that has been brought about has been most helpful and should enable the press, and through them the public, to keep any conflict of interest along that line in balance.

Mr. Chairman, I support this nomination and commend similar action to my colleagues.

The CHAIRMAN. The Chair now recognizes the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. EDWARDS).

Mr. EDWARDS of California. Mr. Chairman, I am not going to speak at length in urging a no vote on the confirmation of Mr. Rockefeller. I refer my colleagues to the committee report and the dissenting views of the 11 other members of the Committee on the Judiciary whom I joined in opposition. The arguments for a negative vote, are, I believe, persuasive. No member came lightly to the decision. Indeed, I believe it accurate to state that the investigation and the dialog in the committee, in the report, and with the public, has been responsible, and that each member based his vote on what he or she believes would be in the best interests of the country.

The members of the staff of the Committee on the Judiciary deserve special credit for their long hours of work and their industrious, thorough research and investigation. General Counsel Jerome M. Zeifman, who I regret to note is leaving the committee for a professorship at the University of Santa Clara Law School, gave to Members of both sides of the aisle the benefit of his wide experience and good judgment. Associate General Counsel Garner J. Cline was always cooperative and helpful. The other lawyers assigned to the confirmation proceedings provided without exception valuable assistance and a host of legal and investigative skills. I personally worked most closely with Counsel Alan A. Parker who did a splendid job in compiling the public records of Mr. Rockefeller. Counsel William P. Dixon, charged with the investigative details, was indefatigable in pursuing leads. Committee Staff Robert J. Trainor, Franklin G. Polk, Daniel L. Cohen, and the many other lawyers all deserve our appreciation.

The House Judiciary Committee's Subcommittee on Civil Rights and Constitutional Rights, which I chair, was assigned by Chairman RODINO the responsibility of reviewing the Federal Bureau of Investigation report on Mr. Rockefeller and briefing the full committee on the contents. I would like to compliment the FBI on their diligent and skillful work. The FBI report consisted of nearly 2,500 pages. More than 1,300 people were interviewed throughout the country. Each lead was pursued by individual special agents with diligence and skill. From time to time individual members of the committee asked for additional interviews, and the FBI always responded in a most cooperative manner.

I would also like to thank our chairman, PETER W. RODINO, JR., for his unfailing courtesy to each member of the committee during the long and arduous confirmation proceedings. During this past year Chairman RODINO has led the committee in a period which I believe to be the most challenging in its history—beginning with the confirmation of Vice President Ford, the impeachment inquiry of President Nixon, and last of all these Rockefeller confirmation proceedings. His command of these historic responsibilities can, I believe, never be matched.

My own views on this nominee, Mr. Chairman, are well known. After a considerable period of indecision I concluded that the nomination was inappropriate. While subscribing to the reasons stated in all the dissenting views of the committee report, I would like to emphasize that my chief objection is on the grounds of conflict of interest. I agree with the views of witness Joseph L. Rauh, Jr., who stated that in a Nation of over 200 million people, President Ford has chosen a person with more potential conflicts of interest than any other possible candi-

date. As President—and that is how Mr. Rockefeller must be judged—his every decision could affect the Rockefeller empire. This is a risk that I believe is unacceptable to the American people and that we, as guardians of the public trust under the 25th amendment to our Constitution, have no right to take.

The CHAIRMAN. The Chair now recognizes the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Chairman, this is a novel period for us as Members of Congress to come here and really try to determine what our responsibilities are. I guess the main reason for this is because nobody in this body could have conceived at the beginning of this Congress that we would have these vacancies in the highest offices in our Government due to corruption and violation of the Constitution by those in these offices.

Nevertheless, without any precedent to guide us except our own newly created legislative history under the 25th amendment, we have proceeded to fulfill our responsibility under the 25th amendment to confirm and pass upon the qualifications of the man who has been selected by the President to serve as his Vice President.

None of us, unfortunately, has the opportunity to carry this question to the American voters, where it rightfully belongs. It seems to me that this body is going to have to restudy the question as to how vacancies such as these should be filled, if, God forbid, the question arises in the future. But since we are restricted here, since we do not have the opportunity to put in our own nominee, then the question before us concerns the qualifications of the person who has been selected by the President to work with him.

Those of us in this Congress, and certainly in the Nation, have been looking for strong executive leadership during this economic crisis. I certainly have been disappointed by what we have seen, or rather not seen, come out of the White House in terms of clear direction toward solving our many economic problems.

We now have a massive unemployment rate throughout the Nation. People are suffering because of an inability to find jobs, because of an inability to buy the necessary things in order to live, to buy clothing, to get shelter, to get food.

As we on the Committee on the Judiciary investigated the qualifications of Nelson Rockefeller, I think most of us agreed that, in connection with the issues that faced this Nation, it would be difficult to find a more qualified candidate in terms of administrative experience in the critical problem areas which we face today.

However, one judges Nelson Rockefeller's experience and leadership as Governor of the State of New York—and I myself as a Democrat found many more issues to disagree with him on than to agree—no one can dispute the fact that in understanding the nature of the problems that we have experienced in the State of New York, both in the inner cities and the suburban and rural areas—and in his ability to take decisive action to meet problems, Governor Rockefeller left no doubt that he could and would govern. I cannot think of anyone in the Republican Party who meets his qualifications and experience and still might be selected by President Ford.

I might add that, since under the 25th amendment the President has the right to choose his Vice President from his own party and that we cannot choose a person who pleases us, but must select from the President's choice, we have given consideration about what would happen if Nelson Rockefeller was not confirmed and who would the President be going to and seeking advice from regarding who the next nominee would be. From all I have heard, perhaps if we do not find that Nelson Rockefeller should be confirmed, that coming before this body and the Committee on the Judiciary as the next nominee would be a man who would be of substantially less wealth but, by the same token, would probably be somebody substantially less experienced.

As I weigh my decision regarding the conflict between my personal philosophy and the practices facing this Nation, I must make my decision not only on the basis of the qualifications of Nelson Rockefeller, but in terms of the reality of who else might be selected who would come closer to my philosophy.

I see my responsibility, as a member of the Judiciary Committee, to cast my vote to fill the vacancy with a qualified candidate for the sake of the Nation, to make certain that the executive branch of the Government can have capable and effective leadership and have no excuses that it cannot move forward, because we have not acted to provide a Vice President under the 25th amendment.

I have recommended that the Committee on the Judiciary deem him as qualified, and I further recommend that this House of Representatives, in weighing the facts, also find him qualified to fill our present leadership vacuum so that this House and the executive branch can get on with the business of this Nation.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. HUTCHINSON).

Mr. HUTCHINSON. Mr. Chairman, I yield 6 minutes to the gentleman from Illinois (Mr. MCCLORY).

Mr. MCCLORY. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, first of all, I want to call attention to the thorough, complete and highly responsible manner in which our House Judiciary Committee has handled the hearings relating to the confirmation of Nelson A. Rockefeller as Vice President of the United States.

The investigation has been going on during the entire 4-month period since Mr. Rockefeller's nomination in August. The FBI has conducted an extensive and in-depth investigation comprising more than 2,500 pages of data concerning the nominee, which the committee members have had the opportunity to examine. In addition, the Joint Committee on Internal Revenue has reviewed the Federal income tax returns of Mr. Rockefeller for the entire period from 1967 to 1973. Our capable committee staff has conducted an extensive investigation, exploring every relevant subject which has been brought to the committee's attention. We have had 9 days of hearings and have received the testimony of numerous witnesses both pro and con, and large quantities of additional documentary evidence have been presented and reviewed.

What the committee's work adds up to is that Nelson A. Rockefeller is a very able and experienced public figure, whose reputation for integrity and honorable service is beyond question. He is thoroughly experienced at every level of government and he possesses talents with respect to national and international affairs equal to those of any citizens of the Nation. In short, he possesses excellent credentials supporting his overwhelming confirmation as Vice President under the 25th amendment to the Constitution of the United States.

Mr. Chairman, I do not mind adding that I have known Mr. Rockefeller on a personal basis for more than 45 years. While certainly not a close friend, I have nevertheless followed his public and private life with a continuing and personal interest.

I say without qualification, and the record of the facts contained in the testimony and documentary evidence supports the conclusion which the committee reached, that nothing in Mr. Rockefeller's record or in our investigative files was found to disqualify Mr. Rockefeller from service. On the contrary, the evidence warrants endorsement of his fitness and capability to serve as Vice President.

Mr. Chairman, there may be some who will complain that this nomination should be deferred until the next Congress. Others may complain about the 6-hour time limit on general debate on this nomination.

What I say is that in providing a faithful interpretation of the 25th amendment, this House should not delay another hour or another day in finally securing Nelson A. Rockefeller as our Vice President. He meets the high standards which we intended a Vice President to possess when the 25th amendment was adopted in 1967.

As Vice President, Mr. Rockefeller can add stature and strength to this administration and can contribute substantially to the solutions of our great national and international problems with which both the executive branch and the Congress are so deeply concerned.

Mr. Chairman, before discussing my recommendations on the qualifications of the Vice President-designate, however, I want the House to know of the gratitude and respect which I have for the leader of the Judiciary Committee, the gentleman from New Jersey (Mr. RODINO). Chairman RODINO's leadership of our committee during the 93d Congress coupled with the able service of

the ranking minority member, the gentleman from Michigan (Mr. HUTCHINSON), have been a source of pride to all members of the committee and of this House. I am especially pleased that our last accomplishment during this Congress will enable the American people to have in Nelson Rockefeller a truly outstanding American as the new Vice President of the United States.

Mr. Chairman, in considering the confirmation of Nelson Rockefeller, we are applying the 25th amendment to the Constitution for the second time in this 93d Congress—the only times that this constitutional procedure has been utilized in our history. In my opinion, this amendment has, in both instances, served our system of Government admirably under more trying times than were ever imagined at the time of its adoption. A year ago this month, it was utilized to install our colleague, Gerald R. Ford, as Vice President—a man of ability, honor, and integrity who has done an excellent job during the brief period he has served as President—after one of the greatest constitutional crises in our history. Today, the procedure of the 25th amendment again provides the American people with a proven national leader of exceptional intelligence and admirable dimension to serve in the Vice Presidency.

Mr. Chairman, perhaps out of necessity, this Congress has often consulted the Constitution in weighing the monumental issues which have come before us; and, as we make preparations to adjourn sine die, I believe that we all share a renewed confidence in this venerable and worthy charter—it has once again proved its vitality in solving hard questions facing the Congress—no less in the application of the 25th amendment than in any other part.

Mr. Chairman, with all due respect, I believe that a great deal of the opposition to this nomination has arisen because of a misreading—or misunderstanding—of the true intent and purpose of the 25th amendment. Some Members have voiced the sentiment that, in an application of this amendment, they ought to serve merely as surrogates of their constituencies—and that the Vice President-designate appears not to be the choice of those whom they represent.

Let me emphasize that that is not the test. It is clearly not the intent of the amendment that a nominee under its provisions had to be of the same political party or persuasion as the House Member in order that he or she might vote to confirm. To be consistent with the 12th amendment, it is only required that the Vice President should be politically compatible with the President who nominates him, and one with whom the President can work harmoniously. I do not mean to imply that the Congress has a duty to blindly and subserviently confirm whomever the President chooses to nominate. Rather, we do have a duty to determine that the nominee is a person of integrity, ability, and experience who is dedicated to the welfare of our country.

Having completed the most searching investigation and scrutiny that any nominee to public office has ever undergone, I am satisfied, on the basis of the voluminous evidence before us, that Nelson A. Rockefeller is supremely well qualified to fill the high office of Vice President. In fact, I do not think that it is exaggeration to say that President Ford, in selecting Nelson Rockefeller, has nominated the best qualified person to serve as Vice President in this crucial time.

As Governor of our second largest State from 1959–74, he displayed considerable administrative ability and achieved a remarkable record of accomplishment. Reelected four times by the 18 million people of New York, the Vice President-designate holds a distinguished reputation as one of the country's most dynamic Governors.

He revitalized and expanded the State University of New York. He established a landmark pure waters program and instituted the first State financing for mass transportation. His administration was responsible for the construction of almost 90,000 units of low-income housing. He created a State office to work on the problems facing senior citizens and overhauled the State welfare system.

As convincing proof of Mr. Rockefeller's faith in our Federal system, I need only point out that he was instrumental in bringing about the enactment of the Federal revenue sharing program, while achieving a return to local government of 62 percent of every State-collected tax dollar during his tenure as Governor of New York.

At the national level, Nelson Rockefeller has demonstrated his ability in a wide range of governmental posts. As chairman of President Eisenhower's Committee on the Organization of the Executive Branch of the Federal Government, he was deeply involved with the creation of the Department of Health, Education, and Welfare—and he played a crucial role in HEW's organization as its first Undersecretary.

At the international level, Nelson Rockefeller has served five Presidents—of both parties—in behalf of many aspects of the foreign policy of the United States. As Coordinator of Inter-American Affairs under President Franklin Roosevelt, later as Assistant Secretary of State for American Republic Affairs, and on subsequent diplomatic assignments, the Vice-President-designate has amply demonstrated a mastery of the skills necessary for the development of an effective foreign policy.

It is clear that after 40 years of distinguished service in government at all levels, Nelson Rockefeller possesses unique qualifications as the right man for the Vice Presidency at this important time. I am delighted that the President has indicated that he will make full use of Mr. Rockefeller's talents in solving the difficult problems that face the country—especially in the area of domestic policy.

Mr. Chairman, as I indicated earlier, our efforts may have been the most thorough ever undertaken by any committee in a confirmation process. But as thorough as we were, nothing was found to cast doubt on the fact that Nelson Rockefeller is qualified to be Vice President.

Some members of the committee voted "no" when the roll was called in committee for various reasons. But they did not vote "no" because Nelson Rockefeller lacked executive and administrative experience. They did not vote "no" because Nelson Rockefeller failed to be a resourceful, dynamic Governor of New York. They did not vote "no" because Nelson Rockefeller lacked intelligence or knowledge or talent. Rather they voted "no" on the basis that Nelson Rockefeller has great wealth, that he did not remember all the details involved in publishing the Goldberg book, or because he commuted the sentence of a convict in bad health—which presumably he should not have done primarily because the convict was once head of the Republican Party in New York—or because he made gifts and beneficial loans to many friends, some of whom were State officials.

The ironic aspect of these arguments for voting against confirmation is that traditionally men of good character have viewed wealth, compassion, and generosity as advantages in a public official. One of the members of the committee, the gentleman from Texas (Mr. BROOKS) spoke to this point eloquently when he addressed himself to Mr. Rockefeller, as follows:

> I am inclined to think that you have a greater stake in this country than most people. It is to your own best interests that it be successful, that it be prosperous, that it be free.... (Hearings, 1025)

Mr. Chairman, in my opinion a most revealing development of the committee's long inquiry has not concerned the nominee but rather those members who would deny office to a person solely on the basis of his wealth. There is a critical difference between treating all men equal before the law and between equalizing all men. I am disappointed that this difference escapes some members. In exercising our constitutional confirmation power I had thought that we were constitutionally precluded from discriminating on the basis of race, sex, religion, or economic status. Thus the only way the argument can rationally be made is not on the basis of the nominee's status as a wealthy man, but on the basis that the nominee would use his wealth against the common good of the American people. Yet such a basis finds no support in our lengthy record. Every bit of evidence runs counter to the argument. In fact, it almost seems as if Nelson Rockefeller has lived his whole life in a way to disprove that argument. There is utterly lacking any evidence that he ever benefited Rockefeller financial interests at the expense of the people or by the exercise of any public or political prerogative. In contrast, the record shows a man of great personal generosity giving much of his income each year to charity. Furthermore, the record shows a sincere, dedicated public

servant for 40 years—a man, who although wealthy enough to lead a carefree existence, chose instead to work in the trenches at every level of government under both Republicans and Democrats—but always for the people. Why did he give so much of his money, his time, and himself for so long? Are we to believe that he did so much merely to lull us asleep so he could, after a long and brilliant career in Government, betray his country to his family's economic interests?

In order to set the record straight, let us review the claim that the nominee's involvement in the publication of a political biography about Arthur Goldberg should suffice as a basis for withholding confirmation. This suggestion has been on a steady decline since the hearings before the Senate Rules Committee provided a forum for the nominee to answer accusations. The author, Victor Lasky and the biographee, Arthur Goldberg, also testified at length at those hearings. At first we heard that the book was scandalous. But reading it laid that to rest. Next we heard that the method employed to finance the book was designed to cover the nominee's involvement. Although it now appears that the nominee was not involved in financing the book and was unaware of how it was done, he candidly admitted that the method used by others was designed to disassociate the Rockefeller name. Then we heard that the nominee's revelations were slow and less than candid. This charge appears to be closely associated with apparent deliberate leaks of selected information from FBI reports which were made available to committee members.

The nominee answered all of these charges and revealed the full truth as best as he could recollect it, admitting quite frankly that later revelations were not from his own experience but the result of his current inquiry of others who were better informed. There is no evidence to controvert Mr. Rockefeller's answers. However, since there was a lapse of time between the selected leaks—and the nominee's testimony, there has been resort to a smear that was reminiscent of Watergate. Quite clearly the entire issue seems to be without substance.

Another basis for withholding confirmation which is frequently mentioned is Nelson Rockefeller's commutation of L. Judson Morhouse in 1970. As Governor of New York, Nelson Rockefeller has on several occasions commuted the sentences of convicts because incarceration was substantially impairing their health. Between his conviction in 1966 and the conclusion of appellate review in 1970, Morhouse suffered several medical catastrophes. He contracted Parkinson's disease, cancer of the rectum requiring removal of two-thirds of his large intestine, and then had his prostate gland removed. The evidence shows that no one with such a medical history had ever served a sentence in a New York penitentiary. Morhouse applied for clemency and submitted medical affidavits of four respected doctors attesting to his medical condition. Under New York law, the Governor has absolute discretion to grant a commutation. No legal standard need be met.

Governors, of course, prefer to appear reasonable, but on the record there was little reason to question a grant of clemency to this sick man other than that L. Judson Morhouse had at one time been chairman of the Republican Party in New York. However, should that reason alone required this man to serve his sentence? Apparently Nelson Rockefeller thought not. Although the case for clemency was already established, he asked the State medical society for independent verification of Morhouse's condition so that no one later could reasonably challege the propriety of a commutation.

Three doctors were selected. Although only one doctor of the three made it through a blizzard to see Morhouse, all three consulted and agreed with the previous evaluation made by Morehouse's four doctors that L. Judson Morhouse's health would be substantially impaired and his life endangered by imprisonment.

And on the next day Mr. Morhouse and Mr. Wright received clemency for reasons of health. No one talks about Mr. Wright; he was never State chairman of the Republican Party.

Finally, it is suggested that confirmation should be withheld because the nominee made gifts and loans to public officials. It is argued that this was wrong whether or not it was legal to make such loans and gifts. Perhaps such loans and gifts would be cause for suspicion if made by someone other than the nominee. But Nelson Rockefeller's generosity is well known. For each year he gives a substantial portion of his income to charity, sometimes over 50 percent. And what is not noted by his detractors is that during the same period of time he made loans and gifts aggregating $1,692,219 to a total of 58 other people who were not State employees. As for the State employees, he testified that he made the loans and gifts to them as he made them to others—out of friendship. There is no evidence whatsoever contradicting that testimony. The New York laws do not prohibit making loans or gifts to friends who are State employees. Detractors argue that he did this to influence them. But this does not make sense because as Governor the employees in question all served at his pleasure with only one exception. By law they were already under his control.

Another fact often overlooked is that the New York laws in question did not become effective until January 1, 1966 and September 1, 1967, respectively, some time after many of the loans and gifts had been made. When this is mentioned, it is replied that it is morally wrong to make such gifts or loans even if it is legal. But if he gave out of friendship and not to influence them, I cannot comprehend the impropriety.

On two occasions the nominee made gifts or loans to individuals who were not residents of New York so that they could relocate in New York and become public officials there. But New York law does not prohibit such loans or gifts no more than it prohibits contributions to those seeking elective office. All that is prohibited is gifts or loans relating to past official conduct. Moreover, in one of the two instances, the law was not in existence at the time.

Thus, when these arguments against confirmation are examined in the light of the true facts, they appear to be without merit. It is perhaps because there is no really sound argument against the nominee that recourse is made to a "constitutional aside" that we must have in mind that Nelson Rockefeller was nominated by a President who was not elected. Of course, that argument if taken far enough is simply an argument against section 2 of the 25th amendment. However, the time to make such arguments is when we are amending the Constitution. That is when several Members of this House made their arguments against section 2. However, we should not now refuse to utilize a duly enacted constitutional procedure against the nominee because we are unhappy with its operation.

Moreover, I have not heard anyone complain that any bill signed into law by the President was not a law or that any veto was less of a veto because the President rose to that office without being elected by the electoral college.

The President is the President, and the mandate of section 2 could not be plainer. It is our duty to confirm or not confirm the nominee on the merits. The record indicates that the nominee is qualified to serve as Vice President. Although it is fair to say no single Member of this House would in each instance agree wtih the answers to the problems of our time which he might supply, I know Nelson Rockefeller to be a man of integrity, ability, and experience. He is the choice of our President. In fairly applying the 25th amendment, there is no reason to deny him that choice.

Mr. SCHNEEBELI. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. Mr. Chairman, I yield to my colleague, the gentleman from Pennsylvania (Mr. SCHNEEBELI), who attended Dartmouth College and who, I believe, was a roommate of the nominee when they were in college together.

Mr. SCHNEEBELI. Mr. Chairman, from the vantage point of personal observation and experience, I support enthusiastically the nomination of former Gov. Nelson A. Rockefeller to be the next Vice President of the United States.

Governor Rockefeller and I were roommates in our senior year at Dartmouth College and from this personal knowledge, and my continuing interest in his career in public service, I have nothing but total approval for his qualifications and background for this vital position. The six children of John D. Rockefeller, Jr., were all raised with a discipline and dedication to public service and the contributions which all the members of this family have made to the betterment of our country are manifold and complete.

With the indoctrination of the family training for public service, it is quite evident that Nelson has fulfilled his commitment to this fine ideal and has done

it well. His more than 15 years as Governor of New York have underscored the tremendous contribution which he has made, and it emphasizes the additional great service to our country which he is prepared to provide in this new capacity as Vice President.

His qualities of leadership and his ability to inspire loyalty from so many of our Nation's leaders will provide our country with the needed support for President Ford. We are fortunate that Nelson Rockefeller has agreed to serve in this second most important job in our country. Let us give him our endorsement and vote of confidence at this time.

The CHAIRMAN. The Chair now recognizes the gentleman from California (Mr. EDWARDS).

Mr. EDWARDS of California. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. PATMAN).

Mr. PATMAN. Mr. Chairman, the best political decisions in this Nation are made at the ballot box.

I sincerely question whether the voters of this Nation—given a free opportunity to express their opinions at the polls—would elect an individual with the apparent conflicts of interest and the power and the wealth of the man whose name stands in nomination for Vice President before this House. And I question the wisdom of the Members of the House of Representatives confirming and installing a man of such immense personal, family, and corporate power in this high office.

Mr. Chairman, I do not oppose this confirmation today on any petty or personal basis. I recognize the public service rendered by Nelson Rockefeller and other members of the Rockefeller family, but this does not wipe out the fact that the worldwide holdings—including every country in the world and every one of the 3,071 counties of the United States—of this fantastically wealthy family constitute the most colossal conflict of interest that could ever be imagined in any government, anywhere.

We have heard that Governor Rockefeller would be willing to place his holdings in trust—a blind trust. But, I know of no instrument—no arrangement—which could really accomplish this goal. It just is not possible with the massive holdings of the Rockefeller family—holdings which probably exceed $2 billion—and with assets and interests scattered and interlocked all over the world. The managers of any blind trust—if it were to be created—could not possibly diversify the holdings in any significant manner without serious losses and without drastic effect on the stock of the companies involved. A blind trust might be possible for a public official with a few hundred thousand dollars or even a million or two, but it would be a farce to claim that any such arrangement could deal with the conflicts between the public interest and the interests of the Rockefeller empire.

Even in the unlikely event that Governor Rockefeller could completely divorce himself from any action which would touch one of his vast holdings—it would be difficult—if not impossible—for the regulatory agencies, the Government bureaucracy, to forget whose interests were involved in their day-to-day decisions. And this would be all the more intensified should he assume, for any reason, the top job as President of the United States.

Many words have been spoken and written on this point, but I think the Washington Post, in an article by William Greider and Thomas O'Toole in the September 22 edition focused the issue best and I quote:

If Nelson Rockefeller becomes Vice President or events make him President someday, he will bump into his family's wealth on practically every major public issue.

As President, he would have the last word on chartering overseas air routes, yet his family's bank is the largest stockholder in Northwest Airlines, which flies the Pacific. The bank holds major stakes in six competing airlines, not counting Eastern which Nelson's brother Laurance launched.

If President Ford wants oil prices held down, he could speak to the Veep who could talk to his family. They control the largest bloc of Exxon stock and have a substantial presence in three other major oil companies: Mobil, Amoco, and Standard of California.

If "Vice President" Rockefeller tours the Middle East, he may find tracks in the sand left by his brother David who, as chairman of Chase Manhattan, the family bank, has been consulting the Arab sheikhs on where to invest their money—the bulging fortune from their oil wells.

If "President" Rockefeller asks the CIA for intelligence on the Soviet Union or China, he could take comfort in the knowledge that the spy-plane reconnaissance photos were taken with Rockefeller-made electronic gizmos—by Itek.

If he wants to check on conditions in Latin America, the stomping ground of his youth, he can do it through his own personal company—IBEC, or International Basic Economy Corp.—now run by his son Rodman. It's a mini-conglomerate with affiliates in 30 countries and sales this year of more than $300 million—housing and supermarkets, mutual funds and coffee marketing, poultry and canned fish.

If the television networks give "Vice President" Rockefeller a bad time, he might turn to a friend at Chase Manhattan. According to a Senate subcommittee's study of corporate ownership, the bank controls respectable minority blocks of stock in CBS, ABC and NBC, not to mention modest bites of the New York Times and Time-Life, Inc.

Taxes, the environment, government regulation of business, prices, interest rates, overseas diplomacy, war and peace—Rockefeller interests are enhanced or hurt by government policymaking in practically every major area of American life.

Many members of the Judiciary Committee in the House and the Rules Committee in the Senate have correctly raised questions about the long list of Rockefeller "gifts" to various individuals, most of them public officials in New York State. The obvious question is whether these gifts—which I understand have totaled around $2 million—were philanthropy or simply the use of wealth to extend power and influence?

Mr. Chairman, this is the kind of question which I have raised—along with other Members of the House—in various foundation studies conducted in the Small Business Committee of the House and later in the Banking and Currency Committee. We have surveyed through the years the holdings of the Rockefeller foundations—some 14 private foundations controlled or dominated by the Rockefeller family. While these foundations have provided the funds for many worthwhile projects, I have never been convinced that these foundation gifts have been totally isolated from the nonphilanthropic economic activities and interests of the Rockefeller family. These foundations, in my opinion, are an integral component of the vast network of Rockefeller-dominated and controlled economic and political entities.

A survey of the portfolio of these foundations reveals that many of the investments are similar in many instances to the investments of the trust department of the Rockefeller-owned Chase Manhattan Bank and the members of the Rockefeller family themselves. As many Members in this House will recall, the Banking and Currency Committee in the late 1960's launched the first full-scale study—over massive opposition—of the trust activities of major commercial banks.

This study, "Commercial Banks and their Trust Activities: Emerging Influence on the American Economy," spelled out some of the massive power residing in the trust department of the Rockefeller family's Chase Manhattan Bank.

At the time this study was released by the Banking and Currency Committee in 1968, Chase Manhattan—which I believe is the real cornerstone of Rockefeller family power today—had investments through its trust department of nearly $13.6 billion including substantial stockholdings in 59 major U.S. corporations—many of which were interlocked with still further Rockefeller interests. In fact, the committee study revealed 79 interlocks between the Rockefeller-dominated and controlled bank and major U.S. corporations.

Of course, this Chase Manhattan trust department has been growing and today it has holdings of about $16 billion and the bank is reported to retain voting rights to well over half this portfolio—a portfolio which reaches right into the heart of the corporate power of the United States.

This Banking and Currency Committee study along with our earlier study, "Bank Stock Ownership and Control" and our investigation of the collapse of the Penn Central empire, raised major questions about the concentration of economic power and these are questions which have now been intensified by the fact that a member of this powerful family is to assume one of the highest public offices in the world.

These banking studies and the studies of the tax-exempt foundations have made significant contributions to an understanding of wealth and corporate and banking power in the United States. The investigations and hearings conducted by the Rules Committee in the Senate

and the Judiciary Committee in the House of Representatives have been excellent and they throw much new light on how this corporate power is interlocked and how it is wielded.

But the unfortunate truth is that we do not know enough in the Congress about how U.S. corporations and banking institutions are owned, controlled, and how their decisionmaking processes are linked with other economic entities and how this power touches other economic interests and governments around the world. As we have often learned in the Banking and Currency Committee, attempts to elicit this type of information runs into all kinds of bitter opposition.

The Rockefeller nomination, in my opinion, points up the need for a mammoth congressional study of corporate and banking power in the United States and how it is interlocked and how it makes its decisions and how these decisions affect the lives of all Americans—our entire economy. Such a comprehensive study, had it been in existence, would have answered many of the nagging questions which still hang over us as we vote on this nomination today.

The Judiciary Committee with its jurisdiction over legislative areas dealing with economic concentration, the Banking and Currency Committee with its jurisdiction over banking, and the Commerce Committee with its jurisdiction over large segments of the business community could coordinate such a study—to include not only the Rockefeller holdings but the entire corporate and banking picture. This is a good opportunity to pull back the covers and really look at corporate America.

In all fairness to Governor Rockefeller, I do not think we really know the degree to which he is involved in the day-to-day operations of the mammoth empire of the Rockefeller family. He and his supporters minimize his role. Perhaps this can be established, but I would like better answers to claims and counterclaims and I think these studies of the Rockefeller family should continue—and I hope and believe that Rockefeller would cooperate in this.

In the meantime, I think it would be wise for President Ford to limit the Vice President's role in policy and decisionmaking that might bear directly on any of the Rockefeller interests. This may be difficult, I recognize, but it is essential that we do everything possible to maintain confidence in the Federal Government—and conflicts of interest or the appearance of conflict can do more to destroy confidence than anything else.

Mr. Chairman, I think many of us could rest easier about this nomination if it were not for the apparent insensitivity of the nominee to what money means in terms of power. Many of his statements about the "gifts" seem strange and out of character for a public official expected to represent people of all walks of life—the poor as well as the rich.

He is quoted as telling Joseph Kraft, the columnist:

I like to give gifts, and $100,000 to me is like $10 to other people.

This kind of thinking—and I am sure it is sincere—makes me wonder how Nelson Rockefeller could understand the interests, the needs, the hopes, and aspirations of the plain people of America. Perhaps, I misjudge him, but this kind of attitude worries me—and I think it worries many people across this land.

Mr. Chairman, I do not feel that the nomination of Nelson Rockefeller is in the public interest and I will vote against the nomination.

What really disturbs me is the fact that this is the second time in just 13 months that the Congress has been called on to give its blessings to a Republican appointment to one of the two highest offices in the land.

When Governor Rockefeller is confirmed—as everyone tells us he will be—we will then have for the first time in the history of this Nation two unelected officials as President and Vice President. In my opinion, this is an intolerable situation—something which we should never have allowed to occur. It is sad indeed that the Republican Party has made such massive mistakes as to leave us with such a situation and it is unfortunate that the Congress did not better provide alternative solutions.

The 25th amendment does not work in a situation like this and it should be changed. This should be a priority item in the next Congress.

As I stated back on August 8 when the present incumbent in the White House, Gerald Ford, was about to take the oath of office through the courtesy of an appointment by Richard Nixon, I feel that the Constitution does in reality allow us to call an election despite the 25th amendment.

Let me point to article 2, section 1 of the Constitution. It is my opinion that this section of article 2 does leave the possibility that the Congress can call an election.

Article 2 provides:

In Case of the Removal of the President from Office, or of his Death, Resignation, or Inability to discharge the Powers and Duties of the said Office, the Same shall devolve on the Vice President, and the Congress may by Law provide for the Case of Removal, Death, Resignation or Inability, both of the President and Vice President, declaring what Officer shall then act as President, and such Officer shall act accordingly, until the Disability be removed, or a President shall be elected.

Mr. Chairman, I realize that there are many who will disagree about what article 2 means in this circumstance, and it is obvious that many feel that the 25th amendment is the only course which we can pursue in filling these vacant offices.

If in truth the prevailing opinion is that no election can be called under the present Constitution, then I feel it is important that the Congress move quickly—in the next session—on an amendment providing for an election within 90 days of any vacancy. I think it is contrary to our whole concept of Government to have the two highest offices in the land filled by appointed officials.

Judging from some of the news reports, there are apparently to be ceremonies later in the day—apparently the votes in the House have already been decided. In any event, I hope that any such ceremonies and celebrations are conducted in a subdued manner in keeping with the real facts of recent history. Without the tragic and sordid events which required both the elected President and Vice President to leave office within 1 year of each other, we would not today be considering still another appointment.

It is hardly a happy event for the House to be confirming appointments to offices which the people are supposed to control through open and free elections.

Mr. Chairman, I do not think that big business and big banking could win at the polls. It is after all big business and big banking that have put us into this economic mess we are in today with high interest rates, ruinous inflation, and growing unemployment lines.

I do not like to see a representative of this big business and big banking community elevated to this office by this back door method of appointment. Once again, I am convinced that this would not happen if we had open and free elections on this question.

The CHAIRMAN. The Chair now recognizes the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Chairman, I yield 6 minutes to the gentleman from Louisiana (Mr. WAGGONNER).

Mr. WAGGONNER. Mr. Chairman, this amounts to the second occasion this Congress that we have relied on the 25th amendment to fill a vacancy for the office of Vice President. Some have suggested that the 25th amendment falls short of its intended purpose and needs revising. Regardless of how imperfect it might be, the 25th amendment provides us with an orderly means of filling a vacancy for the office of President and Vice President.

It is, I feel, most unhealthy and unwise to continue the operation of the executive branch of Government without a Vice President. That office should be filled as soon as is possible, and I think it is incumbent upon us, the legislative branch, to provide the leadership and act forthwith on behalf of all the American people.

Certainly, not everyone agrees on President Ford's choice for Vice President. No one would expect everyone to agree. In fact, I would be surprised if there were ever unanimous agreement given anyone nominated to fill a high public office.

Yet after a thorough and exhaustive investigation by the Senate Rules Committee and the House Judiciary Committee, there was really nothing found that would warrant disqualifying Mr. Rockefeller. I do not feel that any man, save perhaps the President, Mr. Ford, has undergone any closer scrutiny than has Mr. Rockefeller. If nothing could be turned up of a disqualifying nature by the Senate and the House Judiciary Committee, then I feel that there is nothing. If there were, surely it would have been found by now. It is amazing really that so few objections have been raised, all factors considered.

A number of people have asserted that

unless one can agree 100 percent with Mr. Rockefeller's stand on the issues then he should vote against his nomination. I take issue with that kind of thinking, and I hasten to add I disagree with Mr. Rockefeller myself on some issues. If we are going to oppose a man's confirmation say, for example, on just one or two issues, then there is not a man alive who can meet all the qualifications for President or any other public office for that matter. To do so would be to effectively abandon the 25th amendment. People, of course, should express themselves.

I think we should all keep in mind what a confirmation hearing is all about. Herein lies the misunderstanding of the 25th amendment. It is an opportunity to review the nominee's qualifications for the office and then determine whether or not the nominee is qualified and meets the requirements. It is nothing more, nothing less. It is not like an election or a vote on some bill in the House where there is often more than one choice or a substitute. The issue here is to accept or reject the qualifications of this one man for this one office. This is our only choice. It is that simple.

Here we have a man who has the experience and the proven abilities which this office calls for. His experience and abilities are limitless. He is, beyond any reasonable doubt, qualified for the job in every respect. We must rely on our system of checks and balances. Mr. Speaker, I take a little bit different view of Mr. Rockefeller's wealth. Rather than being a liability as some might have suggested, I think it could be an enormous asset, when it is viewed in terms of the independence it allows the man who is unencumbered by personal financial problems and who cannot be tempted by financial gain while in office. I do object, however, to politics becoming a rich man's hobby.

Whatever one man might think of his political views, I do not feel there can be a challenge to his qualifications to hold this office. Surely we have not reached the point in this land wherein no man is qualified to serve in public office. While I do not know him as well as I know the person who nominated him, there is no more honest and truthful man than Gerry Ford; and if he feels that Nelson Rockefeller is the man for the job, then I accept his recommendation. If your findings concur with those of the Senate and the House Judiciary Committee, we have no choice but to confirm the man. It matters not whether Mr. Rockefeller was anyone's first choice; he is the only choice at present. For the reasons I have outlined, I intend to vote to confirm Mr. Rockefeller, and I urge his confirmation and my wife agrees.

Mr. BURLESON of Texas. Mr. Chairman, will the gentleman yeld?

Mr. WAGGONNER. I will be happy to yield to my friend, the gentleman from Texas (Mr. BURLESON).

Mr. BURLESON of Texas. Mr. Chairman, perhaps we could say that every day the Congress is in session is, to some degree, historic. Today, however, is the second historic occasion under the recently adopted 25th amendment to the U.S. Constitution. My remarks might be more in the form of a testimonial, rather than from the standpoint of attempting to describe the merits of the Vice Presidential nominee, which is being done here now by members of the Judiciary Committee who have so carefully and fully heard the pros and cons of this nomination.

For more than 25 years I have had occasional opportunity to observe Mr. Rockefeller when he was in the service of our Government. He was in the Truman administration, the Eisenhower administration and subsequent administrations, doing his job in what I believe to have been out of a sense of duty and a willingness to submit himself to the efforts it took for him to perform a particular task. He has never done me a favor nor have I ever been asked to do anything for him. My views on this matter are absolutely and unequivocally objective.

A few days after President Ford nominated Mr. Rockefeller to become the Vice President, I had occasion to mention the fact that I wondered how many of us with his reputed wealth would be willing to assume this responsibility offered him. I wonder how many of us here would be willing to undergo one of the most thorough and exhaustive investigations in all facets of our lives. I wonder if we would be willing to enter the glass bowl and subject our every past and present action to the most severe questions which could possibly be propounded to us. I wonder if most of us would not feel it time to enjoy the material things available to the Vice President-designate and not be worried by the intense scrutiny under which Mr. Rockefeller has gone, and which has turned up nothing which, in my opinion, disqualifies him from this high office.

As everyone is aware, many publications of the extreme right and left, and many individuals in this category, have disseminated opinions, insinuations and innuendoes which they did not present to the committees looking into the affairs of Vice President-designate Rockefeller. In some quarters it has raised distrust, doubts and fears that something sinister is taking place but none of this has gone beyond accusations of one sort or another. Where do we get men and women to serve in this Government if wealth and success are to be disqualifications?

I have confidence that, although I certainly do not agree with Mr. Rockefeller on many philosophical issues, it is not reasonable that any of us would agree wholly with any individual who may be presented for this position.

Mr. Chairman, I support the nomination of Mr. Rockefeller as Vice President of the United States. Under our system there must be continuity, there must be conscientious leadership, whether we always agree with it or not, and I believe it is time this Congress expeditiously acts to confirm Nelson Rockefeller as Vice President of these United States.

Mr. HUTCHINSON. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey (Mr. SANDMAN).

Mr. SANDMAN. Mr. Chairman, this in all probability will be the last time that I shall address this House, and I am proud that this occasion is going to be used to recommend the confirmation of a great American to be the Vice President of the United States—Nelson A. Rockefeller.

I have known him for a long time. In the early 1960's, when he was Governor of New York, I was president of the New Jersey Senate, and, of course, coming from that area, we always looked to what is known as the New York Port Authority to remedy all of the problems of both States. For the most part, we were in adversary positions trying to do what we could for our individual States which we represented.

I am proud, too, that because of these negotiations, I was in some small way, together with him, a part of the largest transaction that ever took place in this country between two States which led to construction of the World Trade Center.

The biggest asset that I found in Nelson Rockefeller, in addition to his ability—which is second to none, in my judgment—was the fact that this is a man of great integrity. What he told me, I could believe. His word is good. This is important; I think the most important factor that has to be considered.

The Committee on the Judiciary set a very heavy standard for this nominee. Because he is going to be the Vice President and is only a heartbeat away from the Chief Executive's position, the standards of the Presidency also apply here.

We found three main objectives that had to be explained and proved to the committee: One, was he capable of doing the job, and on this not a single soul has a question. The second was: Does he have the integrity to carry out the office? Can we trust him? And, of course, here there was not a shred of evidence presented by anybody of anything that happened in his whole lifetime, his 40 years of public service to his country, his 15 years of dedicated service as Governor of his State—not a shred of evidence that showed anywhere that he did something that he should not have done.

The only thing that has been raised is not something that happened—this is the most unusual test of them all—but hypothetical cases on what might happen because he has great wealth, and this, I think, is an untenable position.

We can best judge what a man is going to do by studying what he has already done. Some say an accumulation of economic wealth is too dangerous to have when at the same time one may have the great power of the Presidency, I ask them to analyze that statement. These are a lot of first-class 50-cents words. But what do they mean?

If we talk about the Rockefeller wealth, where is it concentrated? New York City is where it is—most of it. And where was he Governor for 15 years—New York State.

To each of the witnesses who came to testify against his candidacy, I asked pointed questions: Show me one case where this man in the 15 years as Gov-

ernor of the State at any time acted in the interest of his fortune or his family in such a way that it was detrimental to the State of New York, and not a single one of those witnesses was ever able to present anything.

Some members of this committee wanted all 84 members of the Rockefeller family to come in and testify as to their wealth, testify as to where all the foundation investments were.

After one does all of that, and after we find out where it all is, do we still not resolve the same questions: the integrity of the nominee?

As our chairman so aptly said, the only one thing judged by this House is the nominee, Nelson A. Rockefeller, and not his 84 relatives.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. HUTCHINSON. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. SANDMAN. Mr. Chairman, the third area of course has to do with his philosophy and in this area no two people are going to agree on everything.

Some people say that because of the man's great wealth he is not going to appeal to the people. Is this not the man who has been elected four times by the people of one of the largest States in the Nation? Somebody had to believe he appealed to people.

I am interested too in what those people have to say who have had to represent and have spent their lifetime in representing minorities. What do they have to say about the man? I would like to call to the attention of the Members the remarks made by the gentlewoman from New York (Mrs. CHISHOLM), made on November 27 before our committee, when she pointed to an outstanding record in the interest of the people from all walks of life. That is important. Then there are the remarks made by the gentleman from New York (Mr. RANGEL), and the gentlewoman from Texas (Miss BARBARA JORDAN) in a wonderful statement she made before the Judiciary Committee.

Putting all of this together I think we have resolved that this is the most capable man for this office who can be presented to this House.

To my colleagues on both sides of the aisle I would say, let us admit that this nominee was confirmed by the Senate 90 to 7. He was confirmed overwhelmingly by the Judiciary Committee. We know he is going to be confirmed by this House. Would it not be a nice thing if we could agree on something and go together into the new year? Let us nominate Nelson A. Rockefeller to be the next Vice President of the United States.

Mr. KASTENMEIER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. EILBERG).

Mr. EILBERG. Mr. Chairman, with due respect to our great Judiciary Committee chairman, I would say that the greatest cause for concern about the nomination of Nelson Rockefeller to be Vice President is the possible conflicts of interest he would face because of his family's great wealth. This wealth includes holdings in this country in oil and banking as well as immense investments in other countries.

In this country, his family, the Rockefellers, own 2 percent of Standard Oil of California, 1 percent of Exxon, 1.8 percent of Mobil, 0.7 percent of Marathon Oil, and 0.2 percent of Standard Oil of Indiana. In addition, the family bank, Chase Manhattan, holds 5.2 percent of the stock of Mobil Oil, 4.5 percent of Atlantic Richfield, 1.3 percent of Continental Oil, and 0.2 of Ashland Oil.

The family's control of the Chase Manhattan Bank is of great concern. It has $37 billion in assets and is the Nation's third largest bank—after the Bank of America in California and First National City Bank in New York. In addition to its holdings in the oil industry, Chase has large interests in four of the Nation's airlines and the three television networks.

Although J. Richardson Dilworth claims the Rockefeller family does not control anything, Nelson's brother, David, is chairman of the board of the bank and it is widely known as the Rockefeller family bank.

Throughout his career Nelson Rockefeller has been an advocate of a militant foreign policy. During one campaign for the Republican nomination for President he proposed the establishment of an Inter-American defense force, which was generally regarded in Latin America as a ploy to form an army to protect the holdings of American companies in Central and South America as well as the holdings of the wealthy families of Latin America.

This plan and other statements by Rockefeller make it clear that he would advocate the use of American troops to protect American industry abroad. This indicates that he did not learn anything from the Vietnam war which he supported wholeheartedly to the very end.

Because of his family's great wealth Nelson Rockefeller's outlook has been one of protecting industry and institutions rather than meeting the needs of the majority of the American people.

He simply has no way to relate to the needs and desires of people who worry about making mortgage payments when they have to buy a new car and have one or more children about to enter college.

He does not know, and can never know, what it means to worry about being laid off from a job or worrying how a family is going to be fed when both parents are out of work and unemployment benefits are about to run out.

How can a man relate to the needs of middle America when he only gives gifts to people—for alleged family emergencies—who are in the top 1 percent income bracket in the country?

One gift, to L. Judson Morhouse—the gift was stock in a firm which owned one property—is suspiciously significant. The same Morhouse, former chairman of the New York State Republican Party, was sent to prison as a result of a liquor license scandal.

Rockefeller later pardoned Morhouse because of what he said were medical reasons. Morhouse was and is allegedly in poor health.

Rockefeller told the Senate Rules Committee that he pardoned Morhouse after three independent doctors went to the prison where Morhouse was serving his time and examined him and reported that his life would be in jeopardy if he remained in jail.

The facts in the case are that only one of these doctors ever saw Mr. Morhouse. The others never made it to the prison because of a snowstorm, but they filed affidavits anyway.

Other affidavits were filed by doctors on behalf of Morhouse as part of his application for clemency. Some of these were rewritten because a member of then Governor Rockefeller's staff thought they were "weak."

The nominee's lack of candor on this issue and others shows an arrogance and a willingness to be less than candid with the Congress which could lead to trouble—such as we had with Mr. Nixon—if he were to become President.

In his reply to my questions about gift taxes relating to the use of his airplanes by Henry Kissinger and others is the kind of "I do not give a damn" type of answer we got from the Nixon White House.

This indicates a belief in the supremacy of the executive branch which can only cause trouble since the nominee would probably act in the same high-handed manner as Nixon did. There is simply nothing in his testimony before either committee or in his statements of support for Nixon's positions before he resigned the Presidency to indicate otherwise.

I intend to vote no.

The CHAIRMAN. The Chair now recognizes the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Chairman, I yield 4 minutes to the gentleman from Georgia (Mr. LANDRUM).

Mr. LANDRUM. Mr. Chairman, my earliest recollection of Mr. Rockefeller is when he became Under Secretary of Health, Education, and Welfare, in early 1953. Mrs. Hobby from Texas was the first Secretary of Health, Education, and Welfare. Mr. Rockefeller was her Under Secretary. During that period of time the Eisenhower budget for education just touched the surface, just tipped the iceberg, so to speak. All that it had at that time in the budget for education was $528.7 million.

Now, the capacity of Mr. Rockefeller in this field is shown in that he had a very discerning mind about what was going to be required for education in the last one-third of the 20th century. Where we had $528.7 million in 1953, with Mr. Rockefeller as the principal exponent of Federal assistance to education, we come today to the fact that we have total appropriations for Federal assistance to education of more than $6 billion, almost $7 billion.

A great deal of what he believes some of us would disagree with, but most of us cannot deny the fact that he has courage, that he has brains, that he has real

capacity. And, as I have tried to demonstrate here, he has shown a very discerning mind about what is needed, or what has been needed and what will be needed for the future of these United States. Education is the fundamental of this need and more than 20 years ago he led the way. He broke the ice.

I think we can do no better than to go ahead and confirm Mr. Rockefeller as Vice President of the United States. I think we need his leadership. I think he can tell the country what it needs to be told.

Mr. Chairman, I am an individual dedicated to the welfare of America. I am not concerned about personal assets. I am not concerned about all the things that go with personal wealth. What I am really concerned about is the welfare of America. I think Nelson Rockefeller has demonstrated that quality in his terms as Governor of New York, in his service as Under Secretary of HEW, and many other public endeavors.

I am pleased today to be able to endorse the nomination of Governor Rockefeller for Vice President of the United States.

The CHAIRMAN. The Chair now recognizes the gentleman from Michigan (Mr. HUTCHINSON).

Mr. HUTCHINSON. Mr. Chairman, I yield five minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Chairman, I do not come before the committee this afternoon with a prepared speech, although perhaps in view of the very portentous nature of this occasion, that would have been the proper procedure. But again, in view of the fact that we were so recently reminded of that little used House rule against reading of speeches from the well of the House, maybe it is fortunate that I do not.

Having had the opportunity to testify on the 12th of September of this year before the Committee on Rules of the other body in support of the nomination of Nelson Rockefeller, and more recently before the House Judiciary Committee, I felt it would serve no great or useful purpose to again recite his many and vast accomplishments. His record of experience and public service, I think, eminently qualifies him for the Vice Presidency of the United States. His interest in a wide range of questions of public policy has been manifest in the contributions he has made to effective government over several decades, and most recently as the Nation's senior Governor until his retirement from that office at the end of last year. He does have a record of public service rarely equaled in the annals of our country.

I have made a few notes here this afternoon as I have listened to the debate proceed. It seems to me that there are two somewhat conflicting theories espoused by those who oppose the confirmation of Nelson Rockefeller. One, as I understand it, is that we are acting this afternoon in the capacity of surrogates of the people, and to that extent we should merely reflect the wishes of our particular constituency. An extension of that theory has been offered to the effect that, in view of the results of the recent election, there would be a lack of legitimacy to our actions if this particular Congress, the 93d Congress, undertakes to act on this nomination, and that we might therefore well defer it until January 1975 or until the 94th Congress.

It seems to me that, if we were to follow that logic to its conclusion, that it would be very difficult for any Democratic Congress to ever confirm a Republican for the Office of Vice President. There might even be some who would be encouraged to suggest that we should require the reconfirmation of the 38th President of the United States in view of what occurred in the congressional elections on the 5th of November this year. Yet, if we were to take that posture this afternoon, it seems to me without any argument that we would have to concede that the system devised under the 25th amendment to fill a vacancy in the constitutional Office of Vice President would simply break down.

I cannot really believe that anyone wants that to happen. There may be those here who have a legitimate quarrel with the 25th amendment. I myself have had, on occasion, some pause about it and it may be argued that the 25th amendment is an imperfect vehicle. However, the fact remains that it is the supreme law of the land legislated by this body and ratified by two-thirds of the States, and let us, therefore, proceed to do what is our constitutional duty: to act in this Congress on this nomination.

The other theory in opposition to confirmation of Nelson A. Rockefeller that has been advanced by the gentleman from Wisconsin, whom I respect as one of the leaders of the opposition, is that we should not be merely guided this afternoon by constitutional standards for the Office of the Vice Presidency—as I believe he said in his earlier remarks—but by our independent judgment, and that independent judgment, in turn, can rest upon what our individual feelings are about the nominee's position on various questions of public policy.

Obviously, I can agree with the gentleman from Wisconsin (Mr. KASTENMEIER) that we are not simply rubberstamps, as he put it, but equal partners in the constitutional process set forth in the 25th amendment.

However, in exercising that independent judgment, I think we ought to be careful not to substitute merely our personal prejudice about the views of the Vice President-designate, not to substitute our personal prejudice in that regard for an objective examination of the exhaustive record that has been compiled by the House Committee on the Judiciary. That record shows conclusively that it was not a whitewash. This committee went into the matter of Nelson A. Rockefeller's fitness and qualifications—as the chairman of the committee, the gentleman from New Jersey (Mr. RODINO), told us when this debate opened—extensively and intensively and on the broadest possible scale.

In answer to the one speaker who earlier expressed concern about the great fortune of the Rockefeller family and their economic interests—they do, admittedly, stretch into many different areas. Here again I would suggest that it is our duty in exercising that independent judgment to be guided exclusively by the record of the nominee's stewardship both as a public servant and as a private citizen of the United States of the assets which he enjoys.

That is the record on which we are to proceed, rather than on the basis of some vague inchoate suspicion that may lurk in the back of someone's mind. I am satisfied that this same House Committee on the Judiciary, of which I was so very proud earlier this year, which performed so magnificently in connection with the impeachment inquiry, has again done the kind of careful job that entitles us to accept the recommendation that they have made by a vote of more than 2 to 1 that Nelson A. Rockefeller should be confirmed by this House as Vice President of the United States. He can help to provide the kind of positive and progressive leadership that our Nation requires in the critical years that lie ahead.

Mr. KASTENMEIER. Mr. Chairman, I yield 5 minutes to the gentleman from New York, who represents the State of the former Governor of New York (Mr. STRATTON).

Mr. Chairman, it is my understanding there will be an additional request.

Mr. RANGEL. Mr. Chairman, I yield 3 additional minutes to the gentleman from New York (Mr. STRATTON).

The CHAIRMAN. The gentleman from New York is recognized for 8 minutes.

Mr. STRATTON. Mr. Chairman, I rise in opposition to the nomination of Governor Rockefeller as Vice President of the United States. Perhaps my views on this matter may be of some interest to the Members of this body, for two reasons. First of all, because I am, at least in a sense, Governor Rockefeller's Congressman, since I happen to represent the city of Albany, the capital of the State of New York, where the Governor served for 15 years. Actually, his voting residence is in Westchester County, but I think the people of Albany have come to know him pretty well in those 15 years.

Second, because I do hold a view which has been mentioned earlier today in debate, but which until today has been almost completely ignored, and that is that there is a difference between the confirmation procedures set forth in the Constitution for the Senate of the United States to advise and consent to the President's nominations and the job that is imposed upon us by the 25th amendment to the Constitution.

Traditionally, the Senate has felt that if they cannot find anything to disqualify a nominee, they have to let the President have his own man.

But this is a different procedure we face today, in my judgment, for two reasons. First of all, because the House this time is included, and not just the Senate; and, second, because the people we

are being asked to confirm are those who in the normal course of events would have been elected by the people themselves in a general election.

Therefore, it seems to me that the primary obligation on our part, in the circumstances of selecting two of the top men in our Government without the election that ordinarily is called for, should be to represent in our votes a kind of surrogate for that national election and so to try, as well as we basically can and insofar as we possibly can, to vote the way the people would like to have us vote.

So with this view of our obligation and having the privilege of serving here in Congress the people of the capital of New York, who know Mr. Rockefeller best, I intend to vote against the confirmation of Nelson Rockefeller.

How do I know, Mr. Chairman, what my people want on this question? Well, I have conducted no scientific polls, I have not even sent out a questionnaire on this subject. But in the 5 months during which Mr. Rockefeller's name has been before us, I have talked to literally hundreds of people in my district on this subject, people from all walks of life. I believe that their views on this question represent a fair sample of the basic views of the people in the capital district of New York State.

In addition to that, I made my position concerning this nomination a part of my recent election campaign: that I intended to vote the way the people of my district wanted me to vote. At that time, my mail was running about 85 to 1 against the Governor. When the campaign was over, I urged the people to write me or call me and let me know how they felt. It still ended up 3 to 1 or 4 to 1 against Mr. Rockefeller. Now, why is it that they feel this way in upstate New York? Some people have said, "This is just the antiabortionists writing in." Yes, I have had some antiabortion sentiment expressed to me in my mail, but this is certainly not the bulk of it. The bulk of it, I think, shows that the people of New York State have a little different view of Nelson Rockefeller than do the people in the other 49 States.

The people of New York have become, frankly, disenchanted with his administration of our State. We have had an eightfold increase in the State budget over his 15 years; we have the highest taxes of any State in the United States; and, we now have the highest bonded indebtedness of any State. Moreover, that bonded indebtedness is scattered through a maze of independent authorities, with virtually no accountability to the people themselves.

The people of my district recognize that this is a time when we are trying to put our national fiscal house in order and when we are talking about restraint and budget reduction, and they are afraid that Mr. Rockefeller is just not the person who, on his record, can contribute to that kind of objective. They are afraid that if Mr. Rockefeller should become President, he will put into effect nationally, the same program he put into effect in the State of New York.

Mr. Chairman, there is another fear that the people of my district have, and I think I have an obligation to express it too. They know that Mr. Rockefeller is a take-charge guy. They know that he ruled New York State with a firm hand during the 15 years he was our Governor, not only in the executive department but in the legislature as well. They know he is not the kind of person who is going to accept the kind of docile, subordinate role that is traditionally the Throttlebottom image of the Vice President.

My people have a gut feeling about this point, Mr. Chairman. They do not know any better than anybody else knows just how this might be accomplished, but they have an intuitive feeling that if Nelson Rockefeller becomes Vice President of the United States, in a very short time he is going to be taking over from Mr. Ford and is going to be President of the United States; and they just do not want him to be President.

Finally, I want to make it clear, Mr. Chairman, that while I will cast my vote against the nomination, I do so without any animosity toward Governor Rockefeller himself whatsoever. I have known him over these 15 years. I know of his fine qualities; I know of his tremendous energy; I know of his long dedication to public service. But I shall cast my vote, Mr. Chairman, in conformity with that which I interpret to be the primary responsibility placed upon us under the Constitution to make this vote in the House today reflect, as much as we humanly can, the voice and the vote of the sovereign people of the United States.

Mr. GUNTER. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I will be happy to yield to the gentleman from Florida.

Mr. GUNTER. Mr. Chairman, I commend the gentleman from New York on his statement. I agree with it in most respects.

Mr. Chairman, I will vote against confirming Nelson Rockefeller as the 41st Vice President of the United States.

This has been a difficult decision, because of the long period of instability our country has experienced during the dark night of national turmoil and disgrace which began with the indictment and forced resignation of the former Vice President, and finally reached its depths with the forced resignation of the previous President of the United States under the certainty of impeachment.

The first President to hold the highest office in the land without having been directly elected as President or Vice President by the people has now sent us the nomination of a Vice President of the United States also not elected by the people.

The extraordinarily critical responsibility of the Congress in such a circumstance under the 25th amendment to the Constitution becomes undeniably imperative, for that reason alone and of itself before weighing all the other critical implications attendant with this nomination. The responsibility we are required to meet today with respect to the confirmation process, as a process, rises far, far above the level of that responsibility as is exercised routinely and at times perfunctorily in confirming the appointments of admirals, or another foreign U.S. Ambassador, or department head, by the Senate. The 25th amendment recognizes the unique level of responsibility placed upon the Congress in these circumstances, and the fact that the process of installing a new, nonpopularly elected Vice President is a jointly and fully equal one between the President and Congress, and in this instance, involving a confirmation process in which the House, as well as the Senate, is mandated to participate and give its consent.

The 25th amendment thus recognizes the special constitutional role of the House as that body closest to the people, in circumstances where the people themselves may not directly represent themselves in the process of selecting their two highest national leaders. There is no presumption, therefore, as with the lower level political appointments of a popularly elected President, that he is entitled by virtue of that popular election to staff the executive branch with any qualified choice congenial to the purposes of his administration.

The only presumption today that matters here is that the House will, in fact, represent the people to whom our body is closest, and who are prevented from directly representing themselves in the selection of a constitutional head of state in a free and democratic society. With this presumption goes the additional, inherent presumption that the process itself by which we vote or deny confirmation will have been adequate to the gravity and nature of the special responsibility the 25th amendment thrusts upon us. Specifically, it means that all of us who now debate and will shortly vote on this nomination have adequate information and knowledge on which to base such a historic decision, and one so critical in its implications for the life of the country.

This would be an imperative requirement in any event for the process of fair and impartial consideration of the Vice Presidential nominee under the provisions of the 25th amendment. The national tragedy and instability we have gone through makes it, if possible, even more so.

We have before us as a nominee, the name of a man about whom serious legal, financial and moral questions were raised and explored by the Senate Rules Committee and the House Judiciary Committee, in some instances, and in my judgment, not sufficiently and thoroughly explored in others.

We have before us a report and recommendation by the Judiciary Committee. We know that a number of members of that committee felt it essential to the adequacy of the record that certain witnesses be called who were not, and certain questions thoroughly explored, which were not, and that 12 members of that committee, nearly a third its membership, do not join in that report and that recommendation.

We consider this nomination in the full House today under strict limitations of time for debate and exploration by

those of us not privileged to sit on the Judiciary Committee, but who must nonetheless exercise a personal responsibility under the Constitution.

I was one of those who felt that the House Judiciary Committee should have begun its hearings on this nomination earlier, so that the committee record could have been more fully and more adequately developed, in keeping with the gravity of the occasion and the requirements placed upon Members who have not had the benefit of sitting on the committee.

On the basis of the information that is presently available to me, Mr. Chairman, I will be compelled to vote against confirmation on substantive grounds, notwithstanding the difficulty of arriving at my decision to do so.

For though I recognize the long uncertainty and instability and turmoil the Nation has lived through for so many months, far too long now, with the political tragedy of the forced resignation of its two highest leaders, and with the whole sorry chapter and tragedy of Watergate, I think it essential that we not possibly tempt the occurrence of still another such tragedy by shunting aside and failing to soberly recognize the many serious questions that still remain about this nominee.

Such questions are only, in part, personal.

They are also institutional, with respect to the function of high office within a democratic society and democratic process.

If we have before us the name of a nominee about whom questions still remain and information yet remains lacking, we also have before us a proposal of institutional, governmental, and constitutional marriage between extravagant private wealth and extravagant public power.

We have before us, finally, and perhaps in the last analysis, most importantly, a moral choice and a special moral responsibility to the people of our country already ravaged once too often and far too long by the consequences of granting vast power to those lacking the sensitivity to the values and purposes of our democratic process itself in a free society.

In all these respects, finally, we are required to weigh the nominee's qualifications not to become Vice President, but to be President. Our most recent national experience makes real that transcendant fact and commands our full and sober recognition of it.

On all counts, I will vote against the confirmation of Nelson Rockefeller.

I will do so primarily because on the basis of the inadequate but available record, I cannot agree to help perform this marriage of public power and private wealth. Were I persuaded that no part of the public record contained or hinted that in the past public performance of the nominee, the dangers and concerns and fears of misuse of the combination of power and wealth ever materialized, I might be more inclined to consent to the nomination.

But in the case of this nominee, such fears have been made real, caused by his own long and consistent and varied exhibition of total insensitivity to the dangers raised by the combining of his vast private wealth with previous public office he has held.

In an effort to thoroughly and vigorously explore the full nature of and extent of possible private economic influence over the affairs of National Government, were he confirmed, I asked the Judiciary Committee last month to summon David Rockefeller to testify. I did so because I strongly believed that no question as to the possible degree of a potential and inherent conflict of interest could be answered by asking such questions of the nominee alone, but also required vigorous questioning of David Rockefeller and the fullest identification of, and most thorough examination of the implications of the economic power and influence in virtually every segment of the U.S. and world economy by Chase Manhattan Bank, one of the largest banks in the world, which David Rockefeller heads. Because Chase Manhattan cuts into every segment of the American economy, with major holdings in four of the Nation's largest airlines, all three television networks, and every conceivable kind of major corporation in every field, it is patently insufficient to let the question of possible conflict of interest pass with the mere assurance by the nominee that he will place his own individual fortune into a blind trust. There is no way Governor Rockefeller may place his brother and the rest of his family into a blind trust, or the $1 billion fortune they have amassed.

David Rockefeller, despite the desire of some members of the Judiciary Committee, was not called to testify. The potential, really inherent, conflict of interest posed by the vast economic power and interests of Chase Manhattan Bank, was not identified, examined, and weighed.

If that was perhaps the single greatest omission in the confirmation hearings held by the committee, and the most single important part of the record lacking before us in the House today, there were many other omissions as well.

I previously urged that Governor Rockefeller be asked to testify at length with respect to his economic holdings and interests in both the country of Venezuela and in Exxon, the major supplier of Venezuelan oil to my consumers in Florida, as well as to other parts of the country. Given the economic extortion practiced against the people of the United States in the oil prices charged by Venezuela, and the nominee's own economic ties to both that country and that major oil company, surely the failure to weigh this question thoroughly and examine it vigorously is a most serious omission.

So was the failure, in my judgment, to adequately examine the relationship between Chase Manhattan and the taxpayer-backed and State Department-supervised Overseas Private Investment Corporation, which many feel should be eliminated but which Chase bank desires to maintain as a taxpayer-guaranteed insuring agency for its lending and banking operations in Brazil, South Vietnam, South Korea, India, the Dominican Republic, and Guiana.

As Vice President, what influence would the nominee have over the decision to continue or eliminate this program, and how could he not be aware of the vital interest Chase Manhattan, headed by his brother, has in the continuation of the program?

In the House today as we prepare to vote, we cannot even know the full extent of the additional kinds of questions of this nature which demand to be asked, because the full extent of the economic power of Chase Manhattan is not in the record before us.

We do have, however, the record of the nominee's past willingness to distribute private financial aid to public officials. The legal questions remain to be resolved. The nominee remains under a legal cloud, no less than a moral one. In light of recent history, we ought not tolerate the slightest doubt and yet vote to confirm.

The variety and degree and nature of his insensitivity to the attitude of mind, the abuse of spirit, and ignorance of public ethics, which brought so much tragedy down on the people of our land, for so long, and from which we now must emerge again into the sunlight of reborn hope, would, if we vote to confirm, proclaim our own darkness of knowledge, and our own insensitivity.

I urge that the insensitivity of Nelson Rockefeller in high office not befall the already ravaged political spirit of our people, and that our own insensitivity not, and that we vote to deny his confirmation today.

The CHAIRMAN. The Chair now recognizes the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts (Mr. STUDDS).

Mr. STUDDS. Mr. Chairman, I thank the gentleman for yielding.

I, too, bring to this matter much the same approach as did the gentleman from New York who spoke before me, although in my case it will lead to a different vote.

Mr. Chairman, I think the people of this Nation are extremely uneasy at the prospect we face of having both a President and a Vice President, neither of whom was elected by the people. I feel very, very strongly that the vote which we must cast later today is unique among all the votes we are ever called upon to cast as Members of Congress.

I think the selection of the Vice President and, consequently, of a potential President is one case in which our judgment should not be imposed upon that of the people.

To ascertain the wishes of my constituents I sent a questionnaire to the people in my district, as I did a year ago when President Nixon nominated Gerald Ford.

The people of my district were given precisely the question that we must face shortly:

Do you wish me, as your Congressman, to vote for or against the confirmation of Nelson Rockefeller?

Over 29,000 people responded, with a vote of 69 percent for and 31 percent against. Consequently, when the roll is called later today, I shall vote, in their name, to confirm Mr. Rockefeller.

Mr. JONES of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. Mr. Chairman, for the second time in this Congress, we are asked to stand in for the American people to elect a Vice President of the United States. I have approached the nomination of Mr. Rockefeller in the same manner as I did for the confirmation of Gerald Ford.

Partisanship has no place in this proceeding. Mr. Rockefeller is the choice of a Republican President and a Democratic-controlled Congress should not veto President Ford's choice unless proof is presented to show that Mr. Rockefeller is personally unfit to hold the office.

I perceive to be one of my responsibilities as a Member of Congress to reflect as accurately as possible the majority thinking in my district. Therefore, I conducted a survey in my district calling several hundred citizens asking their opinions on the Rockefeller nomination. This was a statistically selected sample broad enough to give an accurate profile of First District opinion.

I repeat that I have taken this survey on this special issue because normally the American people are permitted to cast a direct vote for Vice President.

The results of that survey show that 75 percent favor the confirmation of Mr. Rockefeller, 17 percent are against, and 8 percent had no opinion.

Therefore, Mr. Chairman, in an effort to vote what my district wants, I shall cast a vote in favor of Mr. Rockefeller for Vice President.

The CHAIRMAN. The Chair now recognizes the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana (Mr. DENNIS).

Mr. DENNIS. Mr. Chairman, we are engaged here today in the important business of voting on the confirmation of the Honorable Nelson A. Rockefeller, who has been nominated by the President of the United States, pursuant to the provisions of the 25th amendment to the Constitution, to fill the existing vacancy in the Office of the Vice Presidency.

As I understand the purpose of the 25th amendment, in regard to the area with which we are now concerned, that purpose is to assure continuity in the Office of the Vice Presidency; continuity in the physical sense that the office shall not be allowed to remain vacant, and continuity in the political sense that it shall be filled by an individual of the same political party, and of the same general political philosophy as that of the Chief Executive who makes the nomination.

The individual nominated should also and naturally be personally acceptable to the President; and he should, of course and above all, be an individual of integrity, ability, competence, and experience equal to the duties of the high office for which he has been nominated.

If these criteria are met then a Member of Congress ought, in my view, to vote to confirm. He is not, as I understand it, to decide the question on the basis of whether he personally would have made the nomination had he had that prerogative, nor on the basis of whether he would have supported the nominee had the Member been voting as a delegate to a national nominating convention, nor on the basis of whether, in his view, the nominee would be likely to carry the Member's district or State at a popular election; for no one of these is the situation which is now before us.

As a member of the Judiciary Committee I have listened carefully to the testimony before us, and have examined as much as I could of the voluminous documentary evidence.

The record before us indicates that Governor Rockefeller meets the criteria under the 25th amendment which I have mentioned. It indicates that he is a man of honor, competence, and experience, who has devoted his life to public service, and who has dealt responsibly with the great wealth with which his particular fate has endowed him, and which not only does not, but in my judgment, ought not to disqualify him from office. He is the choice and the nominee of the President of the United States, who has performed his function under the 25th amendment. In performing my own and different function under that amendment, the record before me discloses no persuasive reason why I should not ratify the executive choice; and I shall, therefore, cast my vote for the confirmation of Governor Rockefeller to be Vice President of the United States.

Mr. KASTENMEIER. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. PIKE).

Mr. PIKE. Mr. Chairman, as we conduct this debate on this allegedly vital issue before this half-empty Chamber, with these half-empty galleries, it becomes pretty obvious that the stockings are already hung by the chimney with care, the TV time has been ordered, the champagne is cooling in the bucket, and the question becomes: What do you give to the man who has almost everything? You give him almost everything he wants. I do not like taking the role of Scrooge at this particular time.

I would like to say first the things which are not my reasons for opposing this confirmation.

It does not have to do with the overwhelming barrage of mail which has come to my office opposing this confirmation, because I believe most of it is for the wrong reasons. I do not find relevant the nominee's personal life. I do not find disqualifying his views on particular issues. As to his conduct at Attica, I think there has been a great deal of second-guessing on that. I find also disturbing, but not disqualifying, the statistics. Governor Rockefeller was elected Governor of the State of New York on a campaign promise of "pay as you go." That was his campaign promise—"pay as you go." The total budget of the State the last year before he became Governor was $1,390,000,000. The total budget the last year he was Governor was $8,881,000,000, an increase in the budget of 800 percent.

The total debt of the State in the last year before he was Governor was $912 million. The total debt the last year he was Governor was $9.1 billion, an increase in the debt of 1,000 percent.

We are told that we have a right or an obligation to confirm a man of the political philosophies of the President of the United States. Is this the political philosophy of the President of the United States? I submit not. Still I find this disturbing, but not disqualifying.

What I do find disqualifying is not the fact that he is wealthy but that he has used this great wealth improperly to buy political strength and political power. His gifts, to, for example, William J. Ronan were not just improprieties, they were illegalities. They were criminal illegalities, and they were not prosecuted in any manner in the State of New York because we tend not to prosecute the wealthy and the powerful.

I find his promise to put his holdings, if confirmed, in a blind trust rather unimpressive. Does he mean that in all the years he was Governor of the State of New York he did not make any decisions whatsoever? He did not do anything as Governor which might have required that they be in a blind trust while he was Governor? He did nothing about, for example, offshore oil drilling that might inure to the benefit of Exxon? I do not find this credible. This is why, although Santa Claus is coming to town, I decline to be one of his helpers.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. PIKE. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I thank the gentleman for yielding.

I certainly want, Mr. Chairman, to associate myself with the gentleman's remarks.

Mr. Chairman, I shall be with a minority of the U.S. House of Representatives as I cast my vote against the confirmation of Nelson Rockefeller as Vice President of the United States. This is an especially difficult vote for me because I am cognizant of the talent and ability and past contributions of the nominee. I am also fully aware of the great philanthropic contributions of the Rockefeller family. Because I am a black man, I am also aware that black Americans have benefited greatly by the philanthropies of the Rockefeller Foundation. However, I must vote against the confirmation.

No person should condemn any other person because he has a great abundance of wealth or because he is abjectly poor. Yet I cannot disabuse my mind of the gnawing, nagging fear that the awesome combination of political power and economic power in the long run bodes ill for the Nation. Perhaps this persisting, nag-

ging fear would leave me if, as Governor of the State of New York, Mr. Rockefeller, had not lavished big gifts and big loans to public officials and influential citizens. It concerns me gravely that wealth could be used to pay for the writing and publishing of a book which was clearly designed to smear the life and political career of a political opponent of Governor Rockefeller.

Along with these concerns, I must remember Attica, a stain against the Nation that will not be washed away for many years to come. I must remember the "get tough on welfare recipients" posture that Mr. Rockefeller assumed when he apparently believed it was to his political advantage to do so. I must remember that it was at Nelson Rockefeller's insistence that antidrug legislation which was violative of civil liberties was rammed through the New York State Assembly.

Finally, we must inevitably come to grips with the problem associated with the second use of the 25th amendment within less than a year. At the time of the Nixon debacle, I, along with many of my colleagues, was grateful that the Congress had enacted this measure. However, I remain convinced that none of us contemplated that the Congress would, within less than a year, twice act as a surrogate for the people by naming a Vice President. We must make some changes in the law because citizens should not be denied the basic right to select a Vice President of their own choosing.

These are troubled, chaotic times for our Nation. We need strong and effective leadership in our highest elective offices. We need to pledge fulsome support to strong, effective, positive leadership. My negative vote against the confirmation of Nelson Rockefeller for Vice President does not and should not mean that he will not receive cooperation and support from me after he is Vice President. My negative vote means only that I have wrestled with my conscience and conscience has prevailed.

The CHAIRMAN. The time of the gentleman has expired.

The Chair now recognizes the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, I shall vote to confirm, and I shall do it for two reasons, one quite pragmatic, and the other upon a reasoned judgment of the basis upon which I think my choice should be governed.

First, as to the pragmatic basis: If this nomination were stopped, it would be by the votes of widely divergent elements of this House who could not coalesce to stop the nomination of a much less qualified nominee. Do any of my friends, my National Democratic friends, think that a better nominee from their standpoint would be forthcoming if Nelson Rockefeller were rejected?

Second, as to the philosophic basis, it is true, of course, that we are not called upon here to act upon the advise and consent basis that underlies the confirmation process of the Senate of officers of the United States. That is the basis, of course, provided in Article II of the Constitution. We are called upon to act on the basis provided in the 25th amendment a confirmation by a majority vote of both Houses of Congress. There is a difference, as has been stated by the gentleman from New York (Mr. STRATTON), that is, when the question is whether or not to act on the advise and consent basis, the rule is generally considered to be whether or not there are negative factors that should block the selection of the person nominated by the President. Usually that selection is of a person who is to fill an executive office.

In this instance, as the gentleman from New York correctly states, the question is whether or not, on positive grounds, the nominee is within the brackets of ability and integrity so as to make him a fitting candidate for the office of Vice President, an office which may eventually vault him into the Presidency.

I differ however from my friend, the gentleman from New York, in the conclusion at which he finally arrives. I feel that Nelson Rockefeller is within those brackets rather clearly. I have not found—as my other friend from New York (Mr. PIKE) says—such positive disqualifying factors as would persuade me to vote against him.

For those reasons I shall vote to confirm.

I do not support the nomination of Nelson Rockefeller because I would choose him for the Vice Presidency on the merits. I would not, I think, agree with this President on his choice for the Vice Presidency on the merits in any case. But that is not the question here. It is as I have said, only whether Mr. Rockefeller is within the brackets of competency and integrity from within which a nominee may properly be selected. So I shall vote to confirm.

Mr. HUTCHINSON. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. FISH).

Mr. FISH. Mr. Chairman, I rise in support of the confirmation of Nelson A. Rockefeller as Vice President of the United States.

Mr. Chairman, the Judiciary Committee has again distinguished itself in these proceedings under the very able leadership of Chairman PETER RODINO and the ranking Republican EDWARD HUTCHINSON. We have conducted an extensive and intensive investigation of the nominee's credentials and public career which has consumed 4 months. It has already become a cliche that the nominee has been subjected to the most grueling scrutiny of any in the history of our Republic. It is important to remember that before us was not a political novice, an unknown, but a man with a long public career which is fully known and which has been confirmed four times at the polls. In assessing the nominee's qualifications, we have his record before us—fact and history, not mere speculation.

Like so many others, it is my conclusion that our Nation has few others as uniquely and eminently qualified to be a mere heartbeat away from the Presidency. The nominee served my own State of New York as its Governor for 15 years. His administration was one of unparalleled accomplishment and progress in such varied fields as education, health, transportation, environmental protection, urban development, and human rights.

Over the years, Nelson Rockefeller has served five Presidents, beginning with President Roosevelt as coordinator for Latin American affairs and then Assistant Secretary of State. He was deeply involved with the creation of the complex Department of Health, Education, and Welfare under President Eisenhower, and served as its first Under Secretary. Today, he serves President Ford as a member of the Foreign Intelligence Advisory Board. So, he brings with him both a knowledge of foreign affairs as well as domestic issues.

A major concern remains, however, for some of our colleagues—the merger of vast personal wealth with a position of high public trust. The conflicts of interest, they say, are inherent and unavoidable. True, the melding of great personal fortune and public power is unique in our country and it demanded, and received intense examination by the members of the House Judiciary Committee.

Governor Rockefeller's 40-year record of public service has been exhaustively scrutinized. And yet, other than the rather vague feelings expressed that somehow the merger of economic power with the political power of the Vice President would be wrong, or a threat to our Government, no one has submitted one proven example to the Members of this House that the nominee has in fact ever abused his public trust. Can one deny that as Governor of one of the largest and diverse States in the Union, or as the first Under Secretary of Health, Education, and Welfare, political power was merged with the Rockefeller economic power? Yet we have heard no evidence that would indicate that such a merger was harmful to the government or people of the State of New York or the operations of the Department of Health, Education, and Welfare. Surely during these many years of service a personal character susceptible to corruption—to abuse of trust—would have been revealed.

During the confirmation hearings held by our committee and in the Senate, Governor Rockefeller publicly disclosed a list of the assets owned by himself and his wife, together with a list of assets held in the two trusts of which he is a beneficiary. This list is available for all to see and examine. The media know of these holdings. The nominee himself is aware of the deep concern of the Congress regarding this issue.

I would submit that with the increased public awareness of the extent of his assets, and due to great concern expressed

by both congressional committees before which he appeared, Governor Rockefeller will, as Vice President, be sensitive to the possible conflicts of interest, and will scrupulously avoid even the appearance of the improper use of his power.

Mr. Chairman, I am satisfied that an examination of this nominee's record of public service, together with his actions during confirmation hearings, give assurance that as a man of high character, purpose, and dedication, Governor Rockefeller's conduct as Vice President will be above question.

In his appearances before our committee, the Governor demonstrated a belief in the ideals of this country and an impressive grasp of the problems we currently face. His performance can only serve to reinforce the feelings of many of us that he is a man of high ideals and a remarkable public servant. He qualifies to be Vice President on the basis of talent, dedication, and a keen sensitivity to the problems facing America and the world. I urge my colleagues to join me in supporting his confirmation.

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Maine.

Mr. COHEN. Mr. Chairman, I rise to support the confirmation of Nelson A. Rockefeller as Vice President of the United States.

The nomination of Mr. Rockefeller was submitted to Congress barely 2 weeks after Gerald Ford became our 38th President. The new President, acutely aware of the suddenness with which a Vice President may be called upon to assume the highest office in the land, acted expeditiously in the nomination with the hope that it could be promptly confirmed and the Nation relieved of the worry of Presidential succession. Yet, also knowing only too well the heavy responsibilities a Vice President may suddenly have to shoulder and the need he will have for the acceptance and support of the Nation and its leaders, President Ford carefully sought the recommendations of Members of this and the other body and looked for an individual whom he knew well and whose abilities were well tested. The person he finally chose certainly met these qualifications. Not only has Nelson Rockefeller been a personal friend and adviser of Mr. Ford, but he comes from a family which has figured prominently in the history and growth of this Nation and he brings with him years of administrative and political experience at the State and national level.

Yet perhaps because his family and career in public service have been so vigorous and at times controversial, difficult questions quickly arose regarding Nelson Rockefeller's fitness to be Vice President. While recognizing the desirability for an early confirmation, the House Judiciary Committee, on which I am privileged to serve, felt a deep responsibility to pursue these questions closely in order to assure that future revelations would not jeopardize the fragile public trust which had been so sorely strained during the past year.

The committee considered in detail the actions Mr. Rockefeller has taken in the past in numerous policy areas. Needless to say, no member of the committee, myself included, agreed with all of Mr. Rockefeller's positions during his long career. His record includes some actions with which I would take strong exception and some which he himself now regrets. Assessing that record as a whole, however, and recognizing that no one is free from human fallibility, I feel that the record clearly indicates strong intelligence and executive ability.

Much attention was also devoted to Mr. Rockefeller's wealth, the uses to which it has been put, and the potential conflict of interest it may create. While these are vital questions to ask in determining whether Mr. Rockefeller should become Vice President, they are unfortunately not matters which can be finally resolved. In the end we are forced to judge the possible future role of Mr. Rockefeller's fortune in terms of his previous public service and his statements to the committee that the national interest will always come first. Certainly his long career has demonstrated a continuing commitment and concern for the public weal, and nothing in his record indicates that he has used his public position to enhance his or his family's economic power. As to his future actions, the ancient Greeks expressed the belief that "the oath does not make the man, but the man the oath." From all that I have seen and heard from and about Mr. Rockefeller during the past long weeks, I am firmly convinced that he is a man of honesty and integrity who will do his utmost to live up to the assurances he gave the committee and the Nation.

In the past critical year, this Congress has already once exercised its responsibility for confirming a Vice President under the 25th amendment. At that time it wisely recognized the two-part requirement inherent in that amendment. The first part of that responsibility is to fully and publicly scrutinize the Vice-President-designate in a manner which will provide an adequate substitute for the public knowledge gained as part of a normal election. The second part of the constitutional charge is to make the final decision on confirmation not on a narrow basis of one or two policies the candidate may have taken in the past but on the broad grounds of whether the chosen nominee of the President has the competence and the integrity needed to fulfill his new duties.

Mr. Chairman, during the past months, the Senate Rules Committee and the House Judiciary Committee have fulfilled the first part of the constitutional responsibility for confirmation. Although regrettably the process has not been as expeditious as we would have hoped due to the diverse and complex aspects of Mr. Rockefeller's background and career, nonetheless we have brought to public attention a wealth of information regarding Mr. Rockefeller's public and private life. I might add that this was accomplished with the full cooperation of Mr. Rockefeller despite his and his family's understandable preference for personal privacy.

The final aspect of our constitutional duties is now upon this body. Although I appreciate the concerns and objections to confirmation being raised by Members today on various grounds, I hope my colleagues will recall the broad basis on which this decision should be made. It is my firm conviction that Nelson A. Rockefeller has the experience, intelligence and integrity necessary to serve his President and his Nation faithfully and well and I strongly urge his confirmation on that basis.

The CHAIRMAN. The Chair now recognizes the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. WALDIE).

Mr. WALDIE. Mr. Chairman, as the gentleman from New Jersey (Mr. SANDMAN) mentioned, I, too, am engaging in perhaps my last appearance in the U.S. Congress. It is with mixed feelings, but with very positive feelings about my service on the Committee on the Judiciary and about my colleagues on both sides of the aisle and, most particularly, of my able and fair chairman, Mr. RODINO. The responsibilities that have been assigned to our committee have been quite enormous and have been acted upon with great credit to the House of Representatives; but it is from service on that committee that some of my dilemma today confronts me. As I have been sitting listening to the debate I have become more and more uncertain what motivates my objection to the nominee. Perhaps it has been my service on the Committee on the Judiciary during the impeachment of Richard Nixon that has caused me to become distorted in my approach to judging this nominee. Perhaps I now insist on unreasonable standards of political ethics.

I thought we had set a standard in the impeachment of Richard Nixon that was a new standard in this country for political morality and political conduct. Perhaps I erred. Perhaps I misunderstood the extent of the demands of that new standard and that we now will revert to a tolerance and approval of political expediency. If it is true, and I believe it to be true, as the gentleman from New York (Mr. PIKE) suggested, that the nominee engaged in criminal conduct in the matter of his loans converted to gifts and if it is true in the matter of the Goldberg book that the nominee engaged in criminal conduct, then applying the new standards certainly he should not be confirmed. In the Perry Duryea case, there is a great parallel to the Goldberg book in determining what is criminal conduct. Duryea was a minority leader in the Republican Assembly of the State of New York during the time of Governor Rockefeller's incumbency. Perry Duryea was indicted for the crime of failing to identify campaign literature circulated by his campaign people.

Nelson Rockefeller's financing and distribution of the Goldberg book was

clearly, under all the evidence, including his own admissions, the distribution of campaign material, not labeled, not identified, and, therefore, clearly a criminal act under the existing law of the State of New York at the time.

Now, if these allegations are correct, and I believe them to be as the result of our investigation by the committee thus far, and I call every Member's attention to the cross-examination of the nominee on these points in the record, then the standard we set in the Nixon impeachment is not being adhered to in the Rockefeller confirmation.

The Nixon impeachment came about because essentially article 1 of the impeachment resolution alleged criminal conduct on Mr. Nixon's part of obstruction of justice. This was an allegation brought about solely by reason of our committee inquiry. There was no indictment of Richard Nixon, nor any criminal accountability even sought against Richard Nixon. There was just a determination of this committee on the facts given them and, unlike the instant case, without Richard Nixon's personal testimony. We then said that obstruction of justice is criminal conduct and therefore constitutes an impeachable offense.

I said, "Governor, why did you not forgive the loans to public officials during the terms of your office?"

His response to that was, "Because to have done so would have violated the law of New York."

Of course, that is why they were not forgiven. Every transaction Governor Rockefeller engaged in with these individuals was highly suspect as having violated the criminal statutes of the State of New York.

How can we now say that there is now a new standard of political morality as to which we will measure nominees when we judge whether they should be approved? Conduct in two instances of this nominee, his gifts to public officials and the Goldberg book, constitute potential criminal conduct as great, in terms of its demonstrability, as any alleged and proven act of Richard Nixon. How can we ignore that conduct?

If we have not set a new standard of conduct, if the impeachment of Richard Nixon by this great committee is no longer to be considered as having set new standards of accountability, morality, and ethics for future politicians, then we have done Richard Nixon a great injustice, as well as the people of this Nation.

The CHAIRMAN. The Chair now recognizes the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Chairman, I thank the Chairman for yielding to me.

Mr. Chairman, I have great misgivings over the fact that the vote on a nomination for Vice President under the 25th amendment is taken by the yeas and nays. It should be by secret ballot. I had originally intended to bring my arguments before the Rules Committee, but felt it might be misconstrued. At this time I would rather have the question dealt with after today when the legislative objectivity will be unimpaired by the consideration of any particular nominee. Nevertheless, I want to place in the Journal of the House and before you, today, my case for a secret ballot.

House Rule XXXVIII provides that secret ballots may be taken. Past precedent shows that this was used during early history for the selection of House officers and the election of President Thomas Jefferson.

While some will argue that no vote in the House should be secret, this is a special exception. The Constitution provides for two methods of voting in the House. One is by the yeas and nays, the other is by ballot. Under the former procedure, an individual is voting as a Representative of his constituency and should be held accountable to them for his vote. Under the latter procedure, however, the individual is acting as a Member of the House to whom the Constitution entrusts the obligation to choose a President when no candidate has a majority.

It is the latter procedure that should be applied to consideration of nominations under the 25th amendment. To continue to use the yeas and nays in such confirmations is a mistake that should be corrected at some point before the precedent becomes too firmly entrenched in our history.

Elections for President and Vice President are conducted by the people voting by secret ballot for electors who then vote by secret ballot. The only exceptions to this long history of secret balloting are the confirmation of President Ford and Nelson Rockefeller. On one other occasion when the House voted to select President Jefferson over Aaron Burr, the voting was done by secret ballot.

Secret balloting has long been established in democratic states as a means of insuring that a vote will be conducted uninfluenced by outside pressures. A person can vote his conscience without any fear of retribution and without being held accountable in any other place for the manner in which he voted. Throughout the history of democracy, secret ballot has been the hallmark of fairness. In recent times, the right to a secret ballot was fought for by the valiant civil rights leaders of the sixties who knew that only by privacy in the ballot box could true democracy be assured.

Arguments have been made that a nominee could be in a position to influence the outcome of the election through the exercise of his personal power before the election, or through the threat of the use of his power once confirmed as Vice President.

Even dismissing these arguments, one could look at it from the vantage point of a nominee. Some might argue that the final outcome was influenced by fear of retribution. By conducting the secret ballot, we accord all fairness to a nominee that his election was gained in the most democratic manner without any hint of possible influence, without any fear on the part of those voting that they might later be held accountable to the nominee in some fashion for their actions. I am sure that a nominee would want to remove any vestige of impropriety or any hint of influence through the use of a secret ballot.

The Office of Vice President is a powerful one despite its lack of constitutional or statutory directives. It is the second highest public office in the United States. Its holder has the ear of the President and the respect of the key officials of Government. His presence or viewpoint adds great weight to any argument.

Add to this, a Vice President who in his own right may hold a position of immense power and prestige in economic and political circles, and a situation is created where—rightly or wrongly—those voting might fear retribution at a later date. It is incumbent, therefore, that such fear, or even the possibility of such fear be eliminated, and that can only be done by secret ballot.

Should it become necessary to confirm a nominee for Vice President under the 25th amendment again. I announce now my intentions to urge a secret ballot on that confirmation. Irrespective of the identity of the nominee. I hope that if I am not here to do so, others will read these proceedings and see the merits of my case.

Mr. BAUMAN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Seventy-three Members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to the provisions of clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Chair now recognizes the gentleman from Michigan (Mr. HUTCHINSON).

Mr. HUTCHINSON. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. RAILSBACK).

Mr. RAILSBACK. Mr. Chairman, I would like to add my strong personal support to the resolution providing that the House of Representatives confirm the nomination of Nelson A. Rockefeller to be Vice President of the United States.

Nelson Rockefeller's political philosophy, his background, his public and private life have all withstood an unprecedented unveiling. The Senate Committee on Rules and Administration scrutinized the nominee, and then unanimously voted to favorably recommend him to the full Senate, which overwhelmingly

approved his confirmation, 90 to 7, earlier this month.

We on the House Judiciary Committee have also independently researched every imaginable aspect of the life of Nelson Rockefeller. The Internal Revenue Service and the Joint Committee on Internal Revenue Taxation conducted thorough audits of the nominee's financial transactions.

In addition, an extensive investigation was undertaken by the FBI. More than 350 FBI agents, involving 38 field offices, conducted over 1,400 interviews. Ninety-nine percent of those persons interviewed indicated strong approval of Mr. Rockefeller.

There is no issue even remotely connected with Nelson Rockefeller which has not been thoroughly examined. The committee looked closely at the loans and gifts, the Lasky book, the potential conflicts of interest due to the vast wealth of the nominee, his taxes, and his financial transactions, and we found absolutely no evidence of any sinister or improper motives relating to the activities of Mr. Rockefeller.

It has been a trying experience for him, his wife, and other members of his family, and I want to commend them for their understanding and patience. However, I believe it was necessary for all the information to be made public, and, upon reflection, I feel it has enhanced Nelson Rockefeller's position, and proven that the 25th amendment does, in fact, work.

Mr. Chairman, there were two themes that clearly surfaced during our hearings and investigations. One, that Nelson Rockefeller is a man of the highest integrity; he is candid, honest, dedicated, and sincere. Two, he is a man of tremendous knowledge and experience, both in the field of foreign policy and in the area of domestic affairs. Both are of critical importance at this time in our history.

Mr. Rockefeller has served five Presidents of both parties in various capacities. He has held important positions in the Department of Health, Education, and Welfare and in the Department of State, so he knows how the Federal Government works both nationally and internationally.

The voters of the State of New York elected him Governor on four different occasions, and, in his last reelection, he received his largest vote of confidence ever. For 16 years, Nelson Rockefeller dealt with and handled the almost insurmountable problems which plagued this country's largest city, in what was then this country's largest State.

His familiarity and sensitivity to State and local problems, his humanitarian concerns, his support and leadership in the areas of education and civil rights uniquely qualify him to serve as Vice President. Our country desperately needs the experience and dedication which Nelson Rockefeller will bring to the Vice Presidency, and I would hope we would put our partisanship aside and stand behind him.

Mr. Chairman, I would also like to take this opportunity to commend our distinguished chairman from New Jersey (Mr. RODINO) and our distinguished colleague from Michigan (Mr. HUTCHINSON) for their leadership and guidance in this historic proceeding. Also, a great deal of thanks is owed the Judiciary Committee staff for their fine work in conducting such a thorough investigation on the nominee.

Mr. HUTCHINSON. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. MOSHER).

Mr. MOSHER. Mr. Chairman, we are about to confirm Nelson Rockefeller as Vice President, undoubtedly an historic decision in several respects. Personally I believe it is a wise and right decision.

So, now it becomes a crucially important question, how will the new Vice President's extraordinary experience and abundant competence, his tremendous enthusiasm and energy, his genius for attracting persons of exceptional talent into public service, how will these great assets be most effectively used for the public good?

Throughout our Nation's history it always has been a difficult question exactly how any Vice President can best serve. The men elected to that high office have varied tremendously in their qualifications. But, in my opinion, few if any have ever been more qualified than Governor Rockefeller. Never has there been a more likely candidate to render superb, innovative leadership as Vice President of the United States.

Therefore, Mr. Chairman, I am presuming to suggest a couple of specific ways in which I hope Vice President Rockefeller's exceptional talents might best be used. I already have presumed to make these suggestions in a personal letter to President Ford. Obviously, Mr. Ford himself will determine the roles to which his new Vice President will be assigned.

I am confident the President will welcome specific suggestions concerning those Vice-Presidential roles as we know he does welcome other suggestions from his former congressional colleagues. Our new President's willingness to consider congressional advice is a blessed asset that we should use wisely and with respect, but nonetheless use vigorously.

Therefore, I hope other Members of this House will agree with my two proposals and may join actively in communicating these to the White House.

Mr. Chairman I submit that our Nation is scandalously lacking in any coherent, comprehensive, vigorous maritime policy. I see a crucial need to better identify our long-time needs and goals in the uses of the oceans, and to agree on a program for attaining those goals. This new world in which we are groping, this world of diminishing limited resources, forces us to give new attention to the incalculable opportunities that are available in the oceans, opportunities for tremendous inputs toward the solution of our energy, minerals, chemical, and protein needs, to name only a few of the more obvious probabilities.

There is hardly any facet of our national needs and problems that is not somehow directly related to these maritime opportunities.

But there is hardly a facet of the oceans' resources which does not need immediate, aggressive research effort to bring it to true fruition.

There is also the complex problem of our lagging merchant marine activity.

There is an imperative need for us not to attack these various oceans opportunities and problems on a piecemeal basis. There is the imperative need to recognize that we cannot "go it alone" in any national oceans policy; it will be essential for us to coordinate in international management of the ocean resources. There is need for a global food policy, with the protein from the oceans as an important element, for example.

There certainly is the need for an international regime of the seas, and we must vigorously press for success in the Law of the Sea Conference.

The point I am making is that all of these ocean activities need to be pulled together under very energetic leadership at the White House level, rather than scattered in such a weak fashion through more than 20 different Federal offices. The National Oceanic and Atmospheric Administration is doing an excellent job, I think. It was a great step in the right direction, but it is not enough.

Therefore, I suggest that one superb use for Mr. Rockefeller's talents would be to assign him the coordinating and leadership role in achieving and administering a new, vital, dynamic maritime policy. I suspect that such an assignment would be very congenial to his interests and talents. I believe he would do a great job in that role.

Many of us remember that an earlier Vice President, HUBERT HUMPHREY, was at one time an ex officio Chairman of the National Council on Marine Resources and Engineering Development. He provided really excellent leadership in that role. But that Council was later abolished. I very definitely believe that something of the same sort at the White House level deserves to be reactivated, and I am presuming to urge that as a proposal for President Ford's consideration.

Then, Mr. Chairman, closely associated with that concept, I also suggest the urgent need for some form of mechanism in the White House by which one or perhaps two or three professionally eminent, knowledgeable, and wise scientists and engineers shall have very ready and immediate access to the President, and also to participate responsibly in the budget-making process, in the coordinating of national policies for science and technology in the broadest sense.

Personally, I think that Dr. Guy Stever, who is presently science adviser to the President and also Director of the National Science Foundation, is doing an excellent job, but I feel strongly that the present organizational structure handicaps his efforts. He should have the opportunity to be much more effective, in the national interest.

So, if it is assumed that one of Vice

President Rockefeller's chief assignments will be to direct the efforts of the Domestic Council in the White House, I would hope that he would be assigned rather specifically the mission of working with the relevant committees here in the Congress, quickly to provide a more effective mechanism to coordinate and manage the Government's tremendously important and complex research and development efforts.

Who better can provide aggressive and savvy leadership in those areas—who better than Nelson Rockefeller?

Mr. HUTCHINSON. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. HORTON).

Mr. HORTON. Mr. Chairman, I rise in support of the nomination of Nelson A. Rockefeller to be Vice President of the United States.

Over the 12 years that I have served in the Congress, there have been many times when I have agreed with Presidential appointments or nominations, and many when I have disagreed. There has almost never been a time when I felt the nominee in question was perhaps the most qualified man in the Nation to fill the post. I have that good feeling with regard to the Rockefeller nomination.

In this case, of course, the nomination is hardly run-of-the-mill. With his nomination of a Vice President, President Ford was setting in motion a set of circumstances which we in America have never before experienced—a situation where neither the President nor the Vice President have stood for election by the American people. No matter how one looks at this situation, it is uncomfortable and unfortunate. It is particularly difficult for this to occur at a time when our Nation is still emerging from the cloud of Watergate, and is now in the thick of the worst economic crisis in 30 years.

The fact that this is not an ideal or even desirable situation does not make our job under the 25th amendment any easier. We must be at once aware that we are voting on a potential President of the United States, and that we are doing so as the representatives of and surrogates for the people we represent. The Constitution calls upon us to exercise our judgment on the nominee of the President for this high office. There have been few times in history when our votes here on this floor have had a greater potential impact on our country than today's vote.

Fortunately, the precedent for exercise of the confirmation power under the 25th amendment was properly set only one year ago when the nomination of Gerald R. Ford for Vice President was considered. We were well aware then that we could be confirming a man who could become President, and we went about the confirmation task in a deliberate and careful way. Had this not been the case, President Ford would today be under an even greater disadvantage than he already faces as a result of his being the first nonelected President in our history.

The appropriate committees of the House and Senate have exercised even more care in the examination of the character, the record, and the philosophies of Nelson A. Rockefeller.

Their hearings and investigations have generated much controversy and discussion, but they have been worthwhile in that they have served in place of an election campaign as a more pointed, but less perfect way, of familiarizing the people with the details of the nominee's background, and, familiarizing the nominee—often during grilling sessions—with some of the concerns of the people and their representatives.

I said at the outset that I support the nomination of Nelson Rockefeller without reservation. That statement will sound strange, and even unwise to many who have followed the hearings, and who may themselves oppose the nomination.

Many feel that Rockefeller's wealth alone disqualifies him from the office. Others find episodes which occurred during his massive record of public service to be distasteful, or to show lack of judgment or wisdom. I do not doubt that in 16 years as Governor and in even more years as a citizen and public servant that Nelson Rockefeller has made some mistakes—even some very serious ones. I do not doubt that there are probably innumerable actions he took or decisions he made that I would have wanted handled a little differently, or perhaps altogether differently. I could say the same for many other public figures. No man or woman is perfect.

One of the problems which I think we have developed as a nation, partly as a result of Watergate, is that we have become hero worshippers who revel in the destruction of our own heroes. We must remember that we are human beings and that we elect human beings to office. When we find incurable or intolerable flaws in a man's character, we can and should find him unfit for office, just as we may find his views unfit, or not to our taste. But when we spend so much time examining blemishes that we forget to examine the man, we have lost the perspective of an enlightened electorate.

America has examined the blemishes on the Rockefeller background more closely than we have ever examined any man in history. I know of no person who could stand as harsh an inquisition and survive it as brilliantly.

Certainly, the wealth of a man is a problem if you assume he will use if for greedy purposes or for illegal ones. This has not only not been shown in Nelson Rockefeller's case, the reverse has been shown. His record of generosity and compassion, and his use of wealth in pursuit of worthwhile causes is to me a strength, not a weakness in his character.

If wealth has any relevance to this inquiry, it is in the sense that wealth since birth has probably given to Nelson Rockefeller the optimistic outlook that the resources are available to solve even the most difficult and costly of the world's problems. Many of my constituents in New York State feel that Rockefeller, as Governor, carried out such optimism with their money—and they have a point. He probably learned the hard way, as evidenced by his greater fiscal conservatism in his final years as Governor, that he must respect the limitation on the availability of resources he had to work with.

But at the same time, his concern and his optimism have given Nelson Rockefeller his greatest strength—his vision and depth of understanding of deeply complex human, international, and economic problems. It is this quality which to me most qualifies Nelson Rockefeller for the high office of Vice President.

Although there are increasing cries in this country for simple answers and quick answers to the things that trouble and plague us, these cries cannot be answered simply or quickly. There have been few times in our Nation's history when we have had a greater need for leadership which understands and can deal with the complexities which make up our society, our economy, and our world.

In fact, the Rockefeller confirmation hearings in the Senate contained some of the most constructive and creative discussions on economic, population, energy and other problems that I have heard in recent times. The fact that the Senate, after 3 months of grilling and questioning the nominee, was able to confirm him by a vote of 90 to 7 is a substantial tribute to the respect he has garnered among both liberals and conservatives and among Republicans and Democrats.

It is the vision, the perspective, the depth of knowledge, the ability to recognize and utilize expert talent, and the demonstrated effectiveness in communicating with and dealing with people of diverse backgrounds and points of view which are most persuasive to me about this nominee. My vote for his confirmation is not an endorsement of everything he has ever done or said—any more than a voter endorses everything a candidate stands for by pulling his or her voting lever in the voting booth.

It is our responsibility to do the best we can under the 25th amendment procedure to examine and pass judgment on a nominee. My judgment is that this nominee is worthy of my vote for confirmation.

Mr. HUTCHINSON. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan (Mr. CHAMBERLAIN).

Mr. CHAMBERLAIN. Mr. Chairman, as we turn to the final business of this Congress, we could not possibly consider a more important subject than the determination of our national leadership. During the time I have served in Congress, the Vice Presidency has become, not just an historical symbol, but an important adjunct of the Presidency. It is of utmost importance that the office be filled, forthwith, in accordance with constitutional procedures.

The Vice President-designate, Mr. Nelson Rockefeller, has been subjected to searching official and unofficial scrutiny over a period of months. His detractors

have been heard and he has passed all the tests.

We should not forget, Mr. Speaker, that this man was chosen four times by the citizens of the State of New York for their highest office. Few persons in public life can cite equal evidence of popular confidence and trust.

There has been criticism of Mr. Rockefeller because of his great inherited wealth. The essential question, Mr. Speaker, is not whether a person has wealth in great or small amounts, but how that wealth is used. When we consider that Mr. Rockefeller might have lived his entire life without ever becoming involved in any constructive endeavor, that he might have spent his time entirely in pursuit of personal pleasure, both he and the country are to be congratulated that he chose instead to devote his years, his energies, and his great abilities in public service.

Indeed, Mr. Speaker, we are fortunate to have a man of his caliber, able and willing to fill the office of Vice President. I am pleased to express my confidence in him, and my support for him.

Mr. HUTCHINSON. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa (Mr. MAYNE).

Mr. MAYNE. Mr. Chairman, I thank the distinguished gentleman from Michigan (Mr. HUTCHINSON) for yielding to me at this time. I want to compliment the gentleman from Michigan as well as the distinguished chairman of the Committee on the Judiciary, the gentleman from New Jersey (Mr. RODINO), for the manner in which they have handled this nomination, the responsibility for which was assigned to our committee by the House of Representatives.

Mr. Chairman, certainly it is no exaggeration to say that the nominee, Governor Rockefeller, has undergone the most intensive investigation and questioning of any person ever appointed to public office.

As a member of the Committee on the Judiciary, I know that our own staff spent weeks investigating every conceivable aspect of his background before we ever got to the hearings stage. We had not only their work product available to us, but also the work product of the very thorough investigation of the staff of the Senate Committee on Rules, as well as the transcript of 8 days of testimony before the Senate committee, when 38 members of the House Committee on the Judiciary commenced questioning the nominee.

It was obvious even before the hearings started on November 21, that a very determined and thorough effort had been made to uncover any flaw serious enough to disqualify this nominee from being confirmed as Vice President of the United States.

Our own hearings lasted for 9 days. A great many witnesses were called, some of whom had been working for many weeks in preparation for their testimony. Three days of our hearings were taken up by the most thorough and intensive cross examination of the nominee himself. I do not believe that any objective observer could fail to be most favorably impressed by the manner in which the nominee conducted himself during those 3 days when he appeared before our committee. I am sure that he persuaded many by his coolness under fire during some very searching and at times heated cross examination.

He persuaded a number of members of the committee through his well reasoned responses and the very capable way in which he conducted himself that he is, indeed, a highly dedicated public servant, fully qualified for the Vice Presidency. Upon the entire record it seems to me that while he has made mistakes and is far from perfect, nothing has been turned up which is serious enough to disqualify him.

The most questionable activity on his part which has caused me the greatest difficulty was his gifts made to Dr. William Ronan totaling $625,000. But when we view the entire record it becomes evident this Ronan matter was a very remarkable departure from the good judgment and sensitivity to ethics which has otherwise characterized the nominee throughout his career, and it should be pointed out that he has recognized this by agreeing not to make any such gifts or loans in the future.

Mr. DENNIS. Mr. Chairman, will the gentleman yield?

Mr. MAYNE. I am happy to yield to the gentleman from Indiana, a member of the committee.

Mr. DENNIS. I thank my colleagues for yielding.

I agree with what the gentleman has said. The record will show that that is the thing which concerned me, too, which I questioned him about; but at the same time it ought to be pointed out that there are some very sweeping and unsupportable statements that have been made here.

The gentleman from New York (Mr. PIKE) has said, flat out, the Governor was guilty of a criminal offense in this connection. Then the gentleman from California (Mr. WALDIE) said if he is guilty of such an offense, then certain things should happen. Maybe they should if he is guilty, but that is a very highly debatable proposition, to say the least, under these statutes and under the facts of the case.

The statutes apply to giving a benefit to a public servant for having engaged in official conduct which he was required to perform. In other words, there is a serious question of the intent with which any benefit was conferred, and there is a serious question in Ronan's case whether he was a public servant or officer of the State of New York at the time that most of the gift was made. It is also true, if I recall correctly, that many of these transactions took place before one of the main statutes in question had been enacted.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HUTCHINSON. I yield 1 additional minute to the gentleman from Iowa.

Mr. MAYNE. I thank the gentleman.

Mr. Chairman, in addition to the nominee's qualifications, another very practical consideration which impels me to vote for confirmation is the fact that this nomination has now been pending 1 day short of 4 months. In other words, this country has already been too long without a Vice President.

If Governor Rockefeller were to be rejected by this body today, the nominating process would have to start all over again, and this matter might well take another 4 months. I think any such further prolonged delay would subvert the spirit and purpose of the 25th amendment and clearly would not be in the country's best interest.

I will for this and for the reason of the obvious qualification of the nominee vote yes on the motion to confirm.

The CHAIRMAN. The Chair now recognizes the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Chairman, I yield so much time as he may consume to the gentleman from California (Mr. Moss).

Mr. MOSS. Mr. Chairman, the House is confronted with a task greater than many observers may realize; approving or disapproving the nomination of Nelson Rockefeller to be Vice President of the United States. Many news stories have dealt with the House role under the 25th amendment as if we were merely required to rubber-stamp Mr. Ford's selection. Some Members of this body seem to share that view. I do not. Our role is far more an elective one than it is merely confirmative. In light of the somber events of the past several years, we would be grievously amiss in fulfilling our oversight responsibilities as the people's representatives if we did not view our role in that more significant light.

A distinguished Member of the other body, prime sponsor of Senate Joint Resolution 1, 89th Congress, which eventually became the 25th amendment, in speaking of Congress' role in filling a Vice Presidential vacancy, stated:

> . . . The Congress should act on the President's recommendation by electing or rejecting the nominee.
>
> . . . Certainly the Congress is the proper body—with its hand on the pulse of public opinion—to elect a Vice President upon the nomination of a President.

My interpretation of the intent of Congress when framing the 25th amendment is that we are required to exercise vigorous independent judgment. In effect, we must stand in the stead of the people, our electorate, when selecting a Vice President. Use of the term "upon confirmation" in the 25th amendment is in conformance with other language in the Constitution and therefore appropriate. In this instance we are filling an office normally filled through the electoral process. We must act in accordance with the manner in which the electorate selects a national ticket. It is easy to distinguish between confirming appointment of a Cabinet officer, for example, who serves at the President's pleasure. The Vice President, on the other hand, will be a constitutional officer removable

only by resignation, death, or impeachment. After the cases of Richard Nixon and Spiro Agnew, I believe we must view Nelson Rockefeller as minutely and calculatingly as possible.

And his record, under such scrutiny, fails a number of critical tests. Taxes and State debts are of interest for a start. As Governor of New York, he presided over the backdoor financing of the billion-dollar Albany mall project, implemented not by direct vote of all the people, but through financing by Albany County, which then leased the properties in question to the State. New Yorkers paid the bill, and are still paying it, without having a full say in that decision, or a role in determining its ultimate cost.

From January 1, 1959 through June 30, 1973, the New York State Legislature, acting under his leadership and urging, enacted one new tax and took 17 actions increasing rates of existing major taxes. A sales tax was enacted in 1965, reaching 4 cents in 1971. In 1959, withholding of personal income taxes at the source was adopted along with changes in rates and base amounting to an increase of 35 percent. Further increases in individual income tax rates were made in 1968 and 1971.

Total taxes collected during fiscal year 1960 were almost $2 billion. In fiscal year 1973, they amounted to $8.2 billion, an increase of $6.2 billion. Forty percent of the higher yield came from individual income taxes; 28 percent from general sales taxes. General obligation debt during this period increased by 265 percent. Guaranteed debt in the State rose by 35 percent, while nonguaranteed debt grew by 388 percent. In States elsewhere it grew by 166 percent.

In terms of relative change, the total debt outstanding at the end of fiscal year 1973—March 31—was 4.1 times larger than the amount outstanding on March 31, 1960. Short-term debt was 19.9 times larger, guaranteed debt one-third larger, and nonguaranteed debt almost five times greater at the end of fiscal year 1973 than in 1960, when Rockefeller took office. What emerges is a pattern of confiscatory taxation of the middle class.

Much has been made of gifts and loans made by Mr. Rockefeller. Not enough has been made of the fact that these large sums of money handed over to high-ranking State employees are a serious violation of law. Section 200.30 of the New York State Penal Code specifically prohibits any individual from bestowing gratuities on public officials for their having engaged in official conduct. Only general intent need be proven. Nor does the donor have to have had intent to influence the official's actions. Nor is the donor relieved of criminal responsibility because the donations were not intended to break the law.

Even more important than questions of whether or not "gifts or loans" were lawful, is the "why" for such gifts. They seem directed toward persons, especially toward Dr. Ronan, who, by virtue of their office, were in a unique position where they could make decisions directly or indirectly affecting the Rockefeller family holdings. Was it an act of compassion by a very wealthy man for a dear friend working for the State? If such an employee or employees were so underpaid, why did not the Governor recommend raises for all State workers? Mr. Rockefeller may claim an understanding of such use of money, but it leaves a sour taste in my mouth. As I understand it, the Rockefellers rarely expend money without seeking a practical benefit of some kind. Nelson Rockefeller is such a man and I cannot accept his basis for being so generous with a few uniquely situated people who could be of such value to his family. I will not dwell at any significant length on the book commissioned on Arthur Goldberg. The revelations of recent weeks speak for themselves respecting both tactics and thinking behind that provocative volume. Suffice it to say that Nelson Rockefeller disclaimed in his first testimony before the Senate Rules Committee that he had any advance knowledge that the book was to be financed by funds provided by his brother Laurance. Later, before the same committee, he acknowledged having had just such advance knowledge about the book project.

Yet what disturbs me most about his nomination and the willingness of so many to accept it is Mr. Rockefeller's inextricable intertwinement with big oil and other vast corporate interests who view the public as fair game to be bilked, deluded and led. He and his family control 315,000 shares, or what many informed people would consider to be a crucial interest, in Exxon, largest energy trust in the world. They possess massive holdings in Standard oil of California, Mobile, and other energy-related corporations. These three companies, for example, have for years controlled the overwhelming majority of shares in Aramco, the Saudi Arabian oil concession which has taken such cumulative advantage of Americans as both taxpayers and consumers. A combination of Rockefeller interests in oil and the Chase Manhattan Bank presents us with financial power unrivalled in recorded history. Their shareholdings, made even more potent by the cohesiveness of the manner the family acts financially, allows them unique leverage within the Nation's corporate and banking structure. To deny this is to indulge in self-defeating intellectual calisthenics.

Great political power is supposed to be interposed in order to prevent abuse of equally great economic power. Yet in this instance, after the atrocities of the Nixon-Agnew era, and in the face of Nelson Rockefeller's obvious shortcomings and failures, Congress is supposed to solemnize the marriage between these two forces and place the beneficiary one step away from the Presidency's absolute power. I will not lend my name or vote to such a confirmation or election.

Mr. Rockefeller is a decent man. No one will argue with that. Yet more than that is involved. We must evaluate the nominee in terms of the central issues of our time. And no issue is more vital to all of us than that of concentration of power in huge institutions. What are the implications of rapidly increasing concentrations of economic power in large institutions and fewer hands?

The Rockefeller fortune is more than just a vast lump of money. It is an integral, partially controlling part of a mammoth, monopolistic economic infrastructure which fixes prices, crushes competition, saps the vitality of free enterprise and wields huge political and economic power without accounting for it to anyone, least of all the public. Their end is profit, not any common weal. Among corporate equals such behavior is acceptable. Among real people, it is a moral abomination.

The Rockefeller wealth is part of what we are supposed to be opposing; part of what we fought when we unraveled the Nixon abuses of campaign financing. In response, the malefactors of great wealth sought to excuse their behavior by saying they were playing by the rules of the game. It was a bad game. And the rules were worse. Let us bear in mind that every successful campaign waged by the former Governor of New York was lavishly financed by money secured from his family, nor was any effort put forth by him while Governor to curb campaign abuses.

These are the same corporate behemoths who squeeze the average American mercilessly, extracting vast sums in interest, mortgages, unfair prices and shoddy goods. Their growing success is attested to by the evils abounding in our market places, the unwillingness of government to regulate them and the burgeoning misery of millions of our people.

Monopoly, as represented by the Rockefeller interests, is the enemy of all types of human freedom. If Nelson Rockefeller could turn his back on it, betraying his class, which he is not expected to do, he would be fit for the post in which we are asked to confirm him. And because he cannot and will not do this, I must oppose his nomination. Theodore Roosevelt said in 1906—August 9—in a letter to Frederick Scott Oliver:

> Monied classes, especially those of large fortune, whole ideal tends to the mere money, are not fitted for any predominant guidance in a really great nation. I do not dislike but I certainly have no especial respect or admiration for and no trust, in the typical big monied man of my country. I do not regard them as furnishing sound opinion as regards either foreign or domestic policies.

And Theodore Roosevelt further stated in Outlook magazine on June 19, 1909, page 393:

> It is essential that we should wrest the control of the Government out of the hands of rich men who use it for unhealthy purposes, and should keep it out of their hands.

Mr. Rockefeller speaks of setting up a blind trust for his wealth. Are we so naive as to believe that the Rockefeller holdings could be placed in such a trust where a family member would be unaware of the effect of his decisions on such investments? I quote T. R. merely to show the continuity of concern over

massive wealth and great power. In this case, the revelations disqualify Nelson A. Rockefeller from becoming Vice President of the United States. I therefore shall vote against the President's nomination of him, and shall, in the next Congress, offer legislation to modify the 25th amendment.

It is not enough for us to bow in the direction of the symbols of America. It is not enough for us to facilely mouth the catchphrases of liberty. Rather, it is for us to address ourselves to these interests which by their very growth and power, continue to sap our liberties, erode our institutions and limit our freedoms. To make a person who is the very epitome of such abuses of power Vice President of the United States is, in my belief, to betray the people we represent, turn our backs upon our beliefs and guarantee further erosion of all we constantly claim we hold most dear.

It is our clear duty to see, in the interests of the people, that there is adequate supervision and control over the business use of the swollen fortunes of today, and also wisely to determine the conditions upon which these fortunes are to be transmitted and the percentage that they shall pay to the Government whose protecting arm alone enables them to exist.

Mr. KASTENMEIER. Mr. Chairman, I yield so much time as he may consume to the gentleman from Illinois (Mr. CRANE).

Mr. CRANE. I thank the gentleman.

Mr. Chairman, under the provisions of the 25th amendment the Congress has the responsibility of approving or disapproving any individual nominated for the position of Vice President of the United States.

This position is one of awesome responsibility, and any man approved for the office of Vice President must be considered, in every respect, to be fully qualified for the office of the President. Beyond this, such a man must be one who individual Members of Congress casting their votes on the question believe would make a President they could support with regard to the major questions facing the Nation.

Thus, while there is significant concern over the role of the present nominee with regard to the distribution of funds, the financing of a campaign book critical of his opponent, and a variety of similar concerns, a vote against Mr. Rockefeller need not rest on the belief that he has acted in either an illegal or immoral manner in the past.

In this regard, I wish to state that I have the highest respect for Governor Rockefeller as a man who cares deeply for his country and who has acted in a manner which he believes to be consistent with the public interest. I do not believe that the hearings in the Senate and in the House, although they have raised serious questions, have shown beyond a doubt that Mr. Rockefeller's actions should disqualify him for this position.

Nevertheless, it is my intention to vote against confirmation of Nelson Rockefeller for the position of Vice President. My decision has come as a result of a careful study of his record as a public official, not a negative assessment of his character as a man. I do not believe that, according to my responsibility under the 25th amendment, I must find anything more than inadequacy for the position of Vice President based upon the past public record in order to cast a negative vote. The primary question I have asked myself is whether the Nation will be well served, or poorly served, by having in national office a man who has advocated a series of policies, and implemented in the State of New York a series of programs, which I would like to share with my colleagues.

As Governor of New York for 15 years, Mr. Rockefeller proved himself an advocate of big—and expanding—government. He was, in addition, a generous spender of public funds. The State budget last year was $8.75 billion in New York and the debt was four times what it was when Mr. Rockefeller took office. Taxes also quadrupled during his regime.

Governor Rockefeller and the usually Republican State legislature raised taxes eight times in 15 years.

By the end of his term of office, there were 183,383 employes on the State payroll, a huge jump over the 101,729 who were there when he started. Welfare rolls also soared from a monthly average of 513,581 clients in 1958 to 1.8 million—1 out of every 10 persons in New York State—in the current fiscal year.

New York observers agree that one great failure of the Rockefeller administration was his inability to cope with the State's narcotics problem, despite spending more than $1 billion. He started out with an elaborate hospitalization program and ended up cracking down hard on addicts and prescribing stiff jail sentences. The problem has persisted despite his efforts.

As Governor of New York, Nelson Rockefeller increased the cost of State government approximately 400 percent—from $1.9 to $9 billion a year. In addition to raising State taxes eight times, he doubled the rate of State income and gasoline taxes and imposed a 4-percent sales tax.

Under his leadership, New York State taxpayers became the most overburdened in the country. One result is that New York's share of manufacturing declined significantly, from 11.2 to 9.2 percent. New York State, under Governor Rockefeller's leadership, lost 400,000 jobs, and many national companies moved to other parts of the country.

When Richard Nixon defeated GEORGE MCGOVERN in the 1972 election, the American people made it clear that they desired an administration which would move toward a balanced budget, which would cut back on deficit spending, and which would restore fiscal integrity to the workings of government.

President Ford, as a man who was not elected to his present position, has a special obligation to fulfill the mandate of the voters. Governor Rockefeller's record in the State of New York indicates that he is hardly the man to assist in restoring fiscal responsibility to the Nation. His entire record tells a far different story, one of deficit spending, huge budget increases, rapidly increasing taxes, and decreasing productivity. The American people voted against such a philosophy in 1972 when they rejected the candidacy of GEORGE MCGOVERN. The 25th amendment was not designed to bring in through the back door what the voters rejected at the front door.

It is my belief that Governor Rockefeller sincerely and honestly disagrees with the positions taken by the overwhelming majority of voters in 1972—decisions in opposition to forced busing, decisions in favor of national strength, opposition to such schemes calling for the redistribution of wealth as a guaranteed annual income plan. He has every right to disagree with those positions. The American people, however, deserve as Vice President a man who shares the positions which voters supported in the most recent Presidential election.

The unfortunate fact is that the first policy which Mr. Rockefeller supported after his nomination to the position of Vice President was a scheme to have the Federal Government freeze mass transit fares at a low level. This indicates that his traditional views have not, in any sense, changed. He remains an advocate of Government intervention in and control of the economy—again, precisely what voters opposed in 1972.

An indication of the unchanging nature of Governor Rockefeller's opinions on national questions may be seen in the composition of his critical choices panel. His panel consists almost solely of men and women who advocate deficit spending, Government control of the economy, and further redistribution of wealth. These include such individuals as Pat Moynihan, Wilson Riles, and Bess Myerson. They are honorable men and women. They are advocates, however, of a philosophy the voters rejected in 1972. As Human Events, in an important editorial in its December 14, 1974, issue, stated:

> Rockefeller's Critical Choices panel—which he selected this year—could have been a Cabinet-in-waiting for Teddy Kennedy.

Mr. Rockefeller is far from a popular choice for this position. Just after President Ford sent Governor Rockefeller's name to the Congress for confirmation, polls showed support to be 55 percent in favor of confirmation; 31 percent against. As more and more Americans have come to understand Governor Rockefeller's political philosophy and political record, this has changed dramatically.

In a Harris poll conducted September 23–27, during the first Senate hearings on the nomination, Governor Rockefeller's popularity was already waning. Forty-seven percent approved his appointment, and 40 percent disapproved.

A Gallup poll conducted during the last week in October showed his approval rating at 44 percent and his disapproval rating at 38 percent. The most recent poll, conducted by Louis Harris during the period November 1 through November 14, shows support for Governor Rockefeller eroding to only 39 percent in favor of confirmation and 43 percent opposed.

In that latest poll, a majority of the American people, 54 percent to 28 percent, felt that it was "not all right for him to give $2 million as gifts and loans to people he appointed to high office." By a vote of 47 percent to 34 percent, the public felt "there would be a conflict of interest if he were confirmed as Vice President because of his family's financial holdings and investments."

I am concerned about Governor Rockefeller's loans. I am concerned about the question of laundered funds so reminiscent of what we have faced during the past Watergate period. I am concerned that the use of great wealth can influence public decisions. More important to me, however, is the future of a free and democratic society. The American people voted in 1972 in landslide proportions for a series of public policies which Nelson Rockefeller, in most instances, opposes. To appoint a man to this high office despite the fact that he is not in agreement with the overwhelming majority of Americans on the major issues facing the Nation, is to reverse the mandate of 1972, and to hold the democratic process itself in disrepute.

It is for this reason, beyond all others, that I find it necessary to vote against the confirmation of Nelson Rockefeller to the Office of Vice President. The American people deserve as Vice President a man whose philosophy is consistent with their own. To make a mockery of the 1972 election is to reverse the will of the people themselves. Should this be done, our long run freedom and the stability of our political order will be that much less safe and less secure.

Mr. KASTENMEIER. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland (Mr. SARBANES).

Mr. SARBANES. Mr. Chairman, it is imperative to recognize that there is in issue here today a very fundamental question as to how American society should operate and what the relationship should be in our society between political power and economic power. It is my own view that an underlying premise of our society is that public power shall be available to check and restrain, to limit and control, private economic wealth and power.

Resting upon that premise we have an economic system that allows private individuals to accumulate significant economic wealth and power. We allow that to happen on the assumption that public power will be available to check private economic power and to channel it in the public interest.

The decision confronting us here today, going to the very premises of the operation of our society, is whether a great concentration of private economic power ought to be melded with public power, thereby eliminating this fundamental separation and the resulting basic checks and restraints.

In my view we have only begun to perceive the reach of the private economic power of which we speak. The fiancial charts submitted to us by J. Richardson Dilworth, the investment counselor for the Rockefeller family, really the chancellor of the exchequer of the Rockefeller financial interests, indicated $1.3 billion in assets. That report by Mr. Dilworth covered: Those assets owned outright and in trust by the 84 descendants of John D. Rockefeller Jr. which are supervised by the family officer; those assets held in trusts created by John D. Rockefeller, Jr. for his descendants and supervised by trust companies, primarily the Chase Manhattan Bank; and those assets held by certain charitable foundations and organizations advised from the family office. It did not include the Rockefeller Brothers Fund, the Rockefeller Family Fund, or the Rockefeller Foundation, which, if included, would add over another billion dollars in assets, giving us a figure of approximately $2.4 billion in assets. It did not include the economic influence of the Chase Manhattan Bank, in which the Rockefeller family, individually and through its trusts and charitable foundations, is the single largest stockholder, approximately 3 percent of the Chase stock, and of which a Rockefeller brother David Rockefeller is the chief executive officer.

We never looked at the reach of economic influence of the Chase Manhattan Bank, the third largest bank in this country with assets of $37 billion and loans outstanding of over $22 billion. There is a Senate subcommittee study which indicates that the trust department of that bank is the leading stockholder in Atlantic Richfield; it holds 5 percent of the stock in Mobil Oil; 14 percent of the stock of CBS; 7 percent of the stock of ABC; 10 percent of the stock of Safeway stores; significant holdings in numerous airlines; and on and on and on.

Looking for a moment at only the oil interests and adding together all of the Rockefeller holdings including the charitable foundation holdings, they exceed $300 million in Exxon alone. It was brought out in the discussion before the committee that taking together these various economic holdings of which I have spoken, including the foundations and the Chase Manhattan, you are talking about a leading influence for this family group in the following oil companies: Exxon, Standard Oil of California, Standard Oil of Indiana, Mobil, Atlantic Richfield, Amerada Hess, and Marathon Oil. Aramco, which for a long period of time was such a major influence on governmental policies in the Middle East, was primarily owned—that is, 70 percent—by three of the above companies: Exxon, Standard Oil of California, and Mobil.

It must be recognized that what we are talking about is the single greatest aggregation of private economic power in this country. This is not simply the case of a wealthy individual. This is a case of a person and a family with unprecedented private wealth and financial influence being placed in a position where he can also exercise the public power of the executive branch of the National Government of the United States.

The Governor was asked about the very important basic question with respect to the interrelationship between public power and private economic power and if he were sensitive to it, and he made an interesting point. He said he brought it up to President Roosevelt when he was asked to become coordinator of the Inter-American Affairs office. He asked President Roosevelt how President Roosevelt could appoint him when he had connections with the oil companies. And he testified that President Roosevelt said:

> That is my responsibility. I understand you. I understand these countries. I know and I trust you. Let me take that responsibility and all you have to do is remove yourself from these decisions relating to oil companies.

Governor Rockefeller indicated he did.

If Nelson Rockefeller were to be the President of the United States, who would be in a position to make that judgment and determination as Franklin Roosevelt was able to do at that earlier time? In effect, what this appointment means, is that we are taking the captain of the team and also making him the umpire of the game.

I believe we should think long and hard about the implications of such an action because I believe history will perceive this confirmation as representing a watershed in the American experience when a fundamental principle governing the operation of our society was discarded.

Now, the people of the United States may make the direct judgment that they wish to transform the basic relationship between public power and the great concentrations of private economic power in a direct election. The nominee is not precluded from high office, because he can stand in a direct election and receive a direct mandate. The people may choose in a direct election to make the judgment that they do not consider this separation as a fundamental premise of the operation of our political and economic system.

In closing I want to underscore how extremely important to the operation of both our economic and our political systems I consider the separation of public power from great private economic power. I think the abridgment of that fundamental separation carries with it consequences and implications that we can only dimly perceive today. I do not believe that this Congress ought to abridge that fundamental premise, which I think is so important to the operation of our free society.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Chairman, I did not plan on speaking for or against this nomination today. I really think it is perhaps an act of futility, because I do not think there is going to be a single mind changed by all this 6 hours of debate. I have heard on this floor today individuals from both sides of the aisle speaking for and against the nomination of Nelson Rockefeller and I have heard reasons for and against his great

wealth. I have heard reasons expressed that we have gone to school together and we are old buddies and he is a good fellow.

I have heard, by the same token, allegations of practically everything from seduction to bribery. My decision is not based on any of those allegations or lack thereof. The thing that I have not heard expressed on this floor today is, do the people want Nelson Rockefeller?

Under the provision of the 25th amendment, and there are as many interpretations of that amendment as there are points on a compass, under those provisions the people will not have a right to make that selection by casting a ballot. Be that as it may, that is the law of the land.

Therefore, they have only one way to make that decision and that is through your vote here today. In my own case, in an attempt to do my job as I see it, I solicited, with the help of the media in my district, an opinion, yes or no, on Nelson Rockefeller. I did it before all the allegations and before the hearings proceeded.

The overwhelming majority of the people in my district, and I believe in the other districts of the Members here, say no.

Therefore, I shall vote no on this confirmation and hope that I am reflecting to the best of my ability the wishes of the people of my district.

The CHAIRMAN. The Chair now recognizes the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Chairman, I intend to take a little time to make a confession, if we do not get anything else done. I confess that in 1965 and a few years preceding that I fell, like most and practically all of the Members of Congress at that time, for the great barrage of propaganda being put out against the fact that we had a couple of leaders who were first and second in succession to the Presidency, the Speaker of the House and the President of the Senate, who had lived beyond their three score years and ten, or more. We were led into doing something that I believe was ill advised, illogical and a very serious mistake.

Because of expediency, we tampered with a constitutional provision that had worked well for almost 200 years, never having caused a ripple of discussion or dissent in this Nation, and the Nation had not suffered because there was in direct line for accession to the Presidency the Speaker of the House, in that there was no Vice President.

We are all excited today because there is no Vice President. How would it strike the Members to know that almost 40 years of the existence of this Nation of less than 200 years, there has been no Vice President? There has been no catastrophe; there has been no disaster; there has been no wild jumping in the streets because we had no Vice President.

I would not vote for anybody today for Vice President of the United States because the line of succession right now is as it was intended in that Constitution written by wiser men than we have proven ourselves to be. It is the Speaker of the House. As far as the candidate is concerned, if I were voting against or for a candidate, I could probably find one more to my liking.

I believe that at this time we have all forgotten the one cardinal sin that all of us have been guilty of in one way or another. We have subjugated the welfare of this Nation, the survival, the very survival of this Nation to an internationalism that is probably closer to the Rockefeller creed than anything else.

I want to say to all the Members today that if we had the courage that we ought to have, we would say that we made a mistake in the 25th amendment. We would pass the repealer I have introduced and would go back to fundamental government which is sound, because the Speaker of the House does, in a sense, represent a vote by all of the people of the United States in the body of the House. At least, it is one qualification he has.

He is knowledgeable of the problems from an unselfish and a political view, which is exactly what we are—politicians. This Nation is a nation of politics, and that is why it is free. We cannot continue the 25th amendment as it is now written without having opened up a possible avenue for anybody rich enough, ambitious enough, and powerful enough through connections and otherwise to become a virtual dictator by succession without election to the Presidency.

I predict—I predict that before my lifespan has run out, we will have exactly what I am talking about. We will have a President of the United States in a triple succession, either by design or accident. Ambition is something that has no soul, and ambition will step over all rights of all men to achieve itself.

I fear for the country and I fear for the life of this Nation, not exactly the person before us today, but in the fact that we have passed legislation by way of the constitutional convention that makes it possible for this to happen, not only possible, I say to my friends, but probable.

I read last night in the paper that the President is going to turn over to this new Vice President all of the economic problems of this Nation.

Mr. HUTCHINSON. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. WIGGINS).

Mr. WIGGINS. Mr. Chairman, we are called upon to discharge a unique constitutional function.

The 25th amendment provides in relevant part:

> Whenever there is a vacancy in the office of the Vice President, the President shall nominate a Vice President who shall take office upon confirmation by a majority vote of both Houses of Congress.

The President having nominated Nelson A. Rockefeller to fill a vacancy occurring in the office of the Vice President, our responsibility is to determine whether the nominee of the President is to be confirmed.

A threshold matter for decision is to define the standards against which we are to test the nominee of the President so as to justify his confirmation. We are invoking the provisions of the 25th amendment for only the second time in its brief history and no general agreement on such standards has yet evolved. It is especially important, therefore, that Members articulate the criteria against which they test the qualifications of a nominee for the guidance of future Congresses.

First, of course, the nominee must meet the constitutional qualifications of age and residency required of the President. Mr. Rockefeller meets this standard.

Beyond the first agreed qualification, there is some divergence of view. There is a clear consensus, however, that the nominee is to be politically compatible with the President and must not fail of confirmation solely for the reason that a majority of the Congress may be of a different political party and would, understandably, prefer a nominee with whom it is politically compatible. But agreement with this wholly appropriate "politically compatible" criterion does not deter some of its adherents from promptly nullifying its effect.

Congressman CONYERS, for example, interjects the nullifying test which requires the nominee to be in tandem with the political philosophy of a Member who must confirm the nomination. Our colleagues, Congressmen WALDIE and DRINAN, see their roles to be that of surrogates representing the political views of their constituents.

It may be safely assumed that the constituents of some Members do not support the President or any nominee with whom he is politically compatible. And my friend, Congressman DANIELSON, reads a special meaning into the word "confirm" which requires a personal endorsement of the nominee.

To accept any of these points of view is merely paying lip service to the standard of political compatibility between the President and his Vice Presidential nominee. It is admittedly difficult for individual Members to divorce subjective views on political issues from an objective appraisal of the overall fitness of the nominee. However, if the lessons of history which prompted the adoption of the 12th amendment are to be respected—and there is no suggestion that the 25th amendment requires these lessons be disregarded—the President has the clear right under the 25th amendment to nominate a member of his own party with whom he is politically comfortable. Confirmation cannot properly be rejected solely because of political differences, however phrased, between a Member or his constituents, and the President or his nominee.

The President having nominated Nelson A. Rockefeller, it may and should be

assumed by all Members of Congress that the test of political compatibility has been met.

Apart from the political compatibility test, I would state the additional criterion as follows: Is the nominee one who has demonstrated the capacity to serve the Nation well as its Vice President?

The answer to this question properly focuses upon the integrity of the nominee, his experience, and most of all, his judgment. It does not, as I have indicated, permit considerations of personal or constituent partisan preferences to impact the question.

At this point it would be appropriate to review the record of Nelson A. Rockefeller as it may bear upon his integrity, experience, and judgment. The evidence accumulated by the Judiciary Committee is voluminous and exhaustive. Others have discussed it in detail. For purposes of these remarks, however, it is sufficient to observe that the evidence before Congress reveals a man capable of occasional error, but taken as a whole, establishes beyond all reasonable challenge that Nelson A. Rockefeller is a man who has demonstrated the capacity to serve the Nation well as its Vice President.

Our inquiry should end there. But there remains the nagging and widely held view that the economic power of the nominee and his family is incompatible with his service as Vice President. Analytically, the issue fits neatly within the standard enunciated above, but some consider the matter of the nominee's wealth to be an independent ground for opposing his confirmation.

The principal, and exceedingly able, spokesman for this point of view is Congressman SARBANES. The argument goes as follows: Society tolerates the accumulation of private wealth but does so subject to the limitation that accumulated wealth shall not be used contrary to the interests of society itself. The public, through its designated representatives, must oversee and regulate where necessary those who have benefited from the policy which tolerates the amassing of a fortune of the dimensions of Nelson A. Rockefeller and his family. According to the argument, how can the nominee, in his public capacity, fairly umpire a game in which he and his family are among the dominant players?

The argument has superficial appeal, but does not, in my view, withstand critical analysis.

Power, be it economic or political, or a wedding of both, may be abused. A rich man, no more than a poor man, is capable of abusing power. If the mere potential for abuse is unacceptable, then the answer must be to eliminate the power of the office itself so as to insulate all men from its temptations. We cannot do this, of course, because a President and his Vice President must, within constitutional limitations, possess such power, admittedly vast in scope, as is necessary to serve the needs of the Nation.

Our concern, therefore, must focus not on the existence of the power, but rather its abuse.

My colleague, Congressman SARBANES, urges us to recognize as a fundamental governmental principle that political and economic power must be separated. Abuse, according to his view, is irrelevant. He contends that it is the joinder of economic and political power itself which is offensive.

I respectfully disagree. My friend has confused a simple factor, but only a factor, which is entitled to appropriate consideration, with a bottom principle.

As a matter of fundamental principle there should be no dissent from the proposition that any citizen, constitutionally eligible, is entitled to a fair consideration of his qualifications to serve as President or Vice President. No class of citizens—rich or poor—must be passed over. And yet, adherence to the view urged strenuously by Congressman SARBANES would disqualify all members of a disfavored economic class—the very rich—from serving in policy positions in government when the power of the office might enhance the economic status of the officeholder or give the appearance of bias in regulating economic power in the national interest.

The imposition by government of disabilities upon a class of citizens is constitutionally suspect. The arbitrary denial to some of rights and privileges conferred by government and their enjoyment by others, is clearly offensive to the egalitarian traditions of this country which find expression in several constitutional provisions. No implication is intended here that Congress may not adopt criteria for confirmation under the 25th amendment which might fail to meet equal protection muster in another context. But it should not do so.

The Sarbanes argument does not justify the disqualification of the very rich on any rational basis. There is no evidence before the committee that the assumed evils have occurred historically when economic and political power have been wedded. To be sure, there have been occasions, not documented in our record but which should not be overlooked, when rich and powerful men have abused their public trust. But the incidence of such abuse is rare.

On the other hand, evidence exists in abundance that men and women of considerable wealth have served the Nation faithfully and well throughout our history. No better modern example can be found than the nominee himself.

Nor does the Sarbanes argument properly respond to the contention that it imposes an unworkable standard upon Congress. Wealth, of course, is relative. If $1 billion in family assets is intolerable, how much should the Congress be willing to accept as compatible with Government service? The question posed has not been given a reasonable answer.

Nor can it be argued persuasively that the electorate may reward the very rich with public office, but the Congress in the discharge of its 25th amendment responsibilities may not. One would wish that every person duly elected completes his designated term. But vacancies do occur and the 25th amendment places the responsibility to fill such vacancies as may occur in the office of Vice President upon the President and the Congress. The electorate is uninvolved in a decision which only we can make. It would be ironic if our choice must exclude a class of citizens which the electorate has supported repeatedly. And yet, that is the clear consequence of a rule which permits only the people, in a direct election, the option of selecting a man of wealth to be Vice President. This decision is ours and the time for decision is now. It cannot be deferred or delegated.

The point need not be labored. The Sarbanes argument should be rejected as imposing an arbitrary disqualification upon a class of citizens otherwise qualified to serve. It should be rejected in favor of a standard which looks to the nominee's individual qualifications, be he wealthy or poor, and examines that individual's record for conduct abusive of his economic status in terms of the public interest.

Measured against the criteria here suggested — constitutional eligibility political compatibility with the President, and the demonstrated capacity to service the Nation well as its Vice President—I am satisfied that Nelson A. Rockefeller should be confirmed.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from Pennsylvania (Mr. COUGHLIN).

Mr. COUGHLIN. Mr. Chairman, I am pleased to lend my strong support to the nomination of Nelson A. Rockefeller to be Vice President of the United States.

In evaluating this nomination, I have kept in mind three basic criteria. First, the person confirmed as Vice President must be capable of serving as President of the United States. Second, he should add breadth and depth to the administration. Third, he must be acceptable to both Houses of Congress.

On the basis of these criteria, Nelson Rockefeller is an outstanding choice to serve as the next Vice President of the United States. Mr. Rockefeller is eminently qualified to assume the Presidency as evidenced by his many years of service as an administrator and legislative advocate in his home State of New York, as public servant and policymaker in the Federal Government, and as representative of the United States abroad. While there is no adequate training for the offices of President and Vice President, few can match the range of relevant experience which Nelson Rockefeller has acquired during his long and distinguished career in public service.

In addition, Nelson Rockefeller will significantly broaden the national leadership with his vast experience, his sound judgment, his superior intellect, and his firm grasp of political realities. I am especially pleased that Nelson Rockefeller will bring to this adminis-

tration the benefit of 16 years as Governor of New York, and I would hope that he will continue to serve as a link between Washington and State and local governments whose problems and needs he knows firsthand.

That such a capable administrator and leader on domestic issues should also be a respected authority in the field of foreign affairs and have served in a diplomatic capacity is a bonus that will add still greater breadth and depth to the Ford administration. Mr. Rockefeller's personal experience and expertise in Latin American affairs are well known and will be a great asset to the administration.

I am fully satisfied that this nomination, which has been subjected to exhaustive scrutiny, is one which will serve our Nation well. I am pleased to cast my vote for the confirmation of Nelson A. Rockefeller to be 41st Vice President of the United States and I look forward to working with him in the days ahead.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, if we consider only the personal qualifications of the nominee, Nelson Rockefeller, it would be hard for me to quarrel with the nomination we are considering. Mr. Rockefeller appears to me at least to be a person of unusual ability, outstanding experience, and high integrity. While I disagree with the nominee's political philosophy in some areas, I cannot say that he lacks the personal qualifications to be Vice President or President.

However, this nomination confronts us with an unprecedented situation. When we considered the Gerald Ford nomination a year ago, the committee tracked down every lead. We investigated even the most minute details of his modest financial interests and transactions, as well as those of his family. We even got into the way he financed his condominium at Vail with loans from his children, and we got into a few small Government contracts that the Ford Paint Company had over the years. We convinced ourselves that there was no conflict of interest.

Considering the Rockefeller nomination, the Committee on the Judiciary did indeed conduct an extensive investigation. The investigation was sufficient to reveal the scope of the nominee's personal wealth and many details of his personal affairs and his political career. It also revealed the outlines of a vast web of economic interests of the Rockefeller family, including many interlocking relationships involving other members of the family, private foundations, banks, and other family-controlled institutions. The financial value of this web of interests is measured in billions. In that sense, Mr. Rockefeller is not representative of a class as the gentleman from California (Mr. WIGGINS) implied. He, with his family, is in a class by himself.

This economic power extends into many key areas of the Nation's economy. Yet, the committee did not attempt to investigate even the main lines of these interests and the precise way in which they are managed and controlled.

Confronted with the complexity of this web and the difficulty and time it would take to unravel the facts, the committee simply threw up its hands.

Some have attempted to rationalize this result, as has the gentleman from California (Mr. WIGGINS), on the ground that wealth alone should not disqualify a person from holding high public office. Of course, that is true.

From George Washington to John F. Kennedy, some of our finest Presidents have been men of wealth and men from wealthy families. However, the case before us is not a case of wealth alone. We are not confronted by Nelson Rockefeller alone, nor by his personal wealth alone.

What confronts us is the greatest aggregation of private economic power in the history of the United States. It is a grouping of wealth so vast that it becomes not merely a difference in degree, but a difference in kind.

If we were faced only with Nelson Rockefeller and his personal fortune, the problem might be solved by his offer to place his fortune in a blind trust. Certainly that is the minimum we should insist upon, but if the blind trust solves his personal conflict-of-interest problem—and I am not at all sure that it does—it does not even approach a solution of an equally serious problem that will be faced by every civil servant—in fact, by every Member of Congress—when faced—as they will be—with the necessity of making a decision that will affect one of the many interests of the vast Rockefeller economic power.

Is it right to place public officials in a position where they must weigh the effects on their personal careers of taking action adverse to the economic interests of the Rockefeller family?

Does not the nomination of Nelson Rockefeller to the Vice-Presidency, or to the Presidency place every such public official in a potential conflict-of-interest situation?

From this standpoint, the failure of the committee to call David Rockefeller, the chairman of the Chase Manhattan Bank, is a serious omission. Here is the brother of Nelson Rockefeller controlling the third largest bank in the country, which holds controlling interests in four of the Nation's largest airlines and in all three television networks and in many other major corporations. Surely, we should have placed in the record the facts as to the Rockefeller relationships with Chase Manhattan and its methods of control of this empire.

With their great commonsense, ordinary Americans understand there is something inherently wrong with giving extraordinary governmental power to an individual who, with his family, already has an enormous influence over the Nation's economy.

Although the Constitution does not mandate the separation of governmental and economic powers in the same manner, the principle is just as valid.

This principle finds expression in many of our most basic laws and traditions. The antitrust laws, for example, not only have an economic purpose—to protect our free enterprise system, they also have a political purpose—to prevent aggregations of economic power from becoming so great as to threaten the independence of our political institutions.

The original John D. Rockefeller's economic empire was just such an aggregation, and it was broken up under the antitrust laws because it became just such a threat to the independence of our political institutions.

Certainly there are grounds to fear that by approving this nomination, we will be breaching the principle of separation of powers and will be creating a threat to the independence and integrity of our institutions.

Truly, this is a momentous occasion, since it involves a fundamental break with our traditions, and one with grave and far-reaching implications.

If the American people, through the electoral process, choose to break tradition by selecting a President or Vice President who has such enormous economic power, that is their right and privilege. But at this time of flagging faith in our institutions, surely the Congress should not be the one to break that tradition by endorsing this enormous concentration of power.

Mr. SARBANES. Mr. Chairman. will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Maryland.

Mr. SARBANES. Mr. Chairman, I want to commend the gentleman from Ohio (Mr. SEIBERLING) for his statement, and to associate myself with his remarks. The gentleman has responded very effectively to the statement that was made by the gentleman from California (Mr. WIGGINS) which failed to understand and appreciate our position in this matter.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HUTCHINSON. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. ROBISON).

Mr. ROBISON of New York. Mr. Chairman, for a Congress that has already faced a seeming overabundance of critical and historic decisions, it is implausible that we should encounter, today, yet another such choice. This one, however, unlike some of the earlier ones, is not a difficult one—at least, not for me.

For I count it a high honor, and a personal privilege, as one of my final acts as a Member of this House, to be able to endorse, and vote for, Nelson A. Rockefeller as Vice President of these United States.

I take this action not out of the narrow partisan or parochial considerations that might be ascribed as my motivation, but because—as one who has known Nelson Rockefeller well during the years he served as Governor of my State, which period of time almost coincides with the years I have been in the Congress—I have come to appreciate the positive and progressive leadership capacities of this man, the personal qualities of honesty

and candor that mark his actions, and the courage and forthrightness that illuminate his career.

As President Ford's nominee to become Vice President under procedures established by the 25th amendment, Governor Rockefeller has undergone a searching examination of his record in public office, of his financial situation, and of that of his family. He has outlined and explained his views. He has answered all questions put to him. He has patiently endured the efforts of a few to malign his record or, through innuendo, to defame his character.

Some argue that this inquiry was not complete enough, and that it should still go forward—virtually ad infinitum. Certainly, some of the concerns they express have validity, and it is a judgmental matter to determine when any inquiry of this nature can be termed "complete." But a substantial bipartisan majority on the committee feels that its investigation has—to use the adjective found in its report—been "exhaustive," and it is my conclusion that those who still want to look further for some disqualifying reasons so argue, in the main, merely because neither Nelson Rockefeller nor any other person President Ford might nominate would ever satisfy them.

As for the rest of you who might have harbored some doubt about Nelson Rockefeller's qualifications, it seems to me that, subjected to days of hard, difficult, even occasionally hostile questioning in both this and the other body, as he was, he came through as few among us could have done and, thereby, gained even greater respect and strength as a nominee.

I would say, Mr. Chairman, that that fact—alone—tells more about Nelson Rockefeller than hours of discussion and debate here could ever do.

For myself, I would like the record to show that Nelson Rockefeller was the only individual I suggested to President Ford, some months ago, when he asked for our recommendations in this matter. I thought then, as I think now, that his qualifications are such as to enable him to stand head and shoulders above any potential candidate for Vice President whose name might come to mind. I shall not, here, take the time to expand upon my reasons for that belief since I did so as a witness before both the Senate Rules Committee and our own Judiciary Committee. Besides which, I really believe this is one of those rare times when it can truthfully be said that this man's record "speaks for itself."

If, however, there is one area of our investigation of Governor Rockefeller that might be said to have been neglected—because of the concentration by the majority of his examiners on political matters and upon his and his family's obviously great wealth—that would have been in the area of the nominee's own basic, and motivating, philosophy. Governor Rockefeller did address himself at some length to such matters in his own preliminary statements, but it was not often that the committee members ventured back into such area. With the idea in mind, therefore Mr. Chairman, that it might be helpful, I would here wish to insert several, rather extensive excerpts from that truly remarkable, and fine, series of lectures that Mr. Rockefeller delivered at Harvard University, in 1962, and entitled "The Future of Federalism."

In introducing his own remarks then, Mr. Rockefeller said he hoped they would state:

. . . the urgent, historic necessity summoning Americans of this generation to match the founders of this nation in their political creativity, boldness and vision.

Turning, then, to the "Federal idea" and its evolution in our Nation, he continued with these thoughts:

Let me first make it clear that I do not speak of the federal idea as merely a mechanical or technical or abstract formula for government operations.

I refer to the federal idea broadly as a concept of government by which a sovereign people, for their greater progress and protection, yield a portion of their sovereignty to a political system that has more than one center of sovereign power, energy, and creativity.

No one of these centers or levels has the power to destroy another. Under the Constitution, for example, there are two principal centers of government power—state and federal. As a practical matter, local government, by delegation of state authority under the principle of "home rule," is a third such key center of power. The federal idea, then, is above all an idea of a shared sovereignty at all times responsive to the needs and will of the people in whom sovereignty ultimately resides.

Our federal idea is complex and subtle. It involves a balance of strengths. It puts into play a sharing of powers not only among different levels of government but—on each level—a separation of powers between the legislative, executive, and judicial branches of government. And it clearly signifies more than mere governmental structure. It demands faith in—and an environment for—the free play of individual initiative, private enterprise, social institutions, political organizations, and voluntary associations—all operating within a framework of laws and principles affirming the dignity and freedom of man.

A federal system, then, seeks stability without rigidity, security without inertia. It encourages innovation and inventiveness—governed by principle, and guided by purpose. It assures responsiveness more thoughtful than mere reflex—and liberty that does not lapse toward anarchy. In short, it seeks to hold the delicately precarious balance between freedom and order upon which depend decisively the liberty, peace, and prosperity of the individual.

A more full and meaningful "definition" of the federal idea may be offered in the form of what I believe are four of the critical ways in which the federal concept operates.

First: The federal idea fosters diversity within unity.

In this land that reaches from ocean to ocean, the great social, economic, and political problems vary profoundly as they may appear, for example, before the people of Wyoming, the people of Louisiana, or the people of Massachusetts. In meeting many of these problems, a sweeping generalized edict from the national government might well be futile or even fatuous. Yet, in our federal concept, the national government is called upon to work with state governments in ways encouraging the states more effectively to resolve their own problems in their own way.

Second: The federal idea permits and encourages creativity, imagination, and innovation in meeting the needs of the people. Those needs, if not met by private action, can be met at the local, the state, or the national level of government.

By providing several sources of political strength and creativity, a federal system invites inventive leadership—on all levels—to work toward genuine solutions to the problems of a diverse and complex society. If local solutions are not forthcoming, it is still possible to bring to bear the influence, the power, and the leadership of either the state or the national government.

Third: The federal idea is a pluralistic idea. It gives scope to many energies, many beliefs, many initiatives, and enlists them for the welfare of the people. It encourages diversity of thought, of culture, and of beliefs. It gives unparalleled opportunity for the development of private institutions—social, political and economic.

Whereas a tightly centralized government tends, by its disproportionate weight and power, to stifle diversity and creativity in both the public and private sectors, a federal system provides room for both infinite variety and creativity in all sectors of national life.

Fourth: The federal idea is characterized by a balance which prevents excesses and invites the full, free play of innovation and initiative. This balance is essentially achieved by: the division of powers between the national and state governments, the separation of legislative, executive, and judicial authority, the absence of monolithic national parties, the permissive encouragement given to local municipal governments to achieve a measure of home rule either in fact or in law, the competitive action of commercial enterprise, and—above all—the freedom of individual initiative, rooted in a basic and unwavering belief in the dignity of the human person.

Further on, Governor Rockefeller entered upon a discussion of what he called "political labels." And, since Mr. Chairman, it would appear to me that, in a sense here today, some of us are worried over whether or not Mr. Rockefeller is either too "liberal" or too "conservative" for our—or our constituents'—tastes, I believe what he states in this context might also be useful for the RECORD:

A second distortion of political reality . . . is the obsession with political labels which results in the rigid classification of laws, leaders, and policies as "liberal" or "conservative." We all know that, in any serious historical sense, these terms have lost all meaning. The use of such artificial labels, in political debate, merely distorts the issue and confuses the citizen. It substitutes the slogan for thought, the false label for the serious goal.

Under the now-meaningless terms of "liberal" and "conservative," some would hold that economic policies welcomed by labor are "liberal," while those cheered by business are "conservative." Yet *all* progress for *all* sections of the community depends upon interrelated factors of economic growth.

When I took office as governor, there were 600,000 unemployed in the State of New York. Business had been leaving the state because of an unfavorable economic climate. And the outgoing administration left, as its fiscal heritage, budget requests calling for expenditures of $2.3 billion, backed by revenue of only $1.6 billion—a deficit of $700 million.

To restore the state's fiscal integrity required cutting expenditures, instituting economies, and raising taxes. None of these moves was popular, I can assure you. But the restoration of confidence in the state was fundamental to improving the climate for economic growth. And it set us on the road to expanding business and industry, rising

employment, declining unemployment, and a far greater capacity to meet our social responsibilities as a state. As an example of this capacity, the state this year provided $500 million more for education than when I took office—in other words, a 90 percent increase in state aid to education in just four years.

Where—in all this brief history—does a policy or an act become "liberal" or "conservative"? According to these labels, action to improve the business climate is "conservative," and increased aid to education is "liberal." The fact is that the implied distinction is false and deceiving.

Then, Mr. Chairman, Governor Rockefeller discussed his idea of political leadership. Again, let us note his words:

The power of the federal idea rests, in important part, upon the opportunity it gives for action. Yet there may be no limitation upon leadership of any kind so severe as the simple unwillingness to lead.

If a state government lacks the political courage to meet the needs of its people by using its own taxing power—if it prefers to escape by letting the national government do the taxing and then return the money to the state—the leadership of this state puts itself in an exceedingly poor position to weep over the growth of federal power. The preservation of states' *rights*—in short—depends upon the exercise of states' *responsibilities*.

The key to this exercise, obviously, is responsible leadership in the executive and legislative branches of government. It must have the vision to foresee and the courage to meet problems and challenges before they grow to the ugly size of crises.

We live in an age that, by its very pace of change, severely tests all capacity for such leadership. The challenges themselves come large, and they surge swiftly.

In such a time of rapid change, timidity in government only compounds the problems.

Yet few things may trouble [our American] destiny so much as a political disposition to confuse the *leading* of public opinion with the *reflecting* of it. We have all witnessed, in recent years, the widening temptation to hinge political judgment on the techniques of marketing research—the polls and surveys supposedly measuring the public temper. Any leadership that is merely a creature of such devices is not even playing politics.

I do not believe that the public wants any such acquiescent leadership. It does not turn to leadership as to a mirror, to study its own reflection. It looks for a definition of, and a dedication to, those principles and policies which enable a free people to grow. I doubt if any democracy, without such vision and courage, without such leadership, can seriously expect to survive the mortal trials of our century.

Finally, then, there was this summary in this particular lecture—in words which I found as exciting and as meaningful back then, 14 years ago, as I do today when it is even possible that we have a greater need to consider and think upon them:

Let me summarize briefly:

The historic application of the federal idea—reconciling unity and diversity—is probably the supreme American contribution to the struggle of all self-governing peoples to build political structures strong enough to assure freedom and order in their lives.

Our own federal system provides a unique arena for imaginative and inventive action and leadership, responsive and responsible to the people.

The practical fulfillment of this promise in our political heritage depends critically, however, upon the health of the national economy, the momentum of our social progress, and the vitality of the whole political environment. This environment can be rendered cold and barren by a citizenry fearful of political partisanship, by a public or a leadership that prefers to deal with labels and slogans rather than real problems and needs, or by a leadership too timid to venture from seemingly safe paths of the past.

The truth, in short, is that the federal idea—like the whole American experience—is a political adventure. It is no static thing, no dead definition, no dogmatic proclamation. Old as it is in our history, its secret strength is that it forever summons a free people to learn and try the new. It requires us, I believe, to imitate its authors in only one respect: to be, like them, unchained to the past and unfearful of the future, to be—in our time as they were in theirs—political pioneers.

Mr. Chairman, in his own words—somewhat outdated as they may be, but still so very pertinent to our need—Nelson Rockefeller has set forth far better than could I in my own words, the reasons why I not only endorse and will vote for him as Vice President, but why I do so with enthusiasm and with trust that this is the right man, at the right time for America.

When I announced my retirement from Congress nearly 11 months ago, I said that, in doing so, I hoped to be able to concentrate during the balance of this year in putting behind us some of the gnawing problems facing the Nation. Among those problems was the need—and a great need it was—to restore public confidence and trust in our system of government. I believe we are well along toward accomplishing that important objective, but I see the confirmation of Nelson Rockefeller as Vice President as essential to that task.

It is time to vote, and to vote to confirm President Ford's choice of a Vice President, so that this administration—and this Nation—can get on with the urgent business confronting it.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. ROBISON of New York. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, we are here today discussing a foregone conclusion. Nelson Rockefeller is going to be Vice President of the United States. Our country decided, by constitutional amendment, not to leave such an important office vacant and that it was in the national interest to create a presumption in filling the vacancy in favor of the man the President wants. That presumption should not be overturned lightly, although it is entirely appropriate that an unelected Vice President—or an elected one, for that matter—should be subject to the most exhaustive scrutiny. Given the long public service, the intense political involvement, and the vigorous personality of Nelson Rockefeller, no one in this room can seriously believe that the congressional investigation of his background has revealed flaws of a disqualifying nature. The current popular style is to be skeptical of public leaders, and yet in any relative scale Nelson Rockefeller stands before this House virtually unscathed by the 3 months of poking, pulling, and pushing to which his record has been subjected.

Like many other Members of this House whose confidence has been abused in the past, I withheld final judgment on Mr. Rockefeller until all the evidence was in. When I vote to confirm him in a few minutes, therefore, I feel that I should make public my reasons for approving his nomination. Since I have not always been in agreement with Mr. Rockefeller on public issues here or in the State legislature, where I previously served, some place me historically in the role of critic of Mr. Rockefeller. Nothing could be farther from the truth.

One of the toughest roles in American public life is that of the Governor. New York is not the easiest State in the Union to govern. That he survived more than 14 years in this demanding leadership position says something about Nelson Rockefeller's capacity to lead. Because any Governor who does his job also acquires the scars of battle, I want to express the belief that people dissatisfied with the Rockefeller activism as Governor should keep an open mind about the performance to be expected of him as Vice President. The two jobs are very different. The same person will respond differently to the expectancies of the different offices and will bring different qualities to different responsibilities.

Those of us who have been associated with both Gerald Ford and Nelson Rockefeller are struck by the differences in these two men, and the opportunities for supplementation in direction of national policy which can result. As Vice President, Mr. Rockefeller can add the strength of his administrative experience to the executive branch. He is a man skilled by long experience in staff work, in establishing and working with single-mindedness toward long-term goals, while the President's experience has been one of legislative responsiveness. Tough individual decisions have been a necessity in the career of Nelson Rockefeller, while Gerald Ford has proved his ability to direct the group decision. In short, while each of these men is attractive in his own right and for his own personal strength, each brings a very different experience to the effective partnership we all hope the leaders of our country can have. While I do not have any doubt that the President will be the leader of the country, his well-known capacity to draw strength from the people around him will make good use of the talents and experience of Nelson Rockefeller, to the benefit of the country.

A word to my Republican friends who think of Nelson Rockefeller primarily as an ideological liberal testing the conservative traditions of our party. Nobody has done more for the pluralism of our Federal system, the bedrock of our belief in responsive decentralization. Mr. Rockefeller believes in strong State government as the only antidote to poisonous centralism. Instead of espousing the negativism which conservatives frequent-

ly show when serving on the level of central government, Mr. Rockefeller pushed the only viable alternative, State government. The creative leadership he brought to New York State government, while not always comfortable for New Yorkers, has long set a standard for the other States, and without it the central government in Washington would be a much more dominant force than it is.

A word to my New York friends, some of whom claim in their letters to me that Nelson Rockefeller's leadership has damaged our State. Everyone thinks his problems are unique. If New York's problems are unique, it is only because of the unique structure of our State, and its inclusion of the world's most complicated city, whose budget is greater than the State budget. It is these circumstances which produce financial problems unmatched elsewhere.

Some perspective for New Yorkers on Nelson Rockefeller's contribution to the recent history of our State is suggested by the following statistics. Although New York ranks first among all States in combined State and local taxes in proportion to personal income, taking State taxes alone, New York ranks 20th among the States according to the most recent statistics. It stands first among all States in percentage of State expenditures for aid to local governments, contributing 57.5 percent of State general expenditures to the localities, compared to an average for all States of about 38 percent.

Those of us who believe in strong local government strongly approve of this aspect of our State budget and must acknowledge the leadership Nelson Rockefeller has provided in developing this constructive pattern of government.

Mr. Chairman, if what I have said sounds defensive, it is only because of the negative traditions of American politics, which lead us to give more prominence to accusations and regrets than to more positive factors. Everything about Nelson Rockefeller is personally positive. He is a vital man, an optimist. At his age and after comparable experience, few of us would have as open a mind as he does, would be willing to go through what he has gone through to become Vice President, or would express the enthusiasm which is such a remarkably durable Rockefeller characteristic. He is the man the President wants, he is highly qualified by experience, he is personally attractive and ideologically acceptable, his honesty has been attested by the most rigorous investigation, and it would be transparently hypocritical for us to reject his nomination in this light. I hope he will have overwhelming support from my colleagues.

Mr. McEWEN. Mr. Chairman, will the gentleman yield?

Mr. ROBISON of New York. I yield to the gentleman from New York.

(Mr. McEWEN asked and was given permission to revise and extend his remarks.)

Mr. McEWEN. Mr. Chairman, my remarks shall be brief. Were they extensive and persuasive, they would not change one vote. We all know that soon the vote will be taken, and we know what the result will be. We shall confirm the nomination of Nelson A. Rockefeller, of the State of New York, to be Vice President of the United States.

My vote will be for that confirmation.

The prolonged hearings by the committee of both Houses of the Congress, fully reported to all of our people by the printed and electronic media, have told us more than anything that we might now add. The American people approve the nomination and their Representatives should and will do likewise.

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield?

Mr. ROBISON of New York. Mr. Chairman, I yield to the gentleman from New York.

Mr. MITCHELL of New York. Mr. Chairman, I rise to support the confirmation of Nelson A. Rockefeller and ask unanimous consent to revise and extend my remarks at this point in the RECORD.

In rising to support the confirmation of Nelson A. Rockefeller as Vice President of the United States I have a good feeling. It is that good feeling we have all experienced in public service that comes when participating in an endeavor conscience and conviction tell you to be in the best interest of the people you are privileged to represent and the Nation you are honored to serve. Nelson A. Rockefeller is the personification of those qualities we seek in those we select to govern. He is a leader with the courage to lead. He is knowledgeable with the abilty to put that knowledge to good use for the common good. He is innovative, a man of reason and a man of conscience, of compassion and understanding.

Vice President-Designate Rockefeller is uniquely qualified for the awesome responsibilities that will shortly be his. He has no equal in the broad base of experience that he brings to the job.

At the Federal level his prior service in the Departments of State and Health, Education, and Welfare, as well as within the White House as a Presidential adviser, has earned for him much praise.

At the State level, as Governor of New York, his record is also strong. His accomplishments as chief executive officer for the Empire State are legion. With justifiable pride he can point to the finest State University system in the Nation, an educational complex for which he has been the principal architect, building with precision and care from a student body of only 30,000 on a few scattered campuses to a present enrollment of more than 400,000 in facilities across the State that are geographically and financially within the reach of all.

There is so much more. New York State's fine highway system that predated our own Interstate Highway program. A mental hygiene program second to none. State agenices that are concerned with and doing something about the problems of our cities and those who are disadvantaged. All of these endeavors, which have enjoyed so much success, stand as lasting monuments tc the Rockfeller years as Governor.

The many dimensions of Nelson A. Rockefeller go beyond domestic considerations. He is schooled in international affairs and is viewed around the world as a man of great depth and understanding in matters affecting the family of nations.

In summary, Mr. Chairman, Nelson A. Rockefeller is a complete man and this body will do itself proud if we follow the example set on the other side of the Capital by voting overwhelmingly for his confirmation as the 41st Vice President of the United States.

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. ROBISON of New York. I yield to the gentleman from Illinois

Mr. O'BRIEN. Mr. Chairman, this Nation will not rise or fall on what I have to say in the next few minutes. Nevertheless, I feel compelled to state my reasons for supporting the confirmation of Nelson Rockefeller as Vice President.

The domestic and foreign problems facing us today require a complete executive. The President needs a strong Vice President to help him carry the weight of these burdens. He has chosen Nelson Rockefeller.

In considering this nomination, we should ask ourselves two main questions: First. What qualifications should we demand of the person who stands second in line to the President? Second. Does Mr. Rockefeller possess those qualifications?

During the past 4 months, the House Judiciary Committee and the Senate Rules Committee held intensive hearings to answer those questions.

Throughout those hearings, Mr. Rockefeller's ability to serve was never a question, even to his most adamant opponents. His experience covers almost four decades during which he has become ar expert in Latin American affairs, governed the vast State of New York and shaped its history, advised Presidents and headed numerous national commissions seeking answers to this country's problems.

What has been at issue is the fact that Mr. Rockefeller and his family are tremendously wealthy, and that over the years he has disbursed portions of this vast fortune in gifts and loans to private individuals and public servants. The far-reaching nature of such immense wealth has aroused doubts in the minds of many as to whether Mr. Rockefeller can carry on the Nation's affairs without an ever-present potential for conflicts of interest.

To my mind, these gifts and loans do not necessarily mean that strings were pulled to obtain favors. In fact, not even a hint of illegality has come out, even under the bald light of the committee hearings.

There have also been criticisms of his involvement in Victor Lasky's controversial book on Arthur Goldberg and of his inconsistent record on prison reform.

These and other matters reveal a certain amount of insensitivity in some areas of his previous public life. They are questions not easily put aside. But the fact remains that Mr. Rockefeller has responded to questions on these subjects openly and fully and I believe he now realizes what difficulties they pose

for the American people. While I certainly do not agree with some of Mr. Rockefeller's decisions on these and other matters, I do not feel they should disqualify him from the Vice Presidency.

Why? Because I believe that the unusual and thorough disclosure of Mr. Rockefeller's personal and family wealth and his activities now in the public record are effective protection against similar incidents in the future.

No other candidate for the Vice Presidency or the Presidency has ever undergone such close scrutiny as Governor Rockefeller has since he was nominated last August. The Senate Rules Committee held 7 weeks of public hearings and the House Judiciary Committee held 3 weeks before recommending confirmation by an overwhelming margin. In addition, such agencies as the FBI and the Internal Revenue Service have thoroughly investigated every aspect of his long career in public service and his personal and family finances. Furthermore, the nominee has agreed to end such practices and to put his fortune in a blind trust for the duration of his term in office.

The true Rockefeller fortune is not in his money, but the wealth of talent and experience he brings to the Vice Presidency. His career in public service and a vast number of positions of great responsibility eminently qualify him for fulfilling the duties of the Vice Presdency, and even the Presdency, if some tragedy should require it.

The times we live in demand that our Nation be led by experienced men, not experimenters. Men who can decide for the Nation, not divide it.

Nelson Rockefeller meets these demands. Therefore, I intend to vote for his confirmation and urge my colleagues to do likewise.

Mr. HEINZ. Mr. Chairman, will the gentleman yield?

Mr. ROBISON of New York. I yield to the gentleman from Pennsylvania.

Mr. HEINZ. Mr. Chairman, I rise in support of confirming Nelson A. Rockefeller as Vice President of the United States, mindful that we meet today to discharge a solemn obligation. Indeed, it is a responsibility that may well prove to be unique in the history of our Nation.

The 25th amendment to the constitution is quite simple. When a vacancy occurs in the office of the Vice Presidency, it requires that the President designate his choice to fill the Vice Presidential vacancy. Such a nominee may only become Vice President when the Congress has voted, a majority of both the House and Senate, in the affirmative, to confirm.

Just over a year ago Gerald R. Ford became the first Vice President to be confirmed under the 25th amendment. Richard Nixon's resignation—an unprecedented departure from our Nation's highest office of public trust and responsibility—then caused Mr. Ford to assume the Presidency. It is President Ford's nomination of Nelson A. Rockefeller of New York for the office of Vice President that we must decide upon today.

In deciding on Mr. Rockefeller's qualifications and fitness, I believe we must apply a standard that meets two somewhat conflicting tests: it must be the highest possible standard; but it must also meet the test of being a reasonable standard.

We cannot set a standard so high that it is impossible to achieve. Yet experience and prudence dictate that the test should be stronger than either of our political parties apply in the choice of their Presidential and Vice-Presidential nominees since the electorate at large will have no chance to measure candidates and then decide.

There is almost no question that Mr. Rockefeller has the basic intellectual capacity and experience to govern and accede to the Presidency. His four terms as Governor of the great State of New York and the numerous other positions of trust that he has held under both Democratic and Republican administrations establish this beyond reasonable doubt. Moreover, as stated in the Judiciary Committee Report on page 20.

Mr. Rockefeller's record as Governor of New York shows outstanding achievements in providing improved transportation services, health care, protection of the environment, promotion of the arts, and accomplishments in many other areas which are fully documented in the record of the Committee's investigation.

Mr. Rockefeller cited as a key to his faith in our Federal system the return to local governments of 62 percent of every dollar of state taxes collected while he served as Governor.

At the national level, Mr. Rockefeller has demonstrated his ability in a wide range of governmental posts—from his Chairmanship of President Eisenhower's Committee on the Organization of the Executive Branch of the Federal Government to his crucial role in organizing the Department of Health, Education, and Welfare as its first Undersecretary.

At the international level, Mr. Rockefeller has served five Presidents of both parties in behalf of many aspects of the foreign policy of the United States. As Coordinator of Inter-American Affairs under President Franklin D. Roosevelt, later as Assistant Secretary of State for American Republic Affairs, and on subsequent diplomatic assignments, the Vice President-designate has amply demonstrated his mastery of the skills necessary for the development of an effective foreign policy.

Finally, in the area of inter-governmental affairs, Nelson Rockefeller's four years of service on President Johnson's Advisory Committee on Inter-Governmental Relations are indicative of his expertise in this increasingly important field of national policy.

In summary, the Committee's exhaustive investigation of Nelson Rockefeller's extensive record of public service provides convincing evidence that he is uniquely well qualified as the right man to serve our country as Vice President at this time. Nelson Rockefeller qualifies under the 25th Amendment as a national leader of exceptional intelligence and admirable dimension.

While I strongly agree with the above conclusion, this is not the first occasion when I have carefully examined Mr. Rockefeller. I did so over 6 years ago, in 1968, as an elected delegate to the Republican National Convention, when, after careful study, I felt Mr. Rockefeller had every qualification to become the President of the United States. And, at that convention, I voted to nominate Nelson Rockefeller as the Republican candidate for President.

Our shattering experience with the events known as Watergate has taught us that there is far more to being President or Vice President than intelligence and experience. We have been reminded that integrity is vital, and that conduct of the Nation's affairs has but one and only loyalty: to the Nation and the public that has entrusted to the Presidency so many vast responsibilities and powers.

The House Judiciary Committee has made a minute examination of Mr. Rockefeller. I have listened carefully to both the proponents and the opponents of Mr. Rockefeller's confirmation and examined hundreds of pages of testimony in the hearing record of the Judiciary Committee. Clearly, Governor Rockefeller has made his share of unpopular decisions. On occasion he has made mistakes. But I believe no one in public service can avoid making either unpopular choices or decisions that turn out to be wrong. These are the inevitable battle scars of fighting for what you believe is the good of the people of your State or Nation. Our society places great value in fighting for what we believe in. It is clearly not something that should disqualify a man or woman from holding any high position of public trust.

I except the circumstances involving the book on former Supreme Court Justice Authur Goldberg from the category of unpopular choices or mistaken decisions. In what the committee has determined to be a single and isolated instance I question Governor Rockefeller's judgment and handling of the issue. It is a blemish on an otherwise distinguished record of public service which I do not condone. But I am satisfied that it is a single instance, and that it is not indicative of Mr. Rockefeller's basic character. I do not believe it is sufficient to disqualify him.

Before the Judiciary Committee began its searching inquiry, it was clear that Nelson Rockefeller was a man of tremendous wealth. It has, of course, been suggested that this wealth should disqualify him whether or not Mr. Rockefeller, as he has pledged, places his holdings in a blind trust. That we should apply this standard seems totally inconsistent with the American belief that we judge a man on what he has done, not how much money he is worth. Application of this test would have prohibited public service by some of our most distinguished Presidents and greatest high Government officials, including Presidents Kennedy and Roosevelt. Nelson Rockefeller's own career, exemplified by the unparalleled record of honest administration during his 16 years as Governor of New York State, is in itself a further demonstration that individuals of very considerable wealth can and do put the public trust consistently above any temptation of private gain.

Our country needs a strong and responsible executive branch to work with a strong and responsible Congress if we are to overcome these difficult and challenging times at home and abroad. In supporting the confirmation of Nelson Rockefeller, I am hopeful that this Nation can and will make use of his considerable talents to make America a land of equal justice and genuine opportunity for all our people.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. ROBISON of New York. I yield to the gentleman from New York.

Mr. WYDLER. If the gentleman would yield to me further, I would just like to say I have listened to the main theory put forth in the House here today by some of the opponents of Nelson Rockefeller to the effect that the Rockefeller family has too much wealth to qualify him for the job. That seems to be a very strange argument, indeed, because, of course, it would disqualify every member of the Rockefeller family. They would all be subject to that same criticism, including a member such as a gentleman known as Jay Rockefeller who was running for Governor in West Virginia as a Democrat not long ago. He might be surprised to find out that he is disqualified in the minds of some Members of this House of ever being considered as able to run for President or Vice President of the United States.

Mr. BIESTER. Mr. Chairman, will the gentleman yield?

Mr. ROBISON of New York. I yield to the gentleman from Pennsylvania.

Mr. BIESTER. I thank the gentleman for yielding.

Mr. Chairman, I firmly believe Nelson Rockefeller is uniquely qualified for the position of Vice President of the United States, and I rise in support of his nomination to that office.

As Governor, Mr. Rockefeller placed New York in the forefront of State—and national—leadership in addressing social, economic and environmental problems. He worked and fought for the elimination of discrimination in housing, expansion of the State university system and increased aid to elementary and secondary schools, establishment of a strong air and water pollution control program and extensive improvements in the State's transportation network. In word and deed, Governor Rockefeller has been an innovator and aggressive exponent of an invigorated Federal system of government.

His career at the national level has been nothing less than impressive. He has worked in the administrations of four Presidents of both parties. He has served as an assistant Secretary of State, an Under Secretary of HEW, a special assistant to a President and a chairman or member of numerous national boards and commissions.

Nelson Rockefeller, although he has been before the electorate in his own State and nationally on a number of occasions, has not won the public's endorsement to be Vice President through the customary campaign and electoral process. Instead, he has had to gain its confidence indirectly through Members of the House and Senate acting under the procedures set forth in the 25th amendment.

Accordingly, the Congress examined Nelson Rockefeller—his personal and public lives—in the minutest detail. Because the traditional route of campaign appearances and media testing was not available for the public to size up and measure the nominee's qualifications, Congress initiated a probing investigation into Mr. Rockefeller's background. Much was already on the record dating back to the beginning of his public service in the Roosevelt administration and continuing through his 15 years as Governor of New York. Personal and family finances—a subject intensely personal to each of us—were laid bare and scrutinized.

All this revealed Nelson Rockefeller to be an accomplished administrator with experience both nationally and internationally, a man who in the long course of public service has inspired considerable progress in many areas of social concern. During these many years he has made some mistakes and errors of judgment and, quite expectably, his policy decisions as Governor were not always well-received by certain people and groups. This does not disqualify him from being Vice President.

Much has been said in a negative way of Governor Rockefeller's wealth and financial interests and that this should somehow prevent him from becoming Vice President under the 25th amendment. I believe this argument is without substance and, in fact, suggests a totally unacceptable precedent for the consideration of future Presidential and Vice Presidential candidates.

Nelson Rockefeller was born into a family of great wealth, and that family remains one of the most wealthy in the country. It is also a family which has maintained a generous philanthropic involvement with a wide spectrum of deserving groups and causes. Mr. Rockefeller has neither experienced firsthand nor undergone the many severe handicaps facing the poor in this country or, for that matter, had to cope with the everyday problems of the middle-income wage earner. He has not, however, allowed his wealth to isolate him from becoming involved in efforts to resolve the social concerns of the average American. His financial independence has allowed him the freedom and flexibility to devote himself, as few men have, to serving the public. In so doing, he has involved and educated himself intimately and widely in an extensive range of problem areas.

American history shows that, in the past, wealth—or the absence of it—has not prohibited individuals from running for office and getting elected, including a number of Presidents and Vice Presidents in recent decades. Mr. Rockefeller has given his assurance that his financial interests will not be permitted to interfere or conflict with the execution of his Vice Presidential responsibilities and his oath of office to the United States. I believe we can and should accept his word.

The 25th amendment and the examination to which Congress has subjected Nelson Rockefeller, as exacting as it was and must be, was not intended to set standards for the office so unreasonably stringent that no one can qualify. If we are saying Nelson Rockefeller should not be Vice President because of his wealth, or because he has offended some people and interests during his career, or because he has erred in his handling of certain situations, then we are virtually saying that no one should be Vice President—or President—who is wealthy, or who has to make some difficult and unpopular decisions or who has erred in judgment. Mr. Rockefeller has been a dynamic and aggressive leader willing to tackle controversial problems and eager, personally and as a public official, to right wrongs as he sees them.

I have studied the arguments and propositions raised against his confirmation very carefully, and while they do reveal some unfortunate errors of judgment they do not convince me that his nomination should be rejected. I have looked at the totality of his record and am voting to confirm him on that basis.

I look expectantly and optimistically to having Governor Rockefeller adding his extensive expertise to national problem-solving during the next 2 years. Few people are as uniquely qualified to serve during such an uncommonly challenging period in American history. Let us confirm our new Vice President and free his abundant energies and intellect for the big job ahead.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. DANIELSON).

Mr. DANIELSON. I thank the gentleman for yielding.

Mr. Chairman, there has been an implication in the debate today that perhaps we are trying to set a double standard in considering the confirmation of Mr. Rockefeller. I say that in one respect that may be true, and should be, and in another it should not. We are not the electorate of the United States. The people of the United States can choose as their President or Vice President, whomever they wish. They have a right to vote for whomever they choose. But we, as trustees for the people of the United States under the 25th amendment, must adhere to a higher standard than that. We are not conducting our own business; we are conducting the public business; and we must be held to the highest standards of trust and select a Vice President who is beyond criticism for that office.

In another respect, should we have a double standard for different nominees under the 25th amendment? I say that we should not. The standards we apply to Nelson Rockefeller—or applied to Gerald Ford a year ago—or to any other nominee under the 25th amendment, should be the same.

If conflict of interest is too great a disqualification for one nominee, then conflict of interest is too great a disqualification for another. Could the Members sit here and state that if someone other than Nelson Rockefeller had a massive conflict of interest, they would still vote to confirm?

When we considered Gerald Ford, we even traced out the fact that he got some money for his mountain home from his children's piggy banks, of course, with their permission, and yet we overlooked billions of dollars which lie unexamined in the Rockefeller vaults.

Mr. Rockefeller has a massive conflict of interest. Never again will we find one quite the equal. His conflict of interest reaches into every nook and cranny of our economy. It is congenital, and it is in-

soluble. I submit that if conflict of interest is to be a standard and should be an issue, we must acknowledge the fact that here is the greatest conflict of interest in the United States, and then if we are going to confirm, we must confirm despite that fact.

The thing that concerns me most, however, is the gifts and soft loans to public employees of the State of New York at the time he was Governor. I am not going to recount them here, but if the Members will look at pages 287 to 289 of the Hearings, they will find a listing of the various gifts and soft loans he made to public employees of the State of New York, and they will find that scarcely ever were they collected.

Again, if they look at pages 954 through 957, they will see the explanation given by William Ronan, the recipient of the greatest gift, some $625,000.

I am not going to repeat the whole Ronan story here but the Members well know that during his employment with the State of New York he received $510,000 in soft loans, with no interest, no collateral, and no effort to collect, but during the little 13-day window in time last May, after he resigned from the State government, all of these were forgiven, all of them, plus an added tip of $40,000, so that in the course of 16 years he came out a net beneficiary of $625,000. A summary of the Ronan transactions is as follows:

FINANCIAL TRANSACTIONS BETWEEN WILLIAM J. RONAN AND NELSON A. ROCKEFELLER, AND SIGNIFICANT DATES OF WILLIAM J. RONAN'S EMPLOYMENT, DECEMBER 19, 1958 THROUGH MAY 16, 1974

December 19, 1958: Gift, $75,000.

January, 1959: William J. Ronan became New York State Employee under Governor Nelson A. Rockefeller.

January 8, 1963: Loan, $100,000; balance owed, $100,000.

May 1, 1965: Loan, $50,000; balance owed, $150,000.

May 1, 1965: Loan, $50,000; balance owed, $200,000.

July 15, 1966: Loan, $110,000; balance owed, $310,000.

December 16, 1966: William J. Ronan became full-time Chairman of the Metropolitan Commuter Transportation Authority (later known as the Metropolitan Transportation Authority).

January 24, 1967: Loan, $50,000; balance owed, $360,000.

October 16, 1969: Loan, $150,000; balance owed, $510,000.

May 1, 1974: Ronan resigned from Metropolitan Transportation Authority, left state employment.

May 3, 1974: Gifts, $510,000, $40,000; total gifts, $625,000.

May 3, 1974: Ronan became Chairman, Board of Commissioners, of the Port Authority of New York and New Jersey (unsalaried).

May 13, 1974: Ronan became salaried employee of Rockefeller Family and Associates.

May 16, 1974: Ronan became a Trustee of the Power Authority of the State of New York.

The nominee would tell us he was concerned that Ronan did not have enough money for his retirement. Is that not something? Could it be that Mr. Rockefeller never knew anybody else without enough money for his retirement and, if he did, did he give that person $625,000?

I ask the Members, at this time when the restoration of public confidence is such an important concern in our Republic, when the lack of faith is such a grave problem, can we now, in good conscience, confirm as Vice President, as potential President, a person who is unaware, insensitive, and ignorant of the effect of wealth, badly used, to corrupt public officials? I say we cannot and I say we should turn down this confirmation.

Mr. KASTENMEIER. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. BADILLO), soon to become a member of the Judiciary Committee.

Mr. BADILLO. Mr. Chairman, I rise in opposition to the nomination of Nelson Rockefeller for Vice President of the United States. In my judgment, the confirmation hearings before the House Judiciary Committee and the Senate Committee on Rules and Administration establish clearly that Nelson Rockefeller, as Governor of New York State for 15 years, availed himself extensively of the economic power and influence of Nelson Rockefeller, the private individual. That power and influence were used in the conduct of political campaigns for the governorship, in the appointments to office made as Governor and in the development of policy decisions affecting the people of New York State. In my opinion, Rockefeller the Governor and Rockefeller the billionaire were one and inseparable and governed as one. I oppose the nomination because there is nothing in the record of the hearings that reassures me that Rockefeller the Vice President or Rockefeller the President will conduct himself any differently in the future than he has in the past in terms of combining political know-how with private economic wealth and influence. I oppose the nomination because I would consider such a combination a serious danger to our country.

Many of the issues presented at the confirmation hearings remain unresolved and for that reason I was among those who sought to delay the confirmation vote until additional facts could be secured. Nevertheless, I believe the following conclusions are justified from the available data:

First. Nelson Rockefeller and his family spent nearly $20 million to elect and maintain Nelson Rockefeller as Governor of New York State. In addition, the record shows that the private wealth of Rockefeller and his family was used extensively to finance campaigns of political supporters. It is impossible to compile total amounts contributed by related interests but even the limited amounts revealed to date indicate that the fortune of Rockefeller the candidate was heavily dependent on candidate Rockefeller's fortune.

As far as the future is concerned, the nominee has testified that he intends to continue to make political contributions to selected political candidates if confirmed as Vice President not unlike contributions he has made over the years. Presumably, the same would apply to the nominee's family and related interests. Such a prospect can hardly be called reassuring.

Second. The case of the Goldberg book indicates clearly that the resources available and used by Governor Rockefeller included not just money but the best talent and connections available in the legal community of the country.

It is apparent that the entire Goldberg episode involved a complicated scheme which embraced establishing separate corporations and requiring the services of law firms in Washington, New York, and Philadelphia. Anyone familiar with legal firms' fees knows that the cost of devising and carrying out such a scheme in legal fees alone would have been several times the amount of the alleged investment and that the project would have been abandoned on that ground if the client had been anyone but Nelson Rockefeller. As it happened, the project went ahead and there is nothing in the record to indicate that the normal legal fees and other costs were paid. This case points up clearly that access to talent and connections can be more important than actual amounts of money involved and that such access was availed of where necessary.

Third. The gifts and loans made by Governor Rockefeller to appointed public officials in key positions established an additional layer of obligations between the Governor and his appointees which conflicts with the public interest. Even if the most charitable and innocent explanation for gifts and loans to appointed officials is accepted, the inevitable result of this practice is the establishment of a new and special relationship between the Governor and his appointees which would give an appointee greater pause in criticizing his benefactor. The prospect of being fired is obviously an inhibiting factor but the necessity of having to repay a debt while looking for another job would certainly serve to deter even the most outspoken public official. It is surprising that Mr. Rockefeller could be so unsophisticated that he failed to perceive this problem until it was called to his attention during the hearings.

However, it is not totally reassuring to know that Mr. Rockefeller pledges to make no additional gifts or loans in the future because the hearing record indicates that the special relationships established by Governor Rockefeller include not just gifts and loans but future employment at substantial salaries with family enterprises. For example, Dr. Ronan was retained as a "family consultant" at a salary of $100,000 per year when he resigned from his paid position in State government. Mr. Alton Marshall became the president of Rockefeller Center at a substantial salary when he resigned from State government. No attempt seems to have been made by the committee to trace this line of inquiry but there is enough mention of other former key officials working in different family enterprises to indicate to me that the private resources of the Governor were used extensively to offer inducements that could conflict with the public interest.

Fourth. The interests of the Rockefeller family were so pervasive in New York State that they could not be separated from the public interest in the develop-

ment of basic policies for the State. The hearing record documents clearly that the merger of the Metropolitan Commuter Transportation Authority with the Triborough Bridge and Tunnel Authority came about as a result of an agreement between Nelson Rockefeller, acting as Governor and David Rockefeller, president of Chase Manhattan Bank, acting as trustee for certain bond holders. The conclusion of this agreement was indispensable to Governor Rockefeller's political career and it is inconceivable that David Rockefeller could have failed to recognize the importance of the agreement to his brother.

The record indicates that the potential for conflicting interest is even greater on the national scale. As stated by Representative Kastenmeier in his separate views:

> A review of their holdings indicates that they maintain a sizable personal influence in virtually every important aspect of American life.

Accordingly, it is clear that there is no reasonable way in which it could be expected that future conflicts of interest of even greater magnitude than existed in New York State could be avoided.

It is in the light of the above circumstances that I have decided to oppose the nomination of Mr. Rockefeller. I must point out that I disagree strongly and, so I believe, do the people of my district, with Mr. Rockefeller's views on Attica, Chile, Watergate, tax reform, the role of the military in American life, his views of his accomplishments as Governor of New York, the continuance of CIA covert operations, and indeed most of the important issues in our society today. This basic disagreement would be enough under the intent of the 25th amendment to justify a negative vote for confirmation on behalf of the district which I represent. However, I believe the earlier reservations I have raised apply to every district and therefore cast my vote on the grounds that confirmation would not be in the best interests of any community in this country.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman, I shall vote against the confirmation of Mr. Nelson Rockefeller as Vice President of the United States. I shall do so because of a commitment I made to the constituents of my congressional district to follow the outcome of a districtwide poll on the question. I would also like to state that I do not differ with this directive because of my own serious reservations about his confirmation. I should say at the outset that I have no illusions about the results of the vote on Mr. Rockefeller's confirmation but I do feel that it behooves me to state the reasons for my opposition and the opposition of the majority of my district.

For the first time in the 14 years I have served in Congress, Mr. Chairman, I bound myself to the results of a legislative poll. During my tenure in the U.S. Congress I have sent out an annual questionnaire soliciting the opinions of the people in the district I was elected to serve, on the major issues confronting the Nation. On each occasion I have stated my belief that an elected official has the responsibility to weigh all sides of each issue to the best of his ability and should never let public opinion be the sole factor in his decisions. I do feel that any officeholder should realize that his judgments are not always right and that it is important for him to lay his judgments alongside of the people who elected him. However, I have always insisted that the final responsibility for each vote rest with me and that I stand ready for the people to hold me accountable for my voting record.

In the case of the poll asking for the opinions of the residents of Missouri's Eighth District on Mr. Rockefeller's confirmation I made an exception to my general rule and bound myself to the results of the poll for the following reasons: First, for the first time in the history of this Nation we have a President who was not elected by the people to either the Presidency or Vice Presidency; second, once a Vice President is confirmed we will have, also for the first time, two men serving in the Nation's highest offices who have not attained these positions through a vote of the people, and third, since any man who serves as Vice President is only one heartbeat away from the Presidency it is entirely possible that the man we confirm as Vice President might become President. It was my judgment that allowing the people to determine my vote on confirmation by their responses was the closest means I could find to give them a ballot on the selection of their Vice President.

Although the results of my poll were not as large as I had hoped, 20,529 people responded to the question of Mr. Rockefeller's confirmation. 11,078, or 54 percent of those responding, voted against confirmation while 9,451, or 46 percent voted for the confirmation of Mr. Rockefeller. Certainly the vote was too close to contain any overwhelming sentiment on the issue but the fact that the percentages ran about the same from the earliest returns to the latest probably indicates a fairly accurate guage of opinion of the voters in the district.

Many reasons were given by Missourians who opposed Mr. Rockefeller's becoming Vice President. Certain themes reoccurred, such as: "We don't need an oil man as Vice President," "I am opposed to a man who would rather make gifts to his friends than pay his honest taxes to the government of his country," "he is very liberal, a pro-abortionist, and his record of deficit spending while governor of New York, should prevent him from being one heartbeat away from the presidency," "he was rejected by the voters for President in 1964 and should not be appointed to an office for which he could not be elected," "he has used his great wealth to gain political power and influence," "his vast economic empire would involve him in a conflict of interest on almost every subject," and many similar statements.

People on the other side of the question assured me that such a wealthy man could not be bought, that he might have even less power as Vice President because he would be watched closer, that he had tremendous administrative experience and was well versed in foreign and domestic problems. It goes without saying that I recognize that there are two sides to this issue.

Mr. Chairman, I certainly do not believe that any man should be prevented from holding any office because he is wealthy just as I do not believe that wealth entitles anyone to public office. I have strongly favored a revision of campaign spending laws for many years in order that public office might be within the reach of the nonwealthy as well as the wealthy.

In examining the disclosure of loans and gifts by Mr. Rockefeller to his political friends and associates there remains a question of how extensively—perhaps unintentionally—his wealth was used to obtain his political power and influence. The fact that these gifts ranged from judges, New York State officials in agencies dealing with banks, transportation, and taxation, to the U.S. Secretary of State cannot help but raise doubts in our minds about how great his influence might have been over these people.

Yet I feel that the most alarming observations were made by Bill Moyers in a December 2, 1974 Newsweek article where he points out that if Mr. Rockefeller is confirmed:

> There is next in line for the Presidency a modern Croesus whose own resources constitute a fifth estate of government—a network of alliances so invisible and vast they are immune to ordinary accountability and represent private means to supersede the public process.

He then makes the point that:

> Simply *being* Rockefeller is a conflict of interest.

As he complains that the entire story "of wealth and power mingling in high office" has not been told by Mr. Rockefeller he finds a point missed by most "of how corrupting great wealth can be, not just to the people who possess it but to those who stand in awe of it."

Mr. Chairman I do not question Mr. Rockefeller's honesty, integrity, or sincerity—nor am I passing blanket judgment that he is unfit to serve in the high office of Vice President or President for that matter. I am, however, convinced that enough serious questions have been raised about his economic and political power, his past dealings and decisions to indicate that we could certainly find many other men more capable of inspiring the confidence and providing the leadership sorely needed in this country in the aftermath of Watergate. Therefore, I can carry out the wishes of the majority of those in my district answering the poll with the conviction that my people have directed me to do that which is in the best interest of this Nation.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts (Mr. HARRINGTON).

Mr. HARRINGTON. Mr. Chairman, no vote in the 5 years I have been in the

Congress is as difficult and fraught with uncertainty as the one I intend to cast this afternoon for Nelson Rockefeller. A year ago, on December 6, I stood here and urged this House to reject Gerald Ford. I could take a momentary and perhaps ill-placed satisfaction in having some of my predictions borne out. I take no other pleasure in coming today to support Nelson Rockefeller precisely for the reason that Gerald Ford is President.

His well-intentioned, ambivalent, leaderless and almost absence of philosophy tenure over the last 4½ months, superimposed on 11 years of foreign and domestic discord, of shattering of the fabric of public confidence in the institution of government to the point of where whatever is left is fragile and tenuous, prompt me to support someone who in other times less bizarre, less unique, less significant, I would find easy comfort in joining with those who have spoken against him.

I do not believe we can afford, in attempting to, in vicarious fashion, offer judgment this afternoon, lose sight of what this country has gone through, lose sight of the precipitous decline in public support of the present occupant of the office in the obvious inability to inspire, to nurture, to develop that fragile, subjective element called confidence in government.

I do not know that Nelson Rockefeller can. I do not suppose, frankly, that, situationally, I would not find myself very, very defensive when each of the specific issues raised appear, or the general concern of the divergence of wealth and political power are brought to the forefront. But I have, despite a clumsy degree of optimism in our ability to muddle through most of our problems, a persuasive sense of pessimism about where this country has been and where, in reckless fashion, it appears not to be going.

Whatever one may say about Rockefeller and his tenure in public office over 40 years, he has not hesitated to fill vacuums, to attract and to use talent, and to a degree to be decisive, even in a controversial way.

I suppose in an era attendant to having a lesser time to deal with someone not as controversial as Nelson Rockefeller, contrasted with the fact we had almost double the time given us 1 year ago to deal with someone as bland as Gerald Ford was in his 25 years in the Congress, it says something for the standards which even these concerns today make disparate allies in this House.

But it is the pessimism and the bleakness of the uncertainty of what we have left of the institution, both private and public, that compels me on an act of faith and not expectation in support of Rockefeller in general in the broadest sense it stands for, the firmness, purposeful execution of whatever the role is he has filled. I hope that we can see, out of the next few years, perhaps the emergence of a dual Presidency, perhaps the filling of that vacuum which is so profound, which has disturbed me on occasions like today.

Let me close by suggesting that, having been forewarned twice in the instance of the use of the 25th amendment, and once in the tortuous process called impeachment that we have gone through, that I hope that the process we have seen used by the Committee on the Judiciary over the course of the last year will be the basis for more widespread and deeper-rooted inquiry intc the institution that we have had for almost two centuries and not wait until some other trauma befalls us before we act in a hasty fashion and ill-conceived fashion.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. HARRINGTON. I yield to the gentlewoman from New York

Ms. ABZUG. Do I take the gentleman's words to mean that, in his judgment, if we confirm today, what we do is confirm not a functionless Vice President but, hopefully, in his view, an acting President?

Mr. HARRINGTON. Exactly.

Ms. ABZUG. In that case, in the opinion of the gentleman, does it not matter what he stands for, what position he takes, although it be entirely contrary to those of the gentleman?

Mr. HARRINGTON. I would prefer always to have someone who has positions of philosophy and purpose than someone who has an absence of those qualities, whether I agree or not.

Ms. ABZUG. In other words, it is the view of the gentleman that what we do here today is install a President, and the gentleman does so willingly, even though it may mean that this man may oppose everything that the gentleman has fought for?

Mr. HARRINGTON. I disagree with "installing a President," but other than that, up to now, I would concur in what the gentlewoman is suggesting.

Ms. ABZUG. Thank you.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. HUTCHINSON).

Mr. HUTCHINSON. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey (Mr. MARAZITI).

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. MARAZITI. I yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, I thank the gentleman for yielding. I rise in support of the confirmation of Nelson Rockefeller.

Mr. Chairman, I will cast my vote in favor of the confirmation of Nelson Aldrich Rockefeller as Vice President of the United States in the conviction that this course is in the best interest of the Nation as a whole and in conformity with the responsibility placed on the House of Representatives by the 25th amendment to the Constitution.

Exhaustive investigations by the Judiciary Committees of both the House and Senate have covered every aspect of Mr. Rockefeller's personal and public life. No candidate for any office in the history of this country has ever been subjected to such intensive and far reaching scrutiny. While the committee hearings revealed actions by Mr. Rockefeller which were less than exemplary, his overall qualifications were deemed to be compatible with the requirements of the Office of the Vice Presidency. Consequently, I agree with the majorities on both these committees and the overwhelming majorities in both the House and Senate that nothing revealed disqualified the former New York governor from becoming Vice President.

The 25th amendment, for good reason, does not call upon the Congress to judge a vice president-designate on his political philosophy, but on his fitness to hold the office. Mr. Rockefeller's long and honorable record of public service, his vast experience in government at all levels and his many admirable personal qualities give us all reason to expect him to carry out the duties of Vice President with distinction.

Mr. CONLAN. Mr. Chairman, will the gentleman yield?

Mr. MARAZITI. I yield to the gentleman from Arizona.

Mr. CONLAN. Mr. Chairman, today we are being called upon, under the 25th amendment to the U.S. Constitution, to vote our approval or disapproval of President Ford's appointment of Nelson A. Rockefeller as 41st Vice President of the United States.

After carefully considering the many arguments and evidence given for and against this appointment, I have come to the conclusion that I will have to vote no on Mr. Rockefeller's confirmation.

My responsibility under the 25th amendment, as I see it, is to be a representative for the views of the voters of my congressional district, voters who have not had a chance under the 25th amendment to express their vote at the ballot box for either our President or Vice President. Communications from citizens in my Arizona district overwhelmingly indicate he is not their choice for Vice President or President.

I myself think our country would be better represented and served by a younger man closer in generation and thought to the majority of our people. And also, I think it would be most difficult for a man of this wealth to personally comprehend the needs and desires of the working men and women of America.

However, my voters major concern, and one that I personally share, is that confirmation today of Mr. Rockefeller as Vice President, and possibly successor President of the United States, will merge the world's most powerful private fortune and financial empire with the world's most powerful government.

This will fuse in the hands of one man a family heavily involved in world finance and trade in both the free and Communist worlds with the leadership of our executive branch of Government, which is daily called upon to make vital choices and decisions greatly affecting the personal economic lives of our people and our political survival as a nation.

Many Arizona voters have expressed to me their belief this is fair neither to the man nor to the people of this great Nation. Mr. Rockefeller will have a great personal burden, in this position of tremendous governmental power and influence, separating his family loyalties from the active conflicts which will confront him as he serves as Vice President or President.

Mr. Speaker, I have come to the conclusion that these circumstances I have touched upon would prevent Nelson Rockefeller from ever being elected to this high office by the voters of my State, and perhaps all America, were he ever to come before them under our normal election processes. When people vote, they go beyond a candidate's philosophy and capability to do a job, beyond a simple weighing of problems confronting them and our country, casting a vote of confidence in political leaders, our political institutions, and our Nation's founding principles themselves.

Consequently, I must, as honestly as I know how, represent the voters of my district and cast a "no" vote against his confirmation as Vice President of the United States.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. MARAZITI. I yield to the gentleman from New York.

Mr. HASTINGS. Mr. Chairman, I rise in support, and very strongly so, of the confirmation of Nelson Rockefeller as Vice President of the United States.

Mr. Chairman, I welcome this opportunity to speak on behalf of Nelson Rockefeller who will be considered today for confirmation by the House of Representatives for the office of Vice President of the United States.

I think no person has been subject to a more rigorous examination of his qualifications than Mr. Rockefeller. Both the House and Senate committees are to be commended for the thoroughness with which they did their jobs.

Hardly any facet of his life, public or private, was left untouched. Some valid questions were raised about his great wealth and power but I feel the answers given by Mr. Rockefeller were forthright and dispelled any serious grounds for disbarment from the high office of the Vice Presidency.

Mr. Rockefeller has spent 34 years in public life—15 of those years as Governor of the State of New York. As a former member of the New York State Legislature, it was my privilege to be closely associated with him and I can attest first hand to his devotion and skill in seeking to solve the many problems that confronted the State of New York.

He faced tough decisions and admittedly not all his actions were popular but in the long run, he served the people well and they elected him their Governor four times.

Few men today can offer the Nation the expertise, experience and enterprise that Mr. Rockefeller can. He has demonstrated himself to be the possessor of a keen comprehension of the complexities of government and a comporable awareness of international affairs, both of which are so vitally needed today to buttress our national vitality at home and abroad.

I am aware that there are those who have misgivings about Mr. Rockefeller because of differences in political philosophies but I think my colleagues need not be reminded that this is not a reason for disqualification.

Under terms of the 25th amendment, nominations must be considered on the basis of the nominee's qualifications for the office. Certainly Mr. Rockefeller's more than 30 years of superior and unselfish service at both State and National level more than meet the test.

We have been without a Vice President since August 9 during a time when troubles deepen every day. I think the Nation will be greatly served if his enormous talents and energies can be utilized to help shape our national policies and I strongly urge my colleagues to confirm Nelson Rockefeller as Vice President of the United States.

Mr. DORN. Mr. Chairman, will the gentleman yield?

Mr. MARAZITI. I yield to the gentleman from South Carolina.

Mr. DORN. Mr. Chairman, I rise today to support the confirmation of Gov. Nelson Rockefeller for Vice President of our country. Mr. Rockefeller has been investigated more thoroughly than anyone in the history of the United States. The very fact that he has stood up under this grueling experience with calm, dignity, and even an excellent sense of humor, indicates he has the character, courage, and stamina to do the job.

As Governor of the great State of New York for 15 years, Nelson Rockefeller demonstrated great executive ability and leadership. He was admired and respected by his fellow Governors from throughout the Nation. He made many appearances before our Committee on Public Works. There he was a familiar and able witness for some of the greatest programs in world history.

We particularly respected his opinion on water quality legislation, economic development, housing, mass transit, rivers and harbors, and Federal highways.

Mr. Rockefeller has the rare ability to compromise when necessary for positive progressive programs. He has the ability to bring diverse factions and diverse viewpoints together for a common cause. He will provide for this administration the balance urgently needed. He is not only well versed in economic matters, but is thoroughly familiar with foreign affairs and has the friendship, associations, and contacts the world over to help our country during these troubled times of international stress and crisis.

I am proud to have been one who suggested to the President the nomination of Mr. Rockefeller. When flying back to Washington with the President from the National Convention of the Veterans of Foreign Wars in Chicago on August 19, I proposed to him that Mr. Rockefeller would provide for his administration a broader base of economic, regional, political, and philosophical balance. I still strongly feel the same way today. I urge the House to vote overwhelmingly for Mr. Rockefeller and thus demonstrate the unity so vital for our country in these critical times. I commend the President for recommending such an experienced, dedicated, patriotic, and devoted American to become Vice President of these United States.

Mr. MARAZITI. Mr. Chairman, the Committee on the Judiciary has conducted a thorough study and investigation of the qualifications of Governor Rockefeller. During that inquiry many points were covered, and properly so.

It seems to me that the central issue, as we have heard it here today, is the question of wealth, and, more especially, the question of the combination of wealth and political power. This issue raises a very profound question in American politics and American Government. The question is: Should wealth disqualify a citizen from holding public office?

If we accept the principle that it does, we in my opinion establish a very dangerous doctrine. Let us examine this concept for a moment.

If we agree that wealth should disqualify an individual from holding office, we must then ask the next question: How much wealth? A million dollars, $2 million, $10 million, or more?

Mr. Chairman, the point is this: Where do we draw the line?

And then there is another question we must decide: Who shall draw that line? Shall the Congress of the United States draw the line? Shall we amend the Constitution and deprive some citizens of this land from holding office because they are exercising their constitutional right to hold and acquire wealth?

Then we come to another question: Should the same rule apply to all public officials? Should the rule apply to the Members of this House? Should the rule apply to the Members of the other body?

It seems to me that the only reasonable and logical and sensible test is the integrity of the individual.

Fortunately, in this case before us involving the nominee, we have a record of past performance which allows us to judge the nominee. He has had a long term of public service. During the hearings before the committee there has been no apparent substantial conflict of interest shown to exist during the course of the term of office or during the course of the public service of the nominee. If there had been a conflict of interest of any substantial nature, we would certainly have heard of it.

Mr. Chairman, on the question of qualification to be the Vice President of the United States, I feel that the nominee is highly qualified. I say this because the Nation today faces serious economic problems. It seems to me that Mr. Rockefeller is an individual who can assist in the solution of these problems, and that he has the special knowledge and economic expertise that are needed in this period of our Nation's history. I feel he can be of tremendous assistance to the President of the United States and, more importantly, to the people of this Nation.

Therefore, Mr. Chairman, I urge the confirmation of Mr. Rockefeller as Vice President of the United States.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. MARAZITI. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, if a wealth test is to be established for the Vice President and, presumably, for the President, should not a wealth test also be established for Members of the U.S. Senate and for U.S. House of Representatives?

I understand the Senate is half full of millionaries, and I understand too there are a few millionaries alive and well in this body.

Mr. MARAZITI. That is a point I seek to make. If one is going to do it for one public official, he has to do it for all. Where does anyone draw the line, and who draws the line?

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. MARAZITI. I yield to the gentleman from New York.

Mr. WYDLER. I have also noted that one of the arguments raised here today is that Nelson Rockefeller has used his wealth to help himself run for office.

I would like to know of one man who has had any wealth of any kind, and even some who have had very little money, who has not used his personal wealth to help him run for office.

As a matter of fact, this Congress has recognized the right of people to do that by passing laws that have tried to set limits on it, but have recognized the right of people to use money that they have to run for office.

People sitting in this Chamber and in the Senate Chamber have always done the same thing. Democrats and Republicans have done the same thing.

The argument is specious.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. HUTCHINSON).

Mr. HUTCHINSON. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I wish to comment on the statements that have been made rather extensively in the last few minutes by my good colleague, the gentleman from New Jersey, and my good colleague, the gentleman from New York, about a wealth test.

I wish to assure my colleagues that many of us understand full well that people of wealth, and people of substantial wealth, have every right to run for office, as everybody has, and they should have this right. To imply that all of this concern over the use of wealth is somehow a reason that an individual should not run for office is false. I think that it should be made clear that it was the use of wealth in gifts to public officials that caused the problems many have talked about.

I can imagine, as my good colleague, the gentleman from California (Mr. WIGGINS), mentioned in the hearings, if any Member of this House or of the Senate had used his wealth to make substantial gifts to public officials, great concern would have arisen, and with good reason, because of the potential feeling of obligation that might have been implied with those gifts.

For instance, let us take the gift of $50,000 that was given to Mr. Kissinger, on his departure as an employee of the Rockefellers and on his becoming Chief Foreign Affairs Adviser in the Nixon administration. Would, in fact, that have some tendency to encourage Mr. Kissinger to look favorably on the Rockefeller interests internationally? For instance, let us take the recent reintroduction after many years of American banking interest in Peking: Who gets it—the Rockefeller's Chase Manhattan Bank.

I am sure that Mr. Kissinger did not, in his discussions in Peking, make that a major item on the détente agenda—that is, who would get the first and only American bank in Peking; or while in Moscow in talking to Breshnev suggest which bank might obtain a branch in Moscow. But I did not find this point adequately considered in the hearings. That lack of discussion on this subject disturbs me. What would Mr. Rockefeller do, as Vice President, for the Rockefeller business interests around the world? They are substantial. Are those gifts having some impact on our international relations?

Therefore, to imply that it is solely a question of wealth that is the main means test is incorrect.

The report, "Tax-Exempt Foundations and Charitable Trusts; Their Impact on Our Economy," of subcommittee No. 1 of the House Select Committee on Small Business, dated December 21, 1966, states:

> Between 1961 and 1964, Gov. Nelson A. Rockefeller provided practically all of the funds of the Government Affairs Foundation, Inc. of Albany, N.Y.—a foundation which received $310,469.49 in gifts (all from Governor Rockefeller) and paid out exactly zero dollars for contributions, gifts, grants, scholarships, etc. . . .

This report goes on to state that this Rockefeller-controlled foundation, however, during 1961 and 1964 did pay out—

> $120,000 in salary to Frank C. Moore, former Lieutenant Governor of New York. Additionally, during the same period, Moore received $10,000 per year expense account allowance. The $160,000 paid to Moore during that period represents approximately 57 percent of the foundation's total expenses of $284,193, and about 52 percent of the $310,469 contributed to the foundation by Governor Rockefeller.

This brings to mind many unanswered questions that were not covered in the confirmation hearings—

Exactly what was the purpose of this foundation?

Was it to create a full-time job for Frank Moore, and at the same time provide a tax deduction for Governor Rockefeller?

What functions did Mr. Moore perform?

How many other foundations does the Governor support that pay out nothing in contributions, gifts, grants, or scholarships, but pay high salaries to Rockefeller friends for unknown services?

Clearly, the Democratic Party has nominated substantial people of wealth, the Kennedys, the Harrimans, and many others. Nobody complained about their wealth because there were no substantial questions about the use of money to influence public officials.

Mr. Chairman, I rise in opposition to this nomination for several reasons. One, the opinion polls in this country show substantial opposition, well over 50 percent. It is the same in my district in California. It is a tradition in our country that the President and Vice President have general support of the electorate. Obviously, under these unique circumstances, Mr. Rockefeller has no way of running for Vice President. In the case of Gerald R. Ford, our new President, came from the House of Representatives. Gerald Ford was already elected to a position of leadership by individually elected Representatives with a broad national constituency.

The concern here is that three times Nelson Rockefeller was turned down in the nominating process of his own party for the office of President. As the gentleman from Massachusetts (Mr. HARRINGTON) has just said, it is his judgment that Mr. Rockefeller will in fact be almost an acting President of the United States. By the words of Gerald R. Ford himself, the President has said that Mr. Rockefeller as Vice President will probably have substantial involvement in the domestic economy of our country, and therefore will be, in some ways, the acting President, as surmised by the gentleman from Massachusetts (Mr. HARRINGTON). I agree with the gentleman. I think he will be in many ways the "acting President" of the United States, and for that reason we must give deliberate thought, concern and carefully contemplate the possible conflict of interest.

On the subject of domestic policy—If the same economic policies which Mr. Rockefeller imposed as the Governor of the State of New York, are implemented on our Nation, there is much reason for concern.

Editor Robert Bleiberg reported in Barron's of December 17, 1973 that—

> Nelson Rockefeller has spent the taxpayer's money as if it were his own. Since he moved to Albany a decade ago, New York's expenditures have nearly tripled, while New Yorkers—local businessmen in particular—have been saddled with the heaviest tax burden in the U.S. . . .
>
> Since then, things, have gone from bad to worse. In the past five years both the state budget and tax burden have mounted by more than half. New Yorkers remain far and away the most heavily taxed Americans, while the relative decline of the Empire State, political and economic alike, proceeds apace. . . .
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> Since 1959, the state budget has increased from $1.9 billion to the $8.8 billion estimated for the current fiscal year, ending March 31, 1974, not far behind New York City's disastrous financial spiral. Under Governor Rockefeller, taxes have been imposed or increased at least every other (usually non-election) year; in 1959, 1963, 1965, 1966, 1968, 1969, 1971, and 1972. Since Rocky took office, the maximum rate on the personal income tax has more than doubled, from 7% to a ponderable 15%; last year, moreover, a 2.5% surcharge (temporarily suspended) was decreed. Over the same period, the state gasoline levy has advanced from four to eight cents a gallon, the cigarette tax from three to fifteen cents per pack. A state sales tax, which now runs to 4%, and a host of nuisance taxes (including the notorious "hot dog" tax on meals costing less than one dollar) have gone on the books.

Mr. Bleiberg went on to point out that the tax load for New Yorker's has multiplied almost five times under the Rockefeller administration, from $94 per capita to $460. He also labeled New York as "the Nation's costliest and least efficient welfare State." During the Rockefeller administration the welfare rolls soared from 513,681 per month to 1.8 million. An audit of 9,000 cases selected by the New York State Department of Social Services revealed that 11.3 percent of those receiving AFDC aid were ineligible, and 23.2 percent were overpaid. This works out to be a fraud rate of 34.5 percent.

The Bleiberg commentary said with regard to education expenditures:

Another major rathole, New York State spends $1,584 per pupil in elementary and secondary schools, 17% higher than the second biggest spender (New Jersey) and a staggering 53% above the nationwide average.

He concludes with the observation that—

Tax and tax; spend and spend; elect and elect. For 15 years, the old New Deal formula has worked famously for the retiring Governor, less well for his state . . . Americans may face Critical Choices—but Governor Rockefeller scracely ranks among them.

Therefore, Mr. Chairman, I will not vote to confirm.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GROSS. Mr. Chairman, I rise in opposition to the confirmation of Mr. Rockefeller.

Mr. Chairman, while we are called upon here today to confirm or reject a nominee for Vice President, I must look upon this action as I am sure many other Members of the House of Representatives will, in direct relation to the highest office within the gift of the people of this Nation—the Presidency of the United States.

Twice within a little more than the last 10 years have Vice Presidents been elevated to the Presidency.

Mr. Speaker, I cannot support the nomination of Mr. Nelson Rockefeller.

I am convinced that should he become President, and in view of his vast, worldwide business and financial involvements, he would be repeatedly faced with conflicts of interest.

It is my opinion that no wall of blind trusts could be built high enough to insulate him from conflicts of interests arising from his operations in this country and abroad.

Mr. Rockefeller is a confirmed internationalist and supporter of the Council on Foreign Relations, the avowed goal of which is a "new world order"—in other words world government.

Time magazine has reported that Chase Manhattan Bank, owned by the Rockefeller interests, and which has an admitted $39 billion in assets, also has 28 foreign branches and "a globe-circling string of 50,000 correspondent banking offices."

As far as I know, there is nothing illegal about these farflung domestic and foreign financial interests, but they are the fertile fields from which, in my opinion, serious questions of conflicts of interest and ethics will inevitably spring.

His record as Governor of New York is scarcely a recommendation for either the Presidency or Vice Presidency.

Editor Robert Bleiberg, writing in the December 17, 1973, issue of Barron's, had this to say:

Since 1959, the (New York) state budget has increased from $1.9 billion to the $8.8 billion estimated for the current fiscal year, ending March 31, 1974, not far behind New York City's disastrous financial spiral.

During the past 15 years, says Bleiberg, New York's tax load has been multiplied nearly five times—from $94 per capita to $460.

This is only part of the record of a Governor who states it as his desire to bring fiscal sanity to Washington.

Mr. Chairman, I hold no brief for Arthur Goldberg or his ill-fated journey into the New York political arena, but I cannot accept the Rockefeller denial of knowledge of the issuance of a $60,000 undermining campaign document, and then the admission that he did. Neither can I accept the explanations of loans, all too often converted to gifts, to political associates.

In the wake of Watergate, with all its evils and corruption—largely spawned by the misuse of vast sums of money—we need not even a hint of additional tarnish.

Mr. Chairman, I have not supported Mr. Rockefeller in the past in his quests for the Presidency. I cannot support him now.

Mr. SYMMS. Mr. Chairman, I rise in opposition to confirmation of Nelson Rockefeller as Vice President of the United States. I am opposed to Rockefeller on philosophical grounds and I think that there are some things that my colleagues, especially on the Republican side, should consider.

During his political career of the last 20 years or so Rockefeller has followed a policy of tax and tax, spend and spend, elect and elect. In New York he created a political base through certain powerful vested interest groups which benefited—or thought they benefited—from inflation and debt. For 15 years he ruled New York by forging an alliance of certain sectors of big business and big labor at the expense of the average taxpayer. He is a champion of government intervention at every level and of creating bigger and bigger bureaucracies in the name of "problem solving," although most of the "problems" were created by government in the first place. There is reason to suspect that—like any political machine—the expansion of government at the hands of Rockefeller was used to solidify absolute political control through patronage and other government favors. I share the opinion of Senator GOLDWATER that Rockefeller has used his wealth to buy political power and influence. At the national level the policies advocated and practiced by Rockefeller have led to monopoly capitalism via government regulation, State capitalism, and a reduction of individual liberty. But, now let us look specifically at his record as Governor of New York.

The record is very clear. In his years as Governor the cost of State government in New York increased by 400 percent. According to the Citizens Public Expenditure Survey, Inc., taxpayers in New York State are today the most overburdened in the United States. In 15 years, the taxload of New Yorkers nearly quintupled. During the Rockefeller years the maximum rates on the State income tax more than doubled, from 7 to 15 percent; the State gasoline tax went up from 4 to 8 cents per gallon; the cigarette tax from 3 to 15 cents per pack; and a 4 percent State sales tax was imposed.

The bonded indebtedness of New York also increased 600 percent under Rockefeller. It is ironical that Rockefeller would have driven the State even deeper in debt were it not for the restraining influence of the State comptroller, Arthur Levitt, a Democrat. Levitt has said:

Rockefeller and his staff fashioned devices whereby debt was imposed on the people without their vote. This was done despite the fact that the state constitution forbids the assumption of debt or guarantee of debt without the vote of the people.

Thus the question naturally arises, will Rockefeller as Vice President or President be as cavalier with the laws and Constitution of the United States as he was with the constitution of New York?

As a direct result of these policies New York State lost 400,000 jobs during the years of Rockefeller's governorship. The State's share of the Nation's manufacturing declined from 11.2 to 9.2 percent. Many national companies moved to other parts of the country as the cost of doing business in New York became prohibitive. At the same time the welfare rolls have grown larger each year until, in New York City, 1 out of every 6 persons is on welfare.

President Ford has said that our No. 1 domestic problem is inflation, now running about 12 percent a year. It is reported that, if Rockefeller is confirmed, the President will assign him the task of presiding over the administration's war on inflation. In view of Rockefeller's almost incredible record as a champion of inflation, big spending, and big taxes, this could be likened to appointing the village arsonist fire chief.

Also, I think that we should take a look at Mr. Rockefeller's views on foreign policy. I am particularly concerned about his views on international federalism—or world government. In 1962, Rockefeller delivered a series of lectures at Harvard University which were compiled into a book entitled "The Future of Federalism." In this book Rockefeller argues that national sovereignty and the nation-state have become obsolete. He says that the problems facing our country and the world are simply outrunning the political mechanisms for handling them and proposes federalism between the free world nations as the solution. Rockefeller states:

The federal idea, which our Founding Fathers applied in their historic act of political creation in the eighteenth century, can be applied in this twentieth century in the larger context of the world of free nations—if we will but match our forefathers in courage and wisdom.

Now, I do not think that the American people want the United States integrated into some kind of world government. Americans love their independence and want to maintain it. And, make no mistake about it, there can be no involvement in a multinational federal union without loss of our national sovereignty. Rockefeller's proposal would mean a loss of our national sovereignty and it would make the United States subservient to the wishes of other nations. This proposal is contrary to the principles of liberty for it would further centralize power in the hands of a few. Government problem solving has been an utter failure on the national level; I shudder to think of what would result from a world government trying to solve all our problems.

Regardless of how well intentioned these proposals may be they would only result in the destruction of the individual

in society. And let me make a quick comment here; we as a nation must get our own house in order before we can solve world problems. Furthermore, problem solving will occur only by returning to a free society—free men working through free markets—not by government, especially a world government. I urge my colleagues to consider this before they vote today.

There is another aspect of Rockefeller's foreign policy views that I would like to mention. He and his brother David, board chairman of the Chase Manhattan Bank, are strong proponents of subsidized loans to Communist countries guaranteed by American taxpayers. Of all the many questionable purposes for which our tax dollars are spent, surely one of the least excusable is to finance the shipping of U.S. technology and industrial plants to the Soviet Union—and this is a policy Rockefeller has favored for years.

I would like to remind my Republican colleagues that we are being asked to confirm a man who has been soundly rejected as a Presidential candidate by Republican conventions three times, and his support among grassroots Republicans is very low.

For some time now I have been concerned about the leftward movement of the Republican Party. I fear that we have now entered an era where there is no philosophical difference between the leadership of the two major parties. They are both moving in the direction of more and more government, more and more spending and taxation. The selection of Nelson Rockefeller, in my opinion, only confirms this trend. We need at least one political party in the United States to stand up for the principles of limited government and a free economy. It seems we have come a long way from when Abraham Lincoln formed the Republican Party in the name of sacred principle, not false promise, based on the basic premise that slavery was wrong whether through excessive taxation and regulation or overt human bondage.

I hope my voiced objections to the nomination of Rockefeller will be taken in the spirit intended, which is one of constructive criticism of his political philosophy and policies. It is not a personal criticism. It is simply that Nelson Rockefeller represents—in the mind's eye of most Americans—big government, big business, big labor, high taxes, the centralization of power and abrogation of liberty, which were all part of the great society, new deal, paternalistic government approach which was soundly rejected at the polls in 1968 and 1972.

I for one will not be a party to the abandonment of principles nor to the breaking of my sacred trust as a U.S. Congressman. Far too many of my colleagues followed that course of action when Richard Nixon began his voyage to the left after his 1968 election. Had enough people stood firm in their convictions 6 years ago, they may have changed the course of history and started America moving in the direction of more freedom rather than toward more government control. Consequently, I have no choice but to vote against confirmation of Nelson Rockefeller.

Mr. KASTENMEIER. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts (Mr. DRINAN).

Mr. DRINAN. Mr. Chairman, I sympathize with public officials who are charged with a conflict of interest. I myself have been called upon on many occasions to refute some of the alleged conflicts of interest imputed to me. As a result, I was very sympathetic with the nominee when the charge of conflict arose.

I have regularly revealed every opinion and every judgment of mine so that everyone could judge for themselves whether this was in conflict with the right or the best interest of the American people.

Article VI of the U.S. Constitution states that no religious test shall ever be applied for an office of public trust but, even so, every person aspiring to a public office must, in my judgment, justify the fact that he does not have any conflict. A potential conflict exists when a public official can be thought by reasonable people to be trying to serve two masters.

Three weeks ago President Ford signed a bill cleared by this Congress which totally eliminates even the appearance of conflict on the part of Federal judges. Now the law requires that no Federal judge may decide a case when he owns even one share of the stock of a corporation that is involved.

Divestiture and financial divorce were remedies employed by Charles Wilson and David Packard.

The conflict in Nelson Rockefeller does not come from mere possession of great wealth, but from his attitude towards the use of that wealth.

Does Rockefeller admit that the use of this wealth should be subjected to public scrutiny? Does he see the dangers of interlocking corporate directorships? Does he think that energy companies must be more closely supervised? The answer given by the nominee in the hearing to all of those questions is "no."

The burden is on him to demonstrate that in seeking public office he does not serve two masters. Mr. Rockefeller, in my judgment, has not persuaded me that he even sees the conflict created by his wealth.

Let me take three areas of conflict. The elimination of tax loopholes for the rich would cost Mr. Rockefeller a good deal of money. Has he said that he would make the tax laws equitable for all? No. The burden was on him to show that he wants the public interest over his own interest in the tax laws, and he failed.

A second point: Exxon and the oil companies with their fantastic profits are in conflict with the American consumer. Did Mr. Rockefeller state that he would aid the consumer and not the energy companies? The answer is no. He was ambiguous and equivocal about any change in the preferred status now enjoyed by the oil companies.

A third point: The antitrust laws were designed to promote competition and curb monopolies. Their inadequate enforcement right now is a scandal in this country. Did Mr. Rockefeller ever state that there is a serious problem in America because some 100 conglomerates dominate American business? The answer is no. That is the main reason why Senator Gaylord Nelson voted against the nomination of Mr. Rockefeller.

Mr. Rockefeller has a conflict of interest, in my judgment, which he has not explained, excused, or eradicated. Consequently, I vote no because Mr. Rockefeller has not persuaded me that he would subordinate his own economic interests to the best interests of the American people.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The Chair now recognizes the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Chairman, I yield 2 minutes to the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Chairman, as one of the original authors of the 25th amendment, I think we should be grateful to the people of this country who ratified that amendment and gave to us this vehicle to handle this matter in an orderly and prompt fashion. As a coauthor of that amendment, I am very conscious of its language requiring "confirmation" by a majority vote of both houses of Congress. This is a specific, deliberate, and conscious change from earlier constitutional language providing for only "consent" being needed in the usual Presidential appointment. This difference is important to us here today when we are deciding whether we "confirm" the choice, as distinguished from merely assenting or "consenting" to it.

On this basis, despite the fine qualities of character and ability that Mr. Rockefeller possesses, I am opposed to his confirmation, primarily because I do not believe he represents the mainstream of thought of most Americans. Although he has done well in generosity to the needy and the poor and in successful, progressive, free-enterprise business, and although he has done many good and exemplary deeds in his busy life, he did, in his career as Governor of New York, manifest little or no concern for the onerous burdens placed on the backs of the majority of most middle-income and low-income taxpayers. Today these people, the majority portion of Americans, is now being doubly trounced by high taxes and inflation, the product of excessive government. There is nothing in the hearings that reassures me that Mr. Rockefeller is even conscious of this.

Finally, the hearings clearly show a great insensitivity on his part in the critical area of conflicts of interest. Although I do not believe that great wealth should preclude a person from the Presidency or the Vice Presidency, the hearings indicate to me that there must be great doubt that there is any credible or feasible way in which this man, as able and as dedicated as he may be, will ever be able to eliminate important conflicts of interest, as hard as he may try.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. HUTCHINSON).

Mr. HUTCHINSON. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. PEYSER).

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, I rise in wholehearted support of the nomination of Nelson A. Rockefeller to be Vice President of the United States.

I had the privilege of serving in the New York State Senate for 8 years, 1963–70, during the Rockefeller governorship. For approximately half that period, as chairman of the joint legislative committee on the problems of public health, I had the opportunity to work very closely with the Governor. During that period, and under Nelson Rockefeller's leadership, New York State initiated the Nation's largest health care program for the needy under medicaid. We initiated multibillion dollar loan programs for the construction of much-needed nursing homes and hospitals. We pioneered in legislation to improve the quality of our State's waterways and enacted stiff, new requirements to improve air quality.

In the 15 years of Nelson Rockefeller's administration, New York State gained national preeminence in such areas as environmental conservation, aid to local government, transportation, social services, consumer protection, human rights, the arts and education. In particular, under Governor Rockefeller's leadership, the State developed the largest public university system in the world to make it possible for some 284,000 students per year to receive a public, higher education. Our State established a State department of environmental conservation, proposed by Nelson Rockefeller, to centralize the State's attack on all forms of pollution.

Before the Federal Government accepted the notion, we enacted a New York State revenue sharing plan, under which two-thirds of every tax dollar collected by the State is returned to the localities and school districts. In addition, Governor Rockefeller was one of the earliest and strongest proponents of Federal revenue sharing. The State, under the leadership of Governor Rockefeller, has undertaken an active program of hiring minorities and women for State jobs, and passed New York's first minimum wage law and no less than five minimum wage and workmen's compensation increases.

Mr. Chairman, the Nation is in serious need of strong and experienced leadership. In 15 years as Governor of one of the Nation's most populous States, Nelson Rockefeller demonstrated time and again the quality of leadership our Nation needs to guide us through these trying times.

There was great preliminary controversy surrounding the initial announcement of the Rockefeller nomination. Some people claimed that he had misused his wealth in the pursuit of political power. These charges did not stand up under scrutiny during the Senate and House confirmation hearings. Nelson Rockefeller was subjected to the most intense and thorough investigation of any individual under consideration for major political office in the history of this Nation. After a careful review of the evidence presented at these confirmation hearings, he even more than ever before has my complete confidence. The overwhelming vote of approval accorded him by the other body on December 10 demonstrates that he enjoys the Senate's confidence as well. I am hopeful that my colleagues in this House will give appropriate consideration to his long and distinguished record of human and social concern and overwhelmingly approve his nomination.

Mr. PEYSER. Mr. Chairman, I have had the opportunity of knowing Nelson Rockefeller for many years. As the Members know, he is a constituent of mine and also, as has been publicly brought out and has always been indicated by my records, Governor Rockefeller as a constituent of mine has contributed to political campaigns of mine.

Over the years I have been impressed with one characteristic in Nelson Rockefeller more than anything else, I have observed this long before I ran for Congress. That characteristic was one of dedication to work, the desire on the part of Nelson Rockefeller to work and to work for the people. This is not just to work for the rich people. This is to work for everybody. Anyone who has ever observed this man out in the streets or in meetings—and I am not talking about during political campaigns now but I am talking about programs he instituted in New York State—programs when he went out and found out what was troubling the people and what was needed to be done to help the people. They would never say they were talking to a man who was insensitive to the needs of the people, Democrats or Republicans, rich or poor, people in all walks of life.

This is a man, if he is confirmed by this body today, as I hope he will be, who will certainly not sit on his hands as the Vice President. He will not be someone who goes out and makes nice talks around the country or who will meet visiting dignitaries and will be just delighted with his great office of the Vice Presidency.

As I know him and as others in the Chamber know him he is going to be truly on the job, working and trying his best, whether we agree or disagree with some of his philosophies, he will be doing what he believes is right for the people of this country working together with the President.

I respect the Judiciary Committee and the work they have done. There has been great detail and a tremendous amount of work involved in this effort. The year that these people have had on the Committee on the Judiciary should earn them the respect of all the people in this country. They have reached by a substantial majority the conclusion that Nelson Rockefeller should be confirmed.

That is certainly my hope, because he is a man of great dedication and honesty and concern.

I would also like to point out one other thing.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. RANGEL. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. PEYSER. Mr. Chairman, I thank the gentleman for yielding me that time.

Mr. Chairman, in all the time I have been in this Congress as his Congressman representing Mr. Rockefeller as one of my constituents, he has never called on me for any action, for any vote other than in a group meeting with other New York Representatives on items that were good for the State of New York. My own stance to eliminate oil depletion and to have windfall profit taxes on oil and other situations, he has never raised a question nor called me about nor said anything—nor would he to influence me because he is not that type of man.

I hope the Members will, as much as they can in their good conscience, support this man and give him an overwhelming victory in this House so this country can move ahead.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I will yield if I have the time.

The CHAIRMAN. The gentlewoman from New York has time remaining.

Mr. PEYSER. Mr. Chairman, I yield to the gentlewoman from New York.

Ms. ABZUG. I was very interested in the last question of oil interests the gentleman raised. There has been a lot of talk about conflict of interest. Governor Rockefeller and his interest in oil companies. I find it interesting that in the 14 years he was Governor, no action was taken against flagrant violations of New York antitrust laws by the major oil companies. In September of this year, for the first time, seven oil companies were indicted by New York State for marketing practices designed to eliminate competition from independent gasoline stations, and for attempting to thwart open bidding for the supply of gasoline to State governmental agencies.

Mr. PEYSER. Mr. Chairman, I would take back the time and say that that type of question at this time has no bearing on the case, and the gentlewoman from New York knows it as well as I do.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. SARBANES).

Mr. SARBANES. Mr. Chairman,I yield 5 minutes to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Chairman, considering the fact I followed my colleague, the gentleman from the State of New York (Mr. PEYSER), I was interested in the gentleman's comments that Mr. Rockefeller as Vice President would be concerned with the interests of the people of this country. I cannot help but remember, since he seems to represent Mr. Rockefeller, that during the 15 years Mr. Rockefeller was Governor of the State, almost everybody's taxes went up and yet, curiously enough, the taxes on Mr. Rockefeller's estate at Pocantico, did not go up despite improvements. They went down.

I want to address myself first to the problem of conflict of interest, which

disturbs me. It disturbs me because there is no way that this man nominated to become Vice President can avoid the conflicts of interest he will inevitably face—whether he deals with tax policy, banking policy, policy in the Middle East, or any other major issue. He will be confronted with an irreconcilable conflict between his own and the Nation's interest. I do not see that we in the Congress ought to put a position of enormous power in a man whose judgment cannot be disinterested.

I want to address as well, an issue that has not been addressed in this House—the question of integrity—because I think that the Committee on the Judiciary, the House of Representatives and the country as a whole have been brought to a new consciousness regarding the meaning of that term.

The question of double standard has been raised before in this debate and I want to raise it again. I remember not too long ago when all of us were confronted with payments of hush money and claims that had been made for compassionate reasons. Neither the country nor our committee believed those claims. And what were we on the Judiciary Committee confronted with on this nomination? We were confronted with the claim that $625,000 was given to Mr. Ronan in loans because of "pressing family responsibilities and problems," that $100,000 was given to Henry Diamond for "certain pressing family obligations," that $20,000 went to Joseph Murphy for "certain pressing family obligations," that $100,000 went to Mr. Morhouse for "very pressing family obligations."

And that $300,000 went to Alton Marshall for "exceptionally serious family obligations and problems."

Now, I for one cannot suspend all my critical faculties and accept this inherently improbable story. The improbability is heightened when we reflect on additional facts.

First of all, why was Mr. Rockefeller's compassion directed only to persons who served on his personal staff, Republican Party chairmen, and persons who headed State agencies controlling billions in construction?

Why, in the 15 years he was Governor, did he not feel compassionate toward the commissioner of education, the commissioner of health, the mental hygiene commissioner or any trustee of the State university? Did not these people have pressing family obligations as well? Second, the committee has never found any specific fact that proved the existence of any of these "obligations," no matter how "pressing" or "extraordinary."

Third, we were told that these loans were going to be repaid, that there was an expectation of repayment. But, the nominee admitted that he never asked for repayment, he never asked if repayment was possible. And we remember that only 1 out of the 10 public officials made any repayment on any loan, whereas 25 out of 26 private persons receiving loans from the nominee made repayments.

I ask this question in all seriousness: Can we apply different standards to the question of compassion that was raised in Watergate hush money payments and look uncritically at the story we were given under oath in our hearings about all these loans or gifts?

I also want to raise a question about testimony given by the nominee about a $100,000 cash contribution that Judson Morhouse brought to him, and that he allegedly told Judson Morhouse to return. In the Senate, the nominee testified twice about this incident describing the circumstances in vivid detail. He recalled that he was seated "behind the second tier on the dais," that the attorney general and Lieutenant Governor were with him, and that it was the first Republican fund-raising dinner he attended as Governor. He was very concerned to state that this $100,000 ought to be returned to the source because there was something wrong about it. Before our committee, he was confronted, with facts that contradicted his claim, showing that the money had been returned a month before the dinner he described. Faced with the conflict the nominee retreated, claiming he "had difficulty" in recalling the dinner occasion involved. He then placed the incident at a dinner in April—but here again his story runs into trouble. According to our committee's investigation, neither the attorney general nor the Lieutenant Governor were present at this new event.

In view of our recent bitter experience with a President who did not respect his oath of office, we must insist on the highest standards of integrity. We cannot in my judgment be content with the glibness, the sudden switches in testimony and the casual attitude toward telling the whole truth that we have seen from this nominee.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. SARBANES).

Mr. SARBANES. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa (Mr. MEZVINSKY).

Mr. MEZVINSKY. Mr. Chairman, I come here today to exercise my right as a member of this committee under the 25th amendment the second time. For all those who supported Jerry Ford, I would like to direct my remarks, because I too supported Jerry Ford under the 25th amendment because I believe that under the 25th amendment a President has the right to appoint a person of his own party. He has the right to appoint a person he feels is loyal and who can agree with him.

When I began to look at Nelson Rockefeller, my immediate feeling was that, very well, I could support him, but then I began to look at the nomination and what it meant—what it meant to this country and also what it means to the interpretation of the 25th amendment, because I think it is very significant.

If the 25th amendment is simply a confirmation process, then I think the vote in support of Nelson Rockefeller will mean simply that we treat him as a Cabinet officer. We do not give it the kind of scrutiny it deserves, and we do not recognize the kind of unique problem we have with Nelson Rockefeller.

So, what happened? I began to look at and analyze my vote on Jerry Ford and to consider how I would vote and look at the problem of Nelson Rockefeller. Two problems came up; one has been discussed to a great extent, the conflict of interest—and I have expressed that in my dissenting views and the Members can read them in the report that is before them. I want to say this: The problem is not wealth alone. To label it such muddies the water. The question is, Can we insulate that wealth so that the public interest is protected, and can we remove the suspicion that exists?

I would submit that there is no way to insulate Nelson Rockefeller from his vast economic interests. It is agreed that divestiture could not work. Blind trust is cosmetic; so the customary means of insulating and protecting the public interests are denied.

I find the inevitable conflict of interest a situation we cannot tolerate.

The second point I want to elaborate on is the one that has been suggested about sensitivity. This House knows better than any House in recent times the whole impact of suspicion in this country. The people are cynical. They are suspicious; they question their public officials, whether it is a Vice Presidential-designee or whether it is a Congressman or whether it is any other officer.

How does the conflict of interest fit in? It fits in because whenever the discretionary power of a Vice President or a President touches on that individual's proprietary interest, the public will always be suspicious. For instance, if this nominee is approved, each time an executive branch decision touched upon a Rockefeller family interest, the cautious and already cynical citizenry would be called upon to wonder whether their interests have been subjugated to the personal interests of Mr. Rockefeller.

There is no way to get around that. There is no way whatever. It is reinforced by what we have gone through with Watergate, by what we have gone through with the resignation of a Vice President and a President.

Now what do we see? We see that Mr. Rockefeller told our Judiciary Committee that before our hearings he was unaware of the depth of the people's concern about the conflict of interest problem. This is a sign of his insensitivity; and it is reinforced by his difficulty in recognizing the questionable ethics involved in the Goldberg book. I think this insensitivity to the concerns of the people was demonstrated further by the fact that it took congressional hearings to open his eyes to the implications and impropriety of lavish gifts to public employees and State and national party leaders. That is what the problem is. That is what bothered me as I began to look at this nomination, and that is what I would submit is a key factor in my decision to oppose confirmation.

If we are to restore the faith in Government, which is the purpose of this Congress, which is the purpose of why we are here, which is going to be the purpose of the next Congress, then I think we need leaders that have the courage and sensitivity to recognize these problems, not individuals in need of public pressure to educate them to the stand-

ards and principles applicable in our society—we need leaders that in fact, realize that the public is concerned, and who do not simply react for political expediency, but actually will attempt to lead the way and try to initiate that sensitivity which leads to higher demands on Government and society.

I believe a Vice Presidential nominee, under the 25th amendment, has to inspire others, has to be competent, has to be one who plays a leading role in the task of restoring credibility to Government, because that is the formidable task before us.

Unfortunately, Nelson Rockefeller's inherent and inescapable conflicts of interest, coupled with the insensitivity which I have described, requires that I vote against his confirmation.

Mr. HUTCHINSON. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. SMITH).

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New York. Mr. Chairman, I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, of the many reasons which impel me to vote enthusiastically for confirmation of Nelson Rockefeller as Vice President, one towers over all the rest.

He is superbly equipped intellectually and politically to deal effectively with the most pressing necessity Western civilization has perhaps ever faced—the necessity for solidarity.

He knows how to achieve solidarity—through a fundamental political federation of the principal nations which prize and protect individual liberty.

Over the years he has spoken for this federalism with clarity and commitment.

We must all agree the need for solidarity is colossal.

It is widely accepted that the present rate of inflation is a serious threat to our institutions and, therefore, to our liberties—and that it cannot successfully be corrected by national policy alone.

It is widely accepted that the energy crisis poses a threat to our institutions and especially to our allies in Western Europe. Like inflation, the energy crisis cannot satisfactorily be met by national policy.

Solidarity is also required in financial policy. The international flow of oil money poses a serious threat to us all.

In short, the times require solidarity far beyond anything these nations have been able to achieve in the past—including wartime. Traditional diplomacy is not enough.

Foremost among nationally prominent political leaders in this country, Nelson Rockefeller has long demonstrated his awareness of this challenge and his conviction on how to meet it.

Ten years ago, speaking in Philadelphia, he cited with remarkable vision the gathering storm over the Atlantic Community nations. And he urged the United States to meet this storm by taking the lead in exploring federalism, Atlantic Union.

As Vice President he will, I am sure, have opportunities to take an even more active role in this exploration.

Who knows? Perhaps destiny beckons. Just as George Washington helped to inspire an effective union of liberty-loving people on this continent, perhaps Nelson Rockefeller will help to inspire an even broader, grander union—helping to bring together people on both sides of the Atlantic in this time of grave peril to our liberties.

Nelson Rockefeller, having displayed extraordinary competence and dignity through weeks of close examination, today will be confirmed as our 41st Vice President.

A better choice could not have been made. He has greatness of spirit, greatness of accomplishment, greatness of promise. Throughout his illustrious career Mr. Rockefeller has proven himself to be responsive to those who have chosen him for leadership. He has enthusiastically devoted almost his entire life to public service.

I am certain that he will approach the Vice-Presidency with the same diligence and sincerity that characterized his years as Governor of New York. His leadership, bonded to that of President Ford, can result in an immense good for our country and indeed the world.

Considering his long record of public service, the level of controversy over his nomination to the Vice Presidency was remarkably modest. Like any other public figure, he has made mistakes of judgment and, with the benefit of hindsight, would doubtless like to recast certain thoughts and actions. Who would not? But the hearings disclosed no abuse of his wealth or position, despite the enormous potential for such that necessarily exists. Instead, he and his family have a legacy of aiding causes and persons in need.

The Vice-Presidency demands a man of unusual perception and dedication. In my view, Nelson Rockefeller is that man.

My personal acquaintance with Mr. Rockefeller began in 1964 when I heard him speak in Philadelphia in behalf of federation as the goal of the alliance of Atlantic democracies. I had read his book on the same theme, "The Future of Federalism."

In his book, Mr. Rockefeller proved that he is a man of vision. He set forth in clear, convincing fashion the fundamental proposition that—

> The federal idea, which our Founding Fathers applied in their historic act of political creation in the eighteenth century, can be applied in this twentieth century in the larger context of the world of free nations—if we will but match our forefathers in courage and vision.

More than a decade ago, he realized that—

> The problems—of defense and commerce, of surplus and shortage—are simply outrunning the political mechanisms for handling them.

More than a decade ago, Mr. Rockefeller recognized the severe limitations of the United Nations, limitations which have in recent weeks become the publicly stated concern of Ambassador Scali. In Mr. Rockefeller's words:

> The United Nations, repository of so much hope, has not been able—nor can it be able—to shape a new world order as events now so compellingly command. The structure of the UN is such that it can function effectively only when there is essential agreement on purpose and procedure, among the five permanent members of the Security Council. But the Communist bloc has dedicated itself to the manipulation of the UN's democratic processes, so astutely and determinedly, as largely to frustrate its intended power and role. As a result, the UN lacks the strength to master or control the forces that it confronts.

More than a decade ago, foreseeing the urgent need for closer cooperation among our allies to deal with these problems, Mr. Rockefeller stated:

> The historic choice fast rushing upon us, then, is no less than this: either the free nations of the world will take the lead in adapting the federal concept to their relations, or, one by one, we may be driven into the retreat of the perilous isolationism—political, economic, and intellectual—so ardently sought by the Soviet policy of divide-and-conquer.

Recalling our own early history, he said:

> All the problems we face have this in common: we cannot solve one of them in isolation. And in their basic nature these problems are strikingly similar to those faced by the original 13 American colonies—problems of security and of trade, of growth and of order, and above all, the human aspirations of the free individual.

To deal with the plethora of problems confronting the free world, Mr. Rockefeller put forward four specific recommendations:

> First: that we develop an understanding at home of the nature and character of the problems that we and the other free nations face—and the significance of the federal idea as a practical framework within which they can be solved.
>
> Second: That leaders throughout the free world work to develop a consensus of purpose and bring forth positive suggestions and recommendations for practical application of the federal idea to the problems before us all.
>
> Third: That informal, intergovernmental consultations by the political leaders of free nations be undertaken to define agreed objectives and develop means to achieve them through application of the federal idea.
>
> Fourth: That these consultations be supplemented by regional and functional conferences to attack specific problems and launch explicit programs.
>
> Out of this, I would venture to prophesy that—sooner perhaps than we may realize and despite the enormity of the apparent difficulties—there will evolve the bases for a federal structure of the free world.

A call for a conference of the NATO allies to explore the possibilities of federation has long been the subject of legislation pending in Congress. In fact, this year, for the first time, the U.S. Senate passed a resolution, Senate Joint Resolution 21, calling for such a conference, and the House only narrowly decided not to bring the resolution up for consideration.

Endorsing an almost identical resolution, Mr. Rockefeller wrote me in 1966:

> I am wholeheartedly in favor of the purposes set forth in these resolutions . . . a practical first step toward forging a Union of the Free . . . Enactment would be a historical milestone in the annals of human freedom and world peace.

My hope and prayer is that when he assumes the Vice-Presidency he will actually seek the occasion to foster the growth of the Atlantic Union principle

through the advancement of the resolution.

It would be fitting indeed for our new Vice President to lead the U.S. delegation to a convention of the NATO nations once Congress passes a resolution authorizing U.S. participation. I am hopeful the 94th Congress will pass such a resolution. As chairman of the U.S. delegation, Mr. Rockefeller could became the George Washington of this century.

To be sure, there are those who lack the vision to see the enormous potential of federalism, who fear the one great institution which gave us all the freedom we enjoy today. There are those who scoff at the idea as being unrealistic, and doubtlessly would have scoffed at the original union of the 13 colonies. They would be well advised to reread the Federalist Papers and to heed James Madison's sage advice:

Hearken not to the voice which petulantly tells you that the form of government recommended for your adoption is a novelty in the political world; that it has never yet had a place in the theories of the wildest projectors; that it rashly attempts what it is impossible to accomplish. No, my countrymen, shut your ears against this unhallowed language.

Mr. Rockefeller, like all great leaders, is a man of vision, a man unafraid to confront the realities of the world around him. He now enters an administration which, in the field of foreign policy, has made remarkable progress toward world peace by confronting reality and dealing effectively with it. In fact, the State Department, under the leadership of Dr. Kissinger, for the first time endorsed the Atlantic Union resolution as "consonant with the goals and concepts which this administration is seeking to achieve in trans-Atlantic relationships."

Thus, because of the critical problems facing us today—skyrocketing oil prices, faltering world economies, hunger, and the unrelenting challenge of communism—I am encouraged by the accession to leadership of a man who I firmly believe has the ability to help our Nation cope with its problems.

A decade ago, in November of 1964, Nelson Rockefeller made a statement in Philadelphia which is every bit as timely today as when it was first uttered. It bears reprinting, not only because it has stood the test of time, not only because the speaker is now our Vice President, but also because its last sentence tells us something of the unique combination of realism and vision that has now been brought to the highest levels of our Government. I shall include the entirety of Mr. Rockefeller's statement, but I especially commend to you his closing comment:

The future belongs to those who embrace it in the present.

Today, with the confirmation of Nelson Rockefeller as Vice President, our future, and that of the free world, becomes a little brighter.

Text of Mr. Rockefeller's statement follows:

TEXT OF ADDRESS BY GOVERNOR ROCKEFELLER, DECEMBER 1964

We live in a fast-paced world which in a few recent weeks has seen the first atomic explosion in Red China, the fall of Khrushchev, a change of government in Great Britain and our own national election.

We live in a period when—despite the lessons of a half-century in which the West has consumed itself in two great civil wars—the Free World appears to be losing its unity, its common purpose, or a clear sense of direction.

We live in a time when no single nation, not even the largest or oldest, can achieve security or realize its human aspirations by itself and from within its own borders alone.

Almost three years ago, in the Godkin Lectures at Harvard University on "The Future of Federalism," I said that: ". . . The federal idea, which our Founding Fathers applied in their historic act of political creation in the 18th century, can be applied in this 20th century in the larger context of the world of free nations—if we will but match our forefathers in courage and vision." I have held these convictions, and that is why I am so pleased to be here tonight.

It is an honor indeed to join you in celebrating the 25th anniversary of your organization, which has done so much to foster the concept of Atlantic Union—and to join you in tribute to a man of unique vision, selfless dedication and inspiring faith in the power of an idea, Clarence Streit.

I would like to discuss tonight the question of whether the time has not come for this generation of Americans to get seriously to the business of applying the example of our forefathers, in courage and political creativity, to the challenges and opportunities of today's Free World.

II

The problems of today's free nations are not really new. With their independence, the thirteen original colonies faced a similar situation. After ten years of experience under the Articles of Confederation, the States of this infant Nation recognized that they could not achieve security or realize their aspirations until a structure involving political union was achieved.

When the immediate goal of independence from Britain was achieved and the war was successfully concluded, disunity grew among the states. State rivalries flourished. There were monetary troubles, there were tariff wars, there were even dangers of military hostilities between the states.

In the face of this, it was agreed to hold a Constitutional Convention here in Philadelphia in 1787.

At that Convention, the best interests of the individual states lay so clearly in achieving a viable political structure that within 100 working days, the delegates not only agreed on a Federal Union as their goal but worked out the way—in the Federal Constitution—to monetary, economic, military and political union.

After two years of hard-fought debate, the Constitution was ratified and this Federal Union was launched upon a course that has surmounted all obstacles and calamities for 175 years—and has made this nation a leader of the Free World.

The American experience with a Federal Union has significant application to the problems confronting the Free World today.

Among the nation-states of this Free World, and especially in the Atlantic Alliance, there are problems like those of 1787. With the successful conclusion of World War II, the establishment of the North Atlantic Alliance and the economic rehabilitation of Europe, disunity has grown at a progressive and alarming rate. National rivalries are rampant. Monetary troubles are increasing, the threat of tariff wars is growing and even again, there is the danger of military action—as we have recently seen in the Mediterranean.

Today's problems, however, are even more urgent and fateful: the tremendous surge of population together with mankind's rising expectations for a better life; the revolutions in science; the social upheavals attending industrialization and rapid urbanization; the compression of time and space by electronic communications and the jet airplane; the overhanding threat of nuclear weapons; and the commitment of world communism to the destruction of freedom.

For far too long, we have been jerry-building the house of freedom. Our conceptions have been too limited, our goals too temporary, our methods too timid.

In its early days, the Atlantic Alliance was unified importantly by a common fear of Communist military aggression. Overt Communist hostility left little scope for purely national action.

In recent years, though the fundamental objectives of the Communist to "bury" the Free World have not changed, their present tactical emphasis on coexistence has blurred the true dangers. The Sino-Soviet split has further made the world-wide thrust of Communism more confusing, though no less dangerous.

At the same time, Europe's postwar recovery has completely altered the relationship between Europe and the United States, demanding that we be prepared to have our allies share more fully in decisions which affect our common future. This is particularly acute with respect to control of nuclear weapons. We, in effect, have tried to reserve the right to decide unilaterally on questions of nuclear war and peace.

National pride, national rivalries and especially the unfortunate split between France and the United States have greatly weakened the fabric of the Atlantic Alliance. The Alliance has fallen into disarray because the constituent nations are responding to problems on the basis of national expediency rather than on the basis of common interest. We are losing the great and positive vision for a free association of free peoples working together in their common interest.

Such as association must be capable of ultimately embracing all the free nations that wish to join it, but the nations bordering the North Atlantic can and must play the major pioneering role in its creation.

For the North Atlantic nations share common views about the nature of man and just political arrangements. They have achieved a high level of economic activity. They have the means to create a community based on respect for diversity and a shared belief in the dignity of man.

The United States, together with Western Europe, which originated the concept of the nation-state, must set an example in creating a new political structure—as respectful of diversity among nations as Western democracy is respectful of diversity among individuals—a structure capable of achieving a community consistent with national and individual dignity.

Our forefathers pioneered a political framework within which this nation conquered a continental wilderness. Our generation is called on for no less a pioneering act of political creativity and economic construction on an intercontinental scale.

III

In my opinion, this challenge could find its greatest expression in forging a Union of the Free. The practical first step would be to form a federal political structure for the North Atlantic area that would be open to other free nations to join.

The growth and institutions of federalism have differed according to the particular challenges faced in each country, as for example in Canada, in the United States, in Switzerland. But the federal form was chosen for the same reason in each case—the desire to respect the diverse interest and the separate identity of peoples, while giving to them all the strength and protection which come from unity.

This is why I believe that the federal

idea can serve as a basis for the achievement of a political structure for free nations. Divided peoples invite disaster. Free peoples united in purpose and determination can make any dream a reality. We must have the honesty and courage to admit and to face the fundamental truth that mere national policies are no longer adequate to our needs. Not only must we face up to this fact, but we must work with our allies to create a structure which enables us all jointly to share in the process of decision-making, not as advisers in American decisions but as partners in the development of common purposes.

Within our federal structure, the United States has maintained freedom, preserved diversity, encouraged initiative, expanded her economy, steadily increased living standards, fostered education, marshalled the resources to protect global freedom in two world wars, and grown in every dimension to a position of world leadership. In Europe the Common Market alone is an inspiring demonstration of what combined efforts can achieve in a larger framework—for it has wrought a revitalization, an economic renaissance in which Europe has progressed from economic stagnation and high unemployment to booming prosperity and a labor shortage.

With this perspective, we begin to get some glimpse of what a Union of the Free, starting wtih a federal political structure for the North Atlantic and open to other free nations to join, would mean. In my opinion:

1. It would mean a surge of new strength for the forces of freedom and respect for human dignity.

2. It would open unparalleled opportunity to achieve the hopes and aspirations of free peoples.

3. It would provide a framework within which the increased international flow of goods, money, and ideas would make possible the solution of farm problems, the problems of manpower and unemployment, and the availability of equal opportunity for minority groups.

4. It would inspire other free peoples by demonstrating that democracy is the wave of the future, encouraging other free nations to join in the Federal Union of the Free as Alaska and Hawaii have in recent years joined the Federal Union of the United States.

5. It would inspire people behind the Iron Curtain, living in oppressive, stagnant, bureaucratic societies, to look increasingly to a truly creative and dynamic West. In fact, for the first time, whole nations behind the curtain which are seeking to break from Communism could find a haven within the Union.

6. It would provide a framework within which to solve the nuclear weapons disputes now dividing the free world, and thus insure a truly adequate shield for all free peoples.

7. It would marshall such overwhelming strength through unity as to greatly reduce temptations and opportunities for aggression, marking the ascendancy of freedom as Communist unity is declining and demonstrating for all that free men can indeed, in voluntary association, achieve their own full destiny.

IV

Before this vision can be turned into reality, certain decisions must be made: first, agreement on the goal; second, agreement on a time schedule, third, agreement on the means for achieving the goal.

The time has come for us and our Atlantic allies to take the leadership by appointing a preparatory convention of delegates to work out answers to these basic questions. Let us realize that, in so doing, we will be taking the first practical step toward the ultimate union of all the free.

Let's consider each of these steps; first, the goal:

For the Nations of the North Atlantic, there is much evidence that agreement could be reached as to the goal of political union within a federal system.

European doubts as to what the American people would accept seem to go back to this country's rejection of the League of Nations and the period of isolationism, thereafter. This, of course, is understandable, but unrealistic today.

Both major political party platforms this year had planks favoring greater Atlantic unity and partnership. This was reflected in the unanimous opinion of majority party leaders. The Republican plank was stronger and more specific than the Democratic.

In the House of Representatives, closely attuned to public opinion, the House Republican Task Force on Nato Unity is solely concerned with uniting the Atlantic community effectively. It is highly significant that every last one of the fourteen Republican House members who make up this Task Force survived the political landslide last month. In fact, they averaged 56 per cent of the vote as a group, even as President Johnson was sweeping most of their districts, which are scattered from coast to coast.

Congressman Paul Findley, vice chairman of the Task Force and its most outspoken advocate of Atlantic Union, who is with us here tonight, was reelected this year by a majority of 20,000, double the majority he received in 1962—and his district is composed of 14 rural counties in Illinois, some of which Abraham Lincoln represented when he was a Congressman.

On the Democratic side, the late President Kennedy, President Johnson, Vice President-elect Humphrey, the late Senator Kefauver and many others have spoken out for Atlantic unity. As Vice President, Mr. Johnson declared in a message delivered at SHAPE that "the United States is resolved to do everything in its power—and I emphasize the word *everything*—to enhance the strengthen and unity of the North Atlantic community."

The need for a viable political structure for the nations of the North Atlantic is no longer an issue that upsets or frightens the American people; on the contrary, its advocacy is taken by many as a measure of our ability to see beyond the immediate problems of international relations to a grand design for world peace and freedom.

As to the consensus elsewhere, I believe the very distinguished membership of the Honorary Council and Board of the International Movement for Atlantic Union is evidence in itself of the strong European and Canadian leadership available.

EUROPEANS WORKING TOWARD UNION

Then there is the Common Market and all the other cooperative arrangements that have sprung up in postwar Europe, which give every indication of the trend to eventual Union on a political as well as functional basis.

Once we as peoples accept through meaningful action the goal of Federal Union, the orientation of national leaders here and abroad will change to such an extent that we will make progress toward the goal much faster than people generally think possible.

As to the second question—the matter of a timetable—the objective should be immediate, the effort should be intense. Time is of the essence.

Third, as to the question of means, it is easy enough to identify the major procedural problems: whether to follow the functional, piecemeal, seriatim approach of the Europeans, or to tackle the political, military, economic and monetary elements as an inter-related whole as in the U.S. Federal Convention; and whether to solve the problems of balance between the U.S. and Europe by first federating Europe, or by going directly to federation of NATO and adoption of the Senate-House balance in representation which has worked so well in the U.S. federal government.

But do we really have to choose? If we know that Atlantic Union within a federal structure is the goal, why not proceed on the various courses simultaneously as each proves useful? In some fields, such as the economic one, union may be advanced through the prior unity of Europe. In other areas, such as defense and foreign policy, common policy may be achieved most effectively through political unity on a NATO-wide basis.

The Federal idea permits great flexibility; it can benefit from the richness and variety of all the institutional possibilities of a pluralistic society of nations. The time has come to look at Atlantic relationships as the start of a broader Union of the Free, which is our ultimate goal.

The design of this structure for the Atlantic Union must provide for effective working relationships with an ultimate participation by the British Commonwealth, the nations of the Organization of American States, Japan, the Philippines, India, and other Asian and African nations.

The triumph of the free is not automatic. Only as we seize our opportunities can we realize our destiny. To those who warn that the quest is futile—or the journey too long—or the destination too uncertain, we must reply that great things have not been done by the timid or the doubting.

America best fulfills herself when she is dedicated to great ideals and noble visions.

The future belongs to those who embrace it in the present.

Mr. SMITH of New York. Mr. Chairman, I rise in strong support for the confirmation of the nomination of Nelson Rockefeller to be Vice President of the United States.

I had the honor to be the senior Republican member from New York on the Committee of the Judiciary and, therefore, introduced the resolution to recommend confirmation in the Committee on the Judiciary.

I think we found a lot of things in our searching investigation in the committee, but one of the things we found, beyond any doubt, is that this man has had tremendous experience in State and Federal Government.

I think we all recognize President Ford needs all of the help he can get, and I say to the Members that this country needs the experience and the knowledge in government that Nelson Rockefeller has acquired through 15 years in the State service and through many years in Federal service.

We found another thing out. We found that he was a man of great integrity, and I think this is the answer to the gentleman from Iowa (Mr. MEZVINSKY).

We found that he was a dedicated man, a man dedicated to good government, a man dedicated to the traditions and the future of this country. He is an enthusiastic man. I would say, if we have someone who has integrity and experience and is as dedicated and as enthusiastic about public service as this man, then he is a national resource that this country cannot afford not to use.

Mr. RANGEL. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado (Mr. EVANS).

Mr. EVANS of Colorado. Mr. Chairman, I thank the gentleman for yielding this time to me. It gives me a chance to ask a question of those who are on the

Committee on the Judiciary about the troublesome gifts and loans that have been alluded to in the report and by many Members who have spoken before me.

I think these loans and gifts were most unfortunate, to say the least. We have not had any conversation about the consequences or any other facts or about what may have flowed following the loans and the gifts.

Therefore, I will address myself to any of those Members who are here and who are on the Committee on the Judiciary in order to ask about matters that have not been discussed before. I will address these questions to any Member who wishes to respond.

No. 1: As a consequence of making these loans and gifts, was there any evidence before the committee concerning resulting undue influence or resulting improper acts or resulting improper decisions or resulting unjust enrichments?

I noticed with interest that the gentleman from California (Mr. ROUSSELOT) mentioned that there had been a charter issued to a bank in China which the Rockefellers had an interest in, but I have had no other information in this regard.

So I wonder if any member of the Committee on the Judiciary could enlighten me concerning these matters.

Mr. SARBANES. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Colorado. I yield to the gentleman from Maryland.

Mr. SARBANES. Of course, the Governor and Dr. Ronan deny that there was any undue influence involved with the loans and the gifts. So we have received their denials.

Dr. Ronan was, of course, in the position of making enormously important decisions, including the decision leading to the renegotiation of the Triborough Authority bonds at a higher interest rate for the bondholders in order to permit authority funds to be used for mass transit purposes. That negotiation apparently took place at a meeting involving Governor Rockefeller, David Rockefeller, and Dr. Ronan. There is a public interest justification given for that decision. That decision has been attacked and criticized, as well.

All I can say to the gentleman is that this is where we are; that is where we are left. But we do have the undisputed fact as to the parties who were involved, and we know now what has been revealed from the loans and gifts as to the nature of the relationship between the Governor and Dr. Ronan.

Mr. EVANS of Colorado. Mr. Chairman, this is the question I wish to ask:

Was there any information that came to the committee's attention showing that as a result of these gifts and loans, any enrichment flowed back to the nominee or to his family?

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Colorado. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, I asked that specific question of both Nelson Rockefeller and Mr. Dilworth, as well as others, and we understood there was no single instance where the use of the Rockefeller political influence was employed to enrich in any way either Nelson Rockefeller or any member of the family. In addition, there is no evidence that Nelson Rockefeller or his family was enriched in any way by any loans or gifts made by Mr. Rockefeller.

Mr. EVANS of Colorado. Mr. Chairman, I have conversed briefly with the distinguished chairman of the Judiciary Committee on this question prior to this, so I will address the same questions to him that I have to the other members.

Has any evidence come before the committee as to enrichment which flowed to the nominee or to his family, or have there been any improper acts flowing from these gifts or loans which were alluded to?

Mr. RODINO. Mr. Chairman, if the gentleman will yield, throughout the extensive investigation, and during the course of the interrogation, there has been no such indication and there has been no such evidence.

As a matter of fact, I might state that I specifically inquired of Dr. Ronan regarding some of these items. I did so because of my interest in the State of New Jersey regarding matters that Dr. Ronan might be involved in as chairman of the Port Authority of New York and New Jersey. As a consequence of my interrogation, I was satisfied that Dr. Ronan was not enriched, nor was the nominee enriched as a result, in any way.

The CHAIRMAN. The Chair now recognizes the gentleman from Michigan (Mr. HUTCHINSON).

Mr. HUTCHINSON. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Chairman, I oppose the confirmation of Nelson A. Rockefeller as Vice President, or for that matter, for anything. I cannot help but recall the Broadway critic who once wrote, after viewing opening night on the Great White Way, "A creeping paralysis set in which turned out to be the plot." In my view, there has been nothing short of paralysis in the Congress and in the news media in the Rockefeller matter. It amounts to a crass double standard in which most legislators and reporters have fallen over themselves in heaping hosannas on the nominee. It can be argued that time spent on the Rockefeller hearings constitute adequate study. Time should not be confused with depth.

Because of this paralysis, the nomination of Nelson Rockefeller has not received the type of minute attention that the cases of former President Nixon and former Vice President Agnew received. I should think that this body would have learned something from these past several years. Unfortunately, this does not seem to be the case.

I ask all of my colleagues: Have the necessary questions been asked and satisfactorily answered by this nominee? Has this body had an opportunity to conscientiously and unhurriedly study the record of the hearings on this nomination?

Further, has the standard applied by the press and the Congress to Nixon, Agnew, Harnsworth, and Carswell been applied to Mr. Rockefeller? No, because of this paralysis of will, the former Governor of New York has been subjected to a totally different standard.

As a part of this paralysis, an easy out, a wealth herring has been created. Many proponents make it sound like those who oppose Mr. Rockefeller apply a wealth test. This is not so. His wealth has clearly raised questions over misuse of that wealth and power which has come from that wealth but I do not, nor do many opponents I have heard, apply a wealth test to the nominee.

I think it important to maintain the same standard for Nelson Rockefeller as maintained for others. That standard is not being maintained because of a strange paralysis of will.

In closing, I wish to ask my fellow Republican colleagues, do you plan to vote for a man who as Governor was an advocate of those same liberal policies—big government spending, bigger welfare schemes, and other liberal nostrums—that have led this country to its present economic mess? The Republican Party has repeatedly rejected Rockefeller. Public support for his nomination is lacking. I particularly reject the Republican attitude of quote—If President Ford wants him, we should support him—unquote. This set of blinders on my Republican friends led our party to near disaster in the sordid Watergate affair and should not be repeated here as a test of loyalty.

At a time the American people are weary of politics, polticians, and past failures of both parties, we should be holding out some bright new hope in this rare opportunity afforded by the 25th amendment. There is no hope for change in a Nelson Rockefeller. He represents the type of spending and taxing politician we should have had enough of. A legislative paralysis has precluded a real study of the nominee. It is one of the reasons for the decline in respect for this great body. I urge a "No" vote.

Many issues have never really been studied. One issue is the military draft. Nelson Rockefeller was No. 10 on his local draft board but was appointed by Franklin D. Roosevelt to a newly created Government post. Was the draft just one more thing that applied to average Americans but not to Nelson Rockefeller?

Another issue that has received little attention is Rockefeller and Chase Manhattan Bank involvement in the World Trade Center in New York City. The New York State government is paying $16 million a year in rent for space in that building while other previously built State buildings are sitting partially or totally empty. Is there a conflict of interest in this matter? I do not know but the possibility has not been investigated.

A third area where numerous questions remain is the case of L. Judson Morhouse. Senator HELMS has pointed out a number of inconsistencies and discrepancies in this whole case and in how Nelson Rockefeller related it. Has Nelson Rockefeller candidly related the Morhouse story? Has this issue been dealt with fully and accurately?

Another area deals with American sovereignty and vital American interests. His views on American participation in

Atlantic Union and his one world stance imperil basic sovereign interests. At a time we should reassert basic American self interests and put our own survival first, he would lead in the opposite direction.

I do not have time to discuss all the possible conflicts of interest nor to ask all the necessary questions. The time limit on debate today has insured that. The spinoff of Rockefeller money into foundations in itself should be studied. But in addition to the questions above there are numerous others such as: Is Nelson Rockefeller in violation of the law by making loans and giving gifts to various officials?

What about the lesser gifts? He has showered smaller—smaller by his standards, anyway—gifts in the $1,000 to $2,000 range like Morton salt, Steuben glassware, mementos, weekend trips in the Poconos—do we have information on these? No.

Mr. HUTCHINSON. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I rise in support of the nomination of Nelson Rockefeller. Many in our Nation have come to regard the Vice Presidency as a secondary office, primarily concerned with fulfilling ceremonial functions without too much affect on American domestic and foreign policy.

But those of us who know Nelson Rockefeller know full well that he will never accept such a limited view of the office of the Vice Presidency. For it has always been Mr. Rockefeller's nature, whatever his office, to give more than 100 percent of himself, to spare no effort on behalf of the people. That was the manner in which he conducted 15 outstanding administrative years as Governor of the State of New York. We can anticipate that he will bring this same dedication, concern, and zeal to the duties of the Vice Presidency.

We must not delude ourselves into thinking America can any longer afford merely a ceremonial Vice President. Events of recent years underscore the folly of such reasoning. Our Nation needs, in its second highest office, a man of immense talent, competence, and leadership, capable of exerting a significant influence upon policymaking. The old adage has never been more true; the man who occupies the Vice President's chair stands a heartbeat away from the Presidency of the mightiest Nation on Earth.

Since America plays such a key role in world affairs, the Vice President of the United States must be a man capable of assuming the burdens, duties, and task of such worldwide leadership.

Those were the qualities and criteria President Ford was considering in selecting Mr. Rockefeller as his nominee for Vice President. He has filled the bill admirably.

Mr. Rockefeller's gubernatorial years in New York were a time of tremendous change and progress in New York. The Governor built our State university system from humble beginnings into one of the largest and best public educational systems in the world. The vast network of State-built highways that criss-cross our State are monuments to the transportation achievements of the Rockefeller era.

Mr. Rockefeller's imprint has been left on virtually every facet of New York State: In agriculture, in business and industry, in education, social services, housing, and community development through the State.

Nelson Rockefeller's nomination has been subjected to the most intensive investigation and exhaustive examination in our Nation's history. He has emerged from the House and Senate hearings with his capability and qualifications unquestioned and his integrity unchallenged.

Yes, some of us disagree with some of his positions and yes, there have been errors of judgment in his career, but which of us can claim a flawless record spanning more than two decades in public life? Mr. Rockefeller's errors of judgment do not detract from the overwhelming qualifications he brings to this position.

Accordingly, Mr. Chairman, it is with great pride that I urge my colleagues to support the nomination of my fellow New Yorker, Nelson A. Rockefeller, as the next Vice President of the United States.

Mr. VEYSEY. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from California.

Mr. VEYSEY. I thank the gentleman for yielding.

Mr. Chairman, after considering the hearings and the report compiled by the Judiciary Committee and after considering the debate which has taken place on the floor of the House, I will cast my vote in favor of the confirmation of Gov. Nelson Rockefeller to be the 41st Vice President of the United States.

Twice in the past 12 months we have employed the 25th amendment as the Congress has considered a nominee to become the Vice President. House and Senate Committees have probed the nominee's finances and background thoroughly. The investigations have been more exhaustive for these Vice Presidential nominees than for any other aspirants to political office in the nearly 200 years of our existence as a Nation.

I must say that the scrutiny has been unusually severe and painstakingly slow. For example, consider the three-cornered debate provided by the rule under which the confirmation of Governor Rockefeller is being discussed. One can hardly say that the opponents of this nomination are not being given a full opportunity to present their point of view—even though most have been aired numerous times and considered by the respective committees of the House and Senate.

Reviewing the confirmation procedure leads one to conclude that there is a flaw in the application of the 25th amendment. This nomination was presented to the Congress on August 20—only 1 day short of 4 months ago. While the committees delayed over questions of Governor Rockefeller's wealth or possible conflict of interest concerning his gifts and charitable donations, the office of Vice President has remained vacant. Ironically, the exhaustive investigative procedure notwithstanding, if a tragic accident had deprived us of the services of the incumbent President, the Speaker of the House—whose qualifications have never been considered in such a forum—would have automatically succeeded to the Presidency. Surely, matters of such grave importance deserve a higher priority in the future.

Mail from some constituents in California suggest that this is a controversial nomination. Personally, I recommended to the President that he select Gov. Ronald Reagan of California as the nominee. Governor Reagan's experience and undisputed ability as a spokesman for the administration, in my opinion, are ideally suited for the problems to be faced by the executive branch during the next 2 years.

While some oppose the selection of Nelson Rockefeller to be Vice President, none can question the dedication and perseverance which he exhibited during the ordeal of public hearings following his nomination. The agonizing process of committee hearings, coupled with the innuendo and aspersions cast by those opposing Rockefeller's confirmation in an apparent effort to impugn his character and qualifications, certainly challenged his tenacity. Anyone with the record of accomplishments and achievements compiled by the Governor, but who was endowed with less determination, would surely have bypassed the opportunity to become Vice President to avoid the glaring spotlight of a public investigation into his private life. After all, historically, the Vice Presidency is not well recognized as a steppingstone for aspiring politicians.

Sometimes in the heat of debate, rhetoric receives more attention than facts uncovered by an investigation. The important thing to remember in this instance is Governor Rockefeller's record of public service rather than the sometimes reckless charges hurled by his detractors. Through all the harangue, the Governor's dignity, patience, and humility were noteworthy. In the eyes of most fairminded people, he rose in stature above the ordeal and controversy.

There seemed to be an effort by some to find fault with the Governor because of the immense personal and family wealth, while others would indict him because his gifts and charitable contributions were overly generous. Certainly, this double standard falls far short of the American ideal of fairplay. How one equates wealth with quality of character is unclear. Surely, neither poverty nor wealth should qualify or exclude any person from public service. Likewise, neither poverty nor wealth should be equated with a conflict of interest. In the final analysis, every public servant must be judged on the record of his accomplishments. This is a standard which none can avoid, and no one can justifiably require a higher standard.

Throughout his years of public service, Governor Rockefeller has displayed a sense of dignity and responsibility that is befitting the office of Vice President, and I join my colleagues in confirming his nomination. I extend my best wishes for his success and well-being during the years of his further public service.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Michigan.

Mr. RUPPE. I thank the gentleman for yielding.

Mr. Chairman, for the second time in little over a year, the Congress is being called upon under the provisions of the 25th amendment to confirm a nominee for the office of Vice President of the United States. It is a tremendous responsibility, and one which the Congress cannot take lightly. For the first time in our history, the country will be led by two individuals who have not been elected to their high offices by a vote of the people. I believe the Congress has admirably discharged its responsibilities in carefully considering both nominations. And I believe that President Ford has made a wise choice in the nomination of Nelson Rockefeller to be our 41st Vice President. He is a man I have long admired, and who, in my opinion, was destined to be a national leader.

In these days of change and unrest, more than anything this country needs leaders who have broad experience, and Mr. Rockefeller has 40 years of distinguished service to this country. He has experience on both the Federal and State levels. As Governor of the State of New York for 15 years, Mr. Rockefeller managed one of the largest State budgets in the country. He gained valuable experience with our hemispheric neighbors as Coordinator of Inter-American Affairs. During the Eisenhower administration, he served as Under Secretary of Health, Education, and Welfare, and as Chairman of the President's Committee on Government Reorganization. His wide-ranging skills covering four decades have given him excellent credentials for a man who is next in line to succeed the President.

In Governor Rockefeller's testimony before the House Judiciary Committee, he made an interesting observation regarding his motivation, which I believe is worth recalling. He describes himself as "a man who delights in tackling tough problems." The past few years have brought more than their share of complicated problems and questions, and this will undoubtedly hold true in the future. We can ask no more than to have a second in command who has proven experience and who is ready to give his utmost for the betterment of this country and the world. Nelson Rockefeller's public record reflects admirably his motives and experience, and I am honored to have the opportunity to cast my vote in favor of confirmation.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. LONG).

Mr. LONG of Maryland. Mr. Chairman, when Mr. Rockefeller's nomination was first announced, my public reaction was distinctly favorable. But much has transpired in the months since then to change my mind.

George Bernard Shaw once said that when a poor man steals a loaf of bread, he goes to jail; when a rich man steals a railroad, he goes to Parliament.

Stealing, of course, is much too strong and unfair a word to use in connection with Mr. Rockefeller. Nevertheless, if we approve of his nomination, this House will be applying a dual standard to the conduct of public officials: one for persons of ordinary means and position, and another for Nelson Rockefeller.

Granted that Nelson Rockefeller has intelligence, experience, and polish. This man has, nevertheless, violated every standard of morality which the average public official is being held up to in this atmosphere of post-Watergate morality—in his use of wealth to obtain and retain public office; in his dispensing of gifts to exert influence, a use bordering on criminality; in his laundering of expenditures to undermine political opponents; in his hostility toward the enforcement of antitrust laws over areas in which he has an undeniable conflict of interest; in his insensitivity toward the use of covert U.S. influence in other countries; in his failure to have learned anything from our disastrous military ventures in other countries, especially in Vietnam.

I submit that no ordinary Member of this body could survive politically if he had this record and this expression of views.

I regret that I must vote against Nelson Rockefeller.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Chairman, I yield 5 minutes to the gentleman from Washington (Mr. FOLEY).

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Connecticut.

Mr. GIAIMO. I thank the gentleman for yielding.

Mr. Chairman, congressional scrutiny of Nelson Rockefeller's fitness for the Vice Presidency has revealed enough evidence to suggest that he may have used literally millions of dollars to buy political influence in the State of New York. Moreover, Mr. Rockefeller and the Rockefeller family have billions invested and concentrated in industries and companies whose profits frequently turn on Government decisions. He demonstrates a clear conflict of interest between his great personal wealth and business interests on the one hand, and the making of public policy on the other.

The compatibility of that record with high political office is a question that the American people would normally resolve in a general election. If they wish to overlook it, they can. Under the 25th amendment, however, we confirm—we do not elect—the President's nominee. We have no authority to overlook the nominee's serious conflict of interests. Only the electorate should have that privilege.

On the basis of this record, I intend to vote against the confirmation of Nelson Rockefeller as Vice President.

Mr. FOLEY. Mr. Chairman, it has been said this afternoon that the 25th amendment is a substitute for the process of election, and that this is one of the reasons that we must exercise the greatest care in the consideration of this nominee. We are not only approving him for confirmation to the second highest office of the country, but in the event of an unfortunate possibility we are approving him as a successor to the Presidency itself.

But it troubles me that the process by which we attempt to substitute for election, involving as it does a searching examination of the background of the individual leaves that individual in an enormously difficult situation of running against the standard of perfection.

An eminent political scientist once said that in many American elections for the Presidency, the public examines the two major candidates, rejects one, and on January 20 the other is inaugurated as President of the United States.

Whether that is true or not, the process dictated by the 25th amendment is, I think, much more difficult for the nominee than the election process. We go back over the career of a man who has been in and out of public life for over 30 years, subject it to a full investigation by the FBI and to complete Internal Revenue audits, and then ask anyone who wishes to come forwward with pejorative information and testify against him. Few Americans would willingly want to undergo such scrutiny.

Probably few Presidents in our history, if they were somehow brought back to stand again for confirmation could survive this sort of examination of all their official and private actions without incurring bitter criticism and searching questions as to their judgment and fitness for high office.

Think for a moment of those Presidents we have honored in our hearts and whether we would wish to subject them to the severe and often corrosive criticism that this nominee has endured.

I think the examination of Nelson Rockefeller can leave us with an extraordinary sense of confidence that a man so active, and investigated so carefully, should have so few serious questions raised about his conduct and qualifications.

In fact many of his most serious opponents admit that he is highly qualified and experienced that he has had a singular record of public concern, and he has attracted associates of extraordinary talent. But they question, for example, this or that specific decision made while he was for 12 years Governor of the second most populous State in the Union. He has made mistakes of judgment and he has publicly admitted to that. Could anyone so active in public life not have made mistakes of judgment? Could any of us go back over our careers and not wish we had made different decisions at one time or another?

If total absence of fault is to be the standard, the only easily acceptable nominee is a man of no experience, no decisions, no prior responsibilities because only such a person is invulnerable to critical judgment.

He is also questioned because of his wealth and the wealth of his family. Yet it is widely conceded that wealth alone is not an issue, but whether that wealth

has been used to abuse public office and the public trust. Some allege that the wealth of the Rockefeller family is so extraordinary that it somehow changes the character of this problem and creates a permanent conflict of interest.

Will this nominee not be subject to the most careful scrutiny which could raise a question of conflict of interest for any public decision he makes? Of course, he will. We can assume the most resolute watchfulness. Beyond that consider the statement of the distinguished chairman of the Committee on the Judiciary that despite this great wealth and this long career of high public office was any public act of Mr. Rockefeller proved to have been taken to advance his or his family's financial interest?

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, I want to direct a question to the gentleman and to the point the gentleman made previously. Of course the nominee will be under great scrutiny. And I might agree with the gentleman, but we have never fully achieved that result when there has been no investigation into the extent of the economic power of his family. We do not know for example whether stocks administered by the trust department of the Chase Manhattan are voted together with their other stocks. How can we be sure?

Mr. FOLEY. I suppose the answer is there can be no assurance if one wishes to assume a corrupt purpose.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. RANGEL. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. FOLEY. If one wishes to assume a nominee is likely to become corrupt it makes little difference whether he is rich or poor. The opportunities for corruption in high office are enormous. We all know that. This is a man, however, who has served in high public office, who has made great and difficult and controversial decisions time and time again, a man of great wealth; yet there is not one documented case in all that record that establishes that he ever acted with a corrupt motive and not one of his opponents comes forward and says that has been established.

Even his most serious opponents will, while claiming a specific action, say there was a public interest for the decision, as well as one that raises a question for the nominee.

Mr. WALDIE. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from California.

Mr. WALDIE. Would the gentleman describe the Goldberg book as not a corrupt action of great wealth to enhance public political power?

Mr. FOLEY. I have not read the book.

Mr. WALDIE. I am not talking about the book as such, but the attempt to cover up the financing of it.

Mr. FOLEY. The financing of the book, I think, raised a reasonable question. I think the book was erroneous, no question about that.

Mr. WALDIE. Was it corrupt?

Mr. FOLEY. I do not think it was corrupt.

Mr. WALDIE. Was it a violation of the law?

Mr. FOLEY. I am not able to answer that question.

Mr. WALDIE. If it was a violation of law, would it not be a corrupt action?

Mr. FOLEY. I am speaking of corruption in the light of those unfound concerns that the nominees' great wealth was or will be used to advance his financial interest. I do not yield any further.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Illinois.

Mr. McCLORY. It is not corruption to publish a book. Books were not covered in the New York State law at that time. There was nothing dishonorable or corrupt about it. It was a mistake and he apologized for it and that was the extent of it.

Mr. FOLEY. Exactly.

Mr. Chairman, it seems to me extraordinary that with this sort of searching inquiry of the life and long career of this nominee, so few specific questions have been raised. I suggest to my colleagues on both sides who opposed the nomination that the record fairly judged leads on to the conclusion that this man is eminently qualified to hold the office for which he has been nominated. He has made mistakes; he has erred in judgment; as have all who serve in public life. I believe he has been faithful to the tradition of public service and the obligations of public trust.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. RANGEL. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. FOLEY. Mr. Chairman, in supporting this nomination I am painfully aware of the strong disagreement of many respected colleagues. Among those are some with whom I have worked closely in this House and for whom I feel a special administration and regard. I am sorry that I disagree with them.

But I would hope that every Member would cast a vote tonight, yea or nay, on this nomination as he or she best judges the issues and facts at this moment, the time for decision has come. We should not attempt to reserve our judgment to qualify our answer to the Nation. Some perhaps are inclined to cast a cautious vote of no, a careful vote of no, that will, if events later prove the nominee's conduct to be disappointing, give the satisfaction of retroactive wisdom. That is, I believe a tempting course for many tonight; but I hope it will be resisted. I hope that those who vote no are only those who are convinced that the nominee is not suited for the office. Our Nation faces great difficulties at home and abroad and the nominee if confirm will be expected to play an active role in the search for this resolution. Because of this the question of his nomination deserves a vote recorded not on the basis of personal caution, imformed assumption, or speculation but on the basis of our best judgment and conviction.

The country deserves no less.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. HUTCHINSON).

Mr. HUTCHINSON. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. DEVINE).

Mr. DEVINE. Mr. Chairman, I have no prepared remarks. I have spent 2½ to 3 hours on the floor today listening to the debate.

We have been without a Vice President for just a little over 4 months. I think it is time for us to remedy that situation.

In addition to being a historic day today, I think that if this does nothing else, it proves that our system works.

We can remember that on October 10 a year ago we had a Vice President that resigned and our then minority leader underwent what was probably the most intensive investigation ever conducted by the Federal Bureau of Investigation. He survived that investigation. He was appointed Vice President and he was confirmed. This was accomplished without rancor, resolution, demonstration, or bloodshed.

We have had other events occuring in the history of this country which have been monumental. We had a President resign last August 9, which caused our action to be precipitated to the top level, and we have a President selected rather than elected. We are now in the process of again proving that our system works by virtue of the 25th amendment of the Constitution of the United States—a peaceful, orderly, tranquil transition of the top level of government.

I am not a Rockefeller fan. I was against him in 1960 at the convention; I was against him in 1964 at the convention; I was against him in 1968 at the convention, and again in 1972. Governor Rockefeller was not on the list of names I submitted to the President for consideration for this appointment.

But, what has happened in the meantime? We have been without a vice president for 4 months. The Senate of the United States undertook and had in-depth hearings. They had an investigation and they approved him with less than 10 votes in dissent. Our Judiciary Committee held a series of in-depth hearings. The FBI has conducted another intensive investigation, this time covering 2,800 pages, and they found wanting anything that would disqualify this man from serving as vice president of the United States.

I say I am not a Rockefeller fan. I do not find myself in a position where I can offer an alternative in the event this House should see fit to reject this man. I have no idea who President Ford might recommend in his place, and I am not sure the House would approve whomever that might be; I am not sure that I would.

But, in looking at just two arguments used by the opposition, one has to do with his wealth. One can choose one's friends, but one cannot choose one's relatives. By accident of birth, he is a man

who has inherited a great amount of wealth, and of course through his own intelligence he has increased that amount, apparently.

But the other argument, I think, is ironic, and almost laughable. Those Members particularly who have pointed out his record for having run the State of New York on the basis of spending more than he has taken in are the ones I am addressing. I stand second to no one in this House in being a conservative or voting against deficit spending, but the very persons who point this out—some of them from New York—say that he ran as a candidate who would not spend any more than he took in, are the same ones here that have a miserable track record as far as blowing the budget out of sight and in deficit spending and spending beyond income.

So, I think it ill behooves those Members who point out that as a disqualification. It would disqualify many—I would say a majority—of the Members of this House if that were the test.

I find myself in a position where I think there is only one choice, and that is to vote for the confirmation of Governor Rockefeller as Vice President of the United States.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, just to touch on something else in respect to the gentleman's remarks, I think it is only fair to point out that the comparisons that have been made on the floor when we are told that when Mr. Rockefeller became Governor, taxes were so much, and when he stopped they were so much more, those comparisons are really unfair unless they are put into perspective of the fact that he was Governor for 15 years, and those were 15 years in the life of our country when the budgets of every State in the union went up tremendously, and taxes in every State of the Union went up tremendously.

I think if we look at the track record over a 15-year period in most States of the Union, we will see that the record he achieved as Governor was not so far out of line. I think that should be put in the record and put into perspective.

Mr. DEVINE. Mr. Chairman, I thank the gentleman for his contribution.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. DELLUMS).

Mr. DELLUMS. Mr. Chairman, members of the Committee, I rise in opposition to the confirmation of Nelson Rockefeller. I have some prepared remarks here, but I would like to deviate from those remarks and point out to this group that, as has once been stated by a great human being, "The price of freedom is eternal vigilance."

You and I must be extremely vigilant at this moment. We face an unprecedented, unparalleled moment in the history of this Nation, a Nation that is ostensibly democratic.

We are now about the business of confirming the second highest officer in this land, totaling two people, not duly elected and directly elected by the people of this Nation.

If it were within my power, I would reject the ability of the 93d lame duck Congress. Many of those who sit in this room are defeated candidates who faced the American people and were rejected for their policies and their stances and their positions. I would say we should let the 94th Congress, who have been the most recent people to stand before the American people to be exonerated or defeated, in terms of their stances and policies, make this decision. But I am not vested with that power, and we must now face this moment.

I would like to make a few comments at this moment upon statements made by several of my colleagues who spoke so eloquently of Nelson Rockefeller. Many have taken this well and said it is not wealth we are talking about. I agree with that, but let me advance this position. It is my belief that if there is anything at all we should have learned over the last 2 years in a series of hearings is that Government and Government officials with awesome power run wild, unchecked by the democratic process, breeds extraordinary corruption.

I would further advance that an individual with power unchecked by the democratic process has the awesome potential for corruption. Extreme wealth in the hands of an individual or a few individuals breeds awesome power, power that perhaps even Nelson Rockefeller does not understand. He understands the power of a million dollars, but does he understand the awesome power to corrupt Government officials, the power to corrupt Government, the power to corrupt or affect universities, making decisions on what research shall be conducted for what purpose and by whom, to corrupt or affect public policy and even social agencies?

It is my belief that awesome wealth that breeds that kind of power concentrated in the hands of a few people or one individual is antithetical to the democratic process, and that is the basic question you and I must come to grips with—the issue we must consider.

When we couple that awesome, extraordinary power with the ability to corrupt, with the awesome power of occupying 1600 Pennsylvania Avenue, we have a potential for extreme danger, for that kind of awesome economic power permeates throughout our entire political system. You and I have not checked it. What bill have we passed, what decision have we made that checks those millions and millions of dollars of a Nelson Rockefeller? We have not assumed that ability, and we stand in this well fraudulently assuming that we have and will. We do not want to even pass tax loophole laws that create more Nelson Rockefellers. The price of freedom is eternal vigilance, and you and I have the responsibility to protect the American people.

Nelson Rockefeller could not be elected to anything nationally in this country, and we both know it. Why do we stand here, talking about all of the wonderful things about Nelson Rockefeller when it has been clearly pointed out that he has affected agencies, he has affected people, he has affected Government.

Nelson Rockefeller potentially is one of the most dangerous human beings to rise to political office of this country.

Oppose Nelson Rockefeller and speak to the will of the American people.

Mr. Chairman, for the second time in 15 months we are forced to rely on the 25th amendment to choose a new Vice President, a procedure forced upon us by an administration so scandal ridden that a Vice President and a President were both forced to resign in disgrace.

The procedure of congressional selection set up by the 25th amendment does not allow the people a direct vote in the selection. Since this provision is at best a poor substitute for a direct vote on the Vice President, each Representative should seriously consider the needs and interests of his district and of the Nation in his vote. Unless we take these responsiblities seriously, the people will have no role at all in this election.

Therefore, I consider it a privilege to represent the millions of Americans who oppose the election of Nelson Rockefeller, by casting my vote against his confirmation. When the holders of the Nation's two highest offices are not elected by the people—an unparalleled situation in the history of the Republic—it calls for some extraordinary thoughts and extraordinary measures. If instead of playing 1976 Presidential politics we are seriously committed to trying to bring this Nation together, then we ought to aim for unity. The best way President Ford could have demonstrated that was to have moved into a bipartisan Government to take care of the Nation until the American people make their own decision in 1976. The President has obviously rejected that course. In fact, he has chosen a man whose past record creates severe doubts about his personal ability to contribute to national unity. Once again, an historical opportunity has been misjudged and mishandled.

By confirming the nomination of Nelson Rockefeller, Congress is agreeing to an unprecedented concentration of economic and political power in the hands of a man who has shown that he does not easily distinguish the two, just as he sometimes forgets the distinction between public and private power. This concentration and consolidation occurs at a time when the United States should be reducing and dispensing power, not the reverse. Mr Rockefeller and President Ford may not understand this, since they supported the Watergate Nixon down to the final moment, but the rest of us should remember and act on what we learned. We do not have to look closely to see that air of untouchability and invulnerability that led Nixon to abuse his office so seriously. Let us not make the same mistake twice.

Mr. Chairman, a number of matters recently have been brought to public attention which call into question Rockefeller's judgment: His involvment in the publication of a derogatory book on Judge Goldberg, his lack of candor and leadership in the Attica prison riot, and his lack of sensitivity to the serious legal and ethical questions involved in his sub-

stantial gifts and loans to public officials while Governor of New York.

The majority of the American people disapprove such poor judgment on the part of Mr. Rockefeller. Confirmation of Nelson Rockefeller would not restore public confidence and trust in government officials. Last year we elected a President, even though we were deceived about such important matters as the possibility of a pardon. But it is with this kind of seriousness that we should vote today.

Everyone knows that Nelson Rockefeller could not possibly win a popular election to the Presidency. I believe that any confirmation would be much more legitimate if it were done by the Members of the 94th Congress rather than the 93d Congress, since they represent the most direct, recent expression of the will of the American people. This is especially true since the rush to have Rockefeller confirmed by this lame-duck Congress has led to serious procedural irregularities.

The House of Representatives has therefore, a great responsibility to the American people today: Let us not let them down.

Mr. HUTCHINSON. Mr. Chairman, I yield 7 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, the confirmation of a Vice President of the United States under the provisions of the 25th amendment is obviously a critical and serious responsibility for each of us. Just over a year ago we found ourselves in such a situation, and I joined with nearly all of my colleagues to confirm the nomination of Gerald Ford to hold that high office.

Today we are confronted once again with the responsibility of the selection of a man to serve in the Nation's second highest office and potentially, in our highest office. But this time, in nearly every detail, the circumstances are entirely different.

A year ago, the nomination for a successor to the Vice Presidency was presented to us by a President who had been twice elected to his post by the citizens of the United States, the second time in 1972 with an overwhelming mandate. Today, we are considering a nomination submitted by a President who has never received the electoral endorsement of any voters outside of the single congressional district in Michigan which he represented for many years.

A year ago, the nominee was a man of modest means who enjoyed a reputation for honesty and sincerity throughout his political career. Today, the nominee is a man of such considerable means that even he was hard-pressed to detail the full extent of his wealth. Moreover, facts unearthed in the course of committee investigations reveal that this nominee has made substantial portions of his wealth available to a multitude of political associates in the form of loans or of gifts. And in at least several instances, it has been shown that he was, to put it mildly, not entirely candid about his background and conduct under committee questioning.

I might add that the fact of Mr. Rockefeller's wealth does not trouble me as it does some of my liberal brethren in this House. His specific use of his wealth in given instances is another matter.

A year ago the nominee was a well-known fiscal conservative who had been a part of the mainstream of his party throughout his career, and possessed a clear commitment to sound financial management of government affairs and fiscal responsibility. Today, the nominee is a man who has spent his entire political career outside of the mainstream of his party and who has been rejected formally in three separate bids for the Presidency by his party. He now seeks to attain by appointment what he could not obtain by election.

In addition, his record as Governor of the State of New York shows him to be a man with little regard for responsible fiscal policy who repeatedly has increased the size of the State budget and who found ways to balloon the State's long-term indebtedness without any regard for a constitutional provision requiring that such increases be approved by the voters in referendum.

A year ago we were called upon to consider the nomination of a man who was demonstrably in tune with the essentially conservative electoral mandates expressed in the past two national Presidential elections in 1968 and 1972. Today, we are pondering the nomination of a man whose record of liberalism and devotion to the increased power of big government is nearly unparalleled in either party, and who is closer philosophically to the defeated candidates in the Presidential elections of 1968 and 1972. And this nomination comes at a time when public opinion polls show more than half—59 percent, in fact—of the American people consider themselves basically conservative in political philosophy.

At least one other thing is different today than it was last year. Today, I shall have to cast my vote on confirmation in the negative; I shall vote "no" on the nomination of Nelson Rockefeller to become Vice President.

THE 25TH AMENDMENT

When the 25th amendment to the U.S. Constitution took effect on February 10, 1967, few ever dreamed that only a few years hence the Nation would be governed by two appointed individuals who had never been subject to the popular vote of the people. Never before in our history have we lost both the President and the Vice President during a single term of office. The seriousness of this situation must give us special pause as we consider the nomination before us.

In any case, I do not believe that the language of the 25th amendment in any way requires us to give our automatic blessing to the nomination to fill the Vice Presidency, giving consideration only to that nominee's fitness to hold office. Nor do I believe that the legislative history of the amendment suggests that we ought to "rubber stamp" the President's choice unless we can identify serious and grave transgressions which show him to be unfit.

Rather, I think that it is up to the Congress, presently the sole source of legitimacy under the doctrine of popular selection of the Nation's chief executives, to attempt to insure that the individual who assumes the Vice Presidency is one who will carry out the electoral mandate expressed by the voters in the most recent Presidential election. Today we are asked to speak in the people's stead. I believe that it is abundantly clear that Mr. Rockefeller does not meet the test.

Moreover, the evidence is substantial that he could not win the support of a majority of Americans today. I have no doubt that he could never win a majority of votes in the district which I have the honor to represent. In New York, where voters know him best and where he served as Governor for 17 years, a recent Yankelovich survey found that Mr. Rockefeller "was the least popular public figure" in the State among those voters surveyed. The most recent available Harris poll, based on interviews conducted during the first week in November, showed that 43 percent of those surveyed nationally were opposed to his confirmation, and only 39 percent were in favor.

I am not suggesting that we should approve or reject a nominee for the office of Vice President simply on the basis of the latest public opinion polls. But I do intend to argue that we ought to pay more than passing attention to the weight of public opinion in this case. This is especially important when we consider that we are acting in lieu of a more direct expression of the public's wishes in the selection of one who, as we learned so painfully over the past year, could easily become the most powerful man in the country with little or no warning.

PUBLIC DOUBTS JUSTIFIED

There are several reasons for grave public doubt about the ability of Mr. Rockefeller to operate the Federal Government in the best interests of all of us, as citizens and taxpayers.

First, it is apparent that the taxpayers of New York did not fare well under the many terms of the Rockefeller administration. Between the time when he took office as Governor in 1959 and the end of the last fiscal year, the amount of money spent annually by the State government there went from $1.9 billion to nearly $9 billion.

Under Mr. Rockefeller, taxes were raised in the State at least every other year, and the maximum rates on personal income tax more than doubled from 7 to 15 percent. During his tenure, the State gasoline tax went from 4 to 8 cents a gallon, cigarette taxes climbed from 3 cents to 15 cents a pack, and a 4-percent sales tax went on the books. When it is all added up, the tax load in New York went up by almost five times while he was in office.

Through the efforts of Mr. Rockefeller and his inventive staff, ways were devised to obligate State funds far into the future without the inconvenient and sometimes perilous need to put such a claim against future revenues before the people in the form of a constitutionally required referendum.

Thus, although the people of New York have approved only $3.4 billion in bonded indebtedness through referendum, they owe another $7.7 billion in long-term obligations which were never submitted to the electorate for approval. As a result, the State had to pay more than half a billion dollars in debt service last year, which represents double the figure of just 5 years earlier.

The future of the people of New York is thus heavily mortgaged for many years to come, and I cannot help but wonder how any Members of this House could entrust the future of the entire Nation to the man who had handled the affairs of one of our largest States in so cavalier a fashion.

Where has all of the taxpayers' money gone? As one Empire State cynic put it, "Nelson spends the taxpayers' money as if it was his own." From enormously expanded social welfare programs to the incredible monument to what has been called his "edifice complex," the multibillion dollar Albany Mall, he has indeed spent public moneys freely. The rate at which he and his associates found new places to spend that money is unmatched even by Uncle Sam. In an era when there is a growing recognition that such governmental spending policies have been the major impetus behind today's rampant inflation and faltering economy, it seems incredible to me that we should be on the verge of installing as Vice President, and possibly President, a man who can only be described as the dean of the Nation's big spenders.

The examination of the miserable fiscal record of Mr. Rockefeller gives us no comfort when we consider the "informal sources" at the White House who envision this man in the role of the chief domestic policy assistant to the President. Given Mr. Rockefeller's personal temperament and his past record on policy matters, the prospect of his control over our domestic affairs is chilling and, indeed, dangerous. It is also totally at odds with the President's own profession of fiscal conservatism.

In all fairness, it must be admitted that Mr. Rockefeller has been at least as free with his own personal financial resources. But as we have seen in the revelations of recent weeks, Mr. Rockefeller's generosity provides more reason for doubt than for enthusiasm.

The examples of questionable practices in this regard have been well developed in hearings held by the House and Senate, and I do not intend to reiterate the details here. But in my opinion, there were altogether too many instances of subordinates in State government who had received large gifts from the Governor or who owed him outstanding debts.

The problems which this sort of activity might generate if Mr. Rockefeller were to become Vice President, or even President, are obvious. Suppose he were involved in making a decision regarding an investment in the Soviet Union to be financed by the Chase Manhattan Bank, owned by his brother, and the Export-Import Bank? Would be make the decision himself, or turn it over to Screetary of State Kissinger, to whom he has given a gift of $50,000?

THE ABORTION ISSUE

Mr. Chairman, perhaps some of the gravest reservations I have about Mr. Rockefeller apply to his professed and even arrogant disregard for the right to human life. His personal support of liberalized abortion laws in his native State has turned New York into the abortion capital of the Nation where hundreds of thousands of innocent children have been deprived of life. He personally blocked the popular expression of the people and the New York legislature by vetoing a bill which would have preserved the right to life. I know that many of my colleagues would rather ignore the issue of abortion and Mr. Rockefeller's view of this matter, but on an issue of such fundamental importance we should not be tiptoeing, but rather standing firm for the right to life. I note in passing that Mr. Rockefeller's pro-abortion stand is at serious variance with that of the President who nominated him for the post we are considering today, yet another curious contradiction.

THE TWO PARTY SYSTEM

While political considerations in the sense of partisanship should have no place in our deliberations today, I would like to say a word or two to my Republican brethren. I have spoken with many of you privately and based on my observation, I would suspect that if the vote today on this nomination were by secret ballot, a strong majority of those on this side of the center aisle would vote against Mr. Rockefeller. That would be appropriate because, as I have detailed, his record is not consistent with the majority philosophy of our party, or, as I understand it, with the express wishes of the American electorate. But my Republican colleagues, consider what you do by your acquiescence in this nomination. If you vote to approve this man, you raise the specter of the further dissolution of our party. I do not suggest a third party is inevitable, only that millions of Americans would like to see a second party which presents a conservative philosophy; and this comes at a time when less than a quarter of the registered voters are willing to be identified as members of our party. This nomination makes the future success of our party highly unlikely in the foreseeable future, as I see it.

Mr. Chairman, these are the principal reasons for my decision to vote against confirmation of Nelson Rockefeller as Vice President. Although my philosophical differences with him go much deeper, I have not made my decision on that basis alone. Instead, I am voting in a fashion which I believe is in the best interests of the people of my district, of all Americans, and which is consistent with my own conscience, and my oath of office. I could not do otherwise.

The CHAIRMAN. The Chair now recognizes the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri (Mr. RANDALL).

Mr. RANDALL. Mr. Chairman, I appreciate the gentleman from Wisconsin's yielding me some time.

I realize that I shall not be as articulate or as eloquent as those who have preceded me. Therefore, the question may be asked: "Why don't you just revise and extend your remarks?"

The answer is that I believe this is a matter important enough that I do not want to go home without being able to say to my people that I actually spoke out on the floor—and that I participated in the debate to represent them in this confirmation vote.

As one of the preceding speakers has put it, I intend to cast a cautious and a careful "no" vote on this confirmation.

I will try now to recite some of the reasons.

None of my reasons are partisan. I have never been bitterly partisan.

I was one of the few—about a half dozen as I recall it—who took the floor on this side of the aisle to speak in behalf of Jerry Ford. But I knew Jerry Ford. We all knew Jerry Ford. We could take that man on faith.

We cannot do the same in this case. We cannot take Mr. Rockefeller on faith. I do not know him, and most of us do not know him.

This brings me down to some specific reasons why I have doubts on this confirmation. During the Rockefeller investigation in the other body, someone asked me "What do you think of the investigation—Is it thorough enough?" I answered "They have not scratched the surface."

That view is my present view—we have no more than scratched the surface in the investigation of the vast Rockefeller financial interests.

I have no criticism for our committee. They were pressured by time. I think they felt we should act on this confirmation before the arrival of a new Congress. But the facts are we do not know nearly enough about the almost unbelievable wealth of Mr. Rockefeller or his family who by their own statement work together as a unit.

What we are doing here today is most important for the reason that we may in fact be confirming not just a Vice President but President, because every Vice President is but a heartbeat away from the Presidency.

What is the unusual significance of our procedure tonight? Well, for one thing we are not simply proceeding like the Senate in a matter of advise and consent. We are doing a whole lot more than advise and consent. We are doing something positive, not just suffering something to be done. We are approving a nominee for Vice President.

If you please, we are approving an unelected Vice President named by an unelected President. In all of the history of this country this situation is indeed unique.

In my judgment what we are doing is very different from legislating. This is not a legislative matter. Each Member of this House represents about 500,000 constituents. Today we are not voting as Members of the Congress, as we would

vote on legislation, because I repeat this is not a legislative matter. Some have said we are acting as surrogates. I have never liked the word "surrogate." Rather, I would say we are acting as delegates or agents. Better to say, we are filling the role of office exactly as our name implies—we are acting as representatives of the people. If we are going to represent the people, then I believe we must reflect their views and attitudes toward Mr. Rockefeller.

What then is the attitude of the people? The nationwide polls as reported by Gallup show about 45 percent against confirmation and 35 percent in favor of confirmation.

Awhile ago, one of my colleagues mentioned the Father of our Country, President Washington. I too wish to refer to a quotation that the Father of our Country made to the Continental Congress when he said "if we only please the people, and what we do we disapprove ourselves, then how can we defend our work?"

In this instance, I have no problem to please most of my people and at one and the same time approve, myself, what I am doing. This would satisfy the dilemma President Washington mentioned. I feel sure I represent the majority of my people when I cast a negative vote today against this confirmation. During the campaign this confirmation became somewhat of an issue.

As far as our mail was concerned, the count was about 30 to 1 against confirmation. I do not know the experience of other Members, but in our office we received exactly two letters urging a vote for confirmation.

Tonight, I reflect the views of my people, but more than that I personally believe that this confirmation is not in the best interest of our country at this time. The one overriding and most important reason to be against confirmation is the conflict-of-interest issue.

I understand that today the rule was enforced that a Member cannot quote from or refer to notes. Yet, I am going to do this, briefly, as I read a quotation from a recent newspaper story which stated that if Mr. Rockefeller were to later become President, and if he were to disqualify himself in all of those areas in which the Presidential discretionary power crossed the path of his family's economic interests, he would be just hopelessly hamstrung, and he could not act at all. He would be, in other words, unable to act on almost any decision if he wished to be free of conflict of interest. The extent of his conflicts is inconceivable and unprecedented.

Well, time is running on.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KASTENMEIER. Mr. Chairman, I yield 1 additional minute to the gentleman from Missouri.

Mr. RANDALL. Mr. Chairman, someone has said earlier that if a matter involving energy or oil would require a decision by Mr. Rockefeller at 8 a.m., he could not act if he were to remain free of a potential conflict of interest. Another decision might come on chemicals at 9 o'clock. Then a decision on banking at 10 o'clock, and a decision on transportation, either air or rail or water 11 o'clock. If he respected the existence of a possible conflict of interest—he could not make the decision. He would be literally hamstrung.

Well Mr. Chairman, it all comes back to the fact that all of these hearings were punctuated with questions about this vast wealth. It is not a question of his personal wealth alone. It is a question of the Rockefeller empire that involves his brothers. Such an accumulation of wealth has seldom, if ever, been seen before in this country. It is not found elsewhere in our country except within this family.

Mr. Chairman, I am grateful to the gentleman from Wisconsin for yielding me the additional minute. I conclude by saying that because of the background of Mr. Rockefeller, and because of the enormous wealth, which seems almost limitless, and because of the constant potential that exists here for a conflict of interest he should not be confirmed. We should not confirm the merger if you please, of this great wealth and such great political power. For this paramount reason I shall vote "No" on the confirmation.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. Mr. Chairman, I yield 3 minutes to the gentleman from Washington (Mr. PRITCHARD).

Mr. HANSEN of Idaho. Mr. Chairman, will the gentleman yield?

Mr. PRITCHARD. I yield to the gentleman from Idaho.

Mr. HANSEN of Idaho. Mr. Chairman, as I approach the conclusion of my 6 years service in the Congress, I am grateful for the opportunity to cast an affirmative vote for the confirmation of Nelson A. Rockefeller to be the 41st Vice President of the United States. This is one of the most important votes of the thousands I have cast in those 6 years. During this time I have seldom cast a vote with such complete confidence that it will best serve the interests of our country. There has never been a greater need for the combination of experience, ability, and exceptional leadership qualities that Governor Rockefeller will bring to the office of the Vice-Presidency.

Because the quality of national leadership is of such fundamental importance to the lives of our people and the preservation of our Republic, the decision of who shall govern is of paramount concern.

Following the prescribed constitutional procedures under provisions of the 25th amendment, Governor Rockefeller has been subjected to one of the most thorough and careful investigations of any Vice Presidential nominee in our history. Coming at a time of deep national concern over the conduct of Government, congressional scrutiny has been aggressive and uncompromising.

The outcome from these congressional hearings conducted during a 4-month period has provided an unprecedented amount of information upon which to base a decision of confirmation.

A careful consideration of the substance of these hearings has strengthened and reaffirmed my long-held conviction that Governor Rockefeller possesses the dedication, ability, and integrity that will make him a great Vice President. My vote of conscience for his confirmation is a vote which I believe will strengthen and maintain the ideals that have made this country great. It is also a vote that will help give a man of outstanding qualifications and past achievements the chance to serve this country at a time of uncommon challenge and opportunity.

Mr. MARTIN of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. PRITCHARD. I yield to the gentleman from North Carolina.

Mr. MARTIN of North Carolina. I thank the gentleman for yielding.

Mr. Chairman, today I will cast my vote for confirmation of Nelson Rockefeller as Vice President of the United States.

Mr. Rockefeller was not my first choice for the Vice Presidency, but in the final analysis the selection of a Vice President under the 25th amendment is up to the President, just as the choice of a candidate for Vice President at a nominating convention is pretty much up to the candidate for President. Under the 25th amendment, the Congress is called upon to confirm or reject the nominee on the basis of his fitness for office. I believe that in such a situation the nominee should be confirmed unless the investigations lead to a conclusion of unfitness.

My political philosophy is not the same as that of our new Vice President. His political judgment on some questions has been different from mine. But I would have to say the same about President Ford, former President Nixon, Senator GOLDWATER, the late President Johnson, and anyone else in public life. Being "for" someone does not mean—it cannot mean—always agreeing.

Many of the objections raised against the Rockefeller nomination center on his having run a very tough campaign for reelection as Governor in 1970 against a very tough, aggressive liberal. I have been in tough campaigns and, while I would have done things differently from the way then-Governor Rockefeller did them, I do not consider what he did to be disqualifying. Other objections center on the toughness with which he crushed the prison revolt at Attica. Under the crisis circumstances at Attica, and in spite of the tragic loss of life, I believe he was right to break the revolt, and do so quickly.

Some have objected to the wealth of the Rockefeller family and of Nelson Rockefeller's personal wealth. He is by no means the richest of Americans. J. Paul Getty and the late H. L. Hunt account for individual fortunes probably as large as the whole Rockefeller family fortune. Then there are DuPonts, Mellons, Harrimans, Kennedys, and others. Wealth itself—or the lack of it—must never be a bar to public service. Nelson

Rockefeller's wealth is an accident of birth, and has been maintained by good management. And much of it has been given away and more is to be donated to charity and the Nation according to his testimony. He has regretted some donations, a fact that is not surprising considering how many there have been. Some people with fortunes choose to simply wallow in it. I am impressed by the philosophy of the Rockefellers: "Great wealth imposes great responsibilities." Universities, churches, hospitals, and museums stand as evidence of the exercise of their responsibility.

In listening to the arguments against the Rockefeller nomination coming from colleagues in my own party, I am reminded of a story describing judicial reasoning. It seems a young lady was being propositioned by the boy next door. She recoiled and objected, saying, "I'll give you three good reasons why not: First, you'd lose all your respect for me; second, I'd lose all my respect for you; and, third, it always gives me a headache."

Sometimes you have to wait a while to get to the real reason why you get a negative answer.

In the Rockefeller case the real reason is that in 1964, Governor Rockefeller ran for President against someone I admire greatly and whom I supported in 1964. We cannot leave the fellow in the dog house forever just because he ran and lost. That attitude would require that, were Senator GOLDWATER the nominee instead of Governor Rockefeller, every Democrat in the House would be voting "nay."

As Governor of New York, our new Vice President was tough on crime and drugs, to his credit, albeit to the consternation of the so-called liberal establishment. When he ordered a hard-nosed policing of the State's welfare rolls, editorial hearts bled as expected. Instead of running up State operating expenses, he engineered a system of self-liquidating revenue bonds to finance projects from college dormitories to parking lots. He was a dynamic Governor. He stepped on a few toes. He ruffled a lot of feathers.

One cannot expect to agree with an office-holder all the time and I expect to have my own toes stepped on sometimes, and my feathers sometimes ruffled. But, not only does America need a Vice President, but America needs public officials who have the guts to disagree, to step on a toe or two, and ruffle feathers when that is called for.

I wish Nelson Rockefeller well and call on all Americans to unite behind the new team.

Mr. PRITCHARD. Mr. Chairman, coming from Washington State, which is a long way from our Capital and New York, I feel I can talk about Nelson Rockefeller's national reputation, and the qualities which he will bring to National Government. But others can do that, too, and with more eloquence, so let me just stick to basics. I think that Nelson Rockefeller is not only our best choice for Vice President; he is our obvious choice. Let us be frank. If we were going to sit down and choose a Vice President on our own, we would agree that, first, of course, he would have to be a Republican. If we wanted to give balance to our national leadership, would we be wise to choose a Vice President who, like the President, came from the legislative branch? It is pretty clear that the answer is no; that the Vice President should come from the executive branch, or be someone with maximum executive experience. Now we cannot really have someone from the previous administration, so is it not logical to look to State government for a tested leader? Right away, we are pointed to the great State of New York and its former Governor, in office for over 15 years, with a track record as a proven and able executive who has faced head-on the major issues of our time. If you follow this line of reasoning, and add as a bonus Nelson Rockefeller's years of experience at the Federal level before he became Governor, and add as another bonus his understanding of international affairs and their interrelationship with our problems here at home, why, Mr. Chairman, I think Nelson Rockefeller would clearly be our logical choice. For these reasons, I am pleased that the President has sent his name up, and I am delighted to vote for him.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. MCCLORY).

Mr. MCCLORY. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. BELL).

Mr. BELL. Mr. Chairman, I rise in support of House Resolution 1511 to confirm Nelson Rockefeller as Vice President of the United States. There is no man in this Nation more qualified for the job of Vice President than the one being considered here today. His success as Governor of New York has become legendary. He is probably one of the best, if not the best, the Empire State has ever had.

For those concerned about conflict of interest, Rockefeller was born into a family of tremendous wealth. I suggest that his goal in life might, therefore, not be to gain more wealth. How rich can you be? Judging by his interest and activities, including all the tasks that he has performed under the Cabinets of various Presidents, it seems obvious that his own personal interests are best fulfilled working for the Government and, if you will, for the good of mankind. With this background I suggest his efforts are not dedicated to enlarging the Rockefeller family fortune, but to achieving some governmental solutions to problems. So where's the conflict of interest?

If Nelson Rockefeller is not approved, who would be the next choice? Someone of similar ability? If so, could he withstand a similar scrutiny? Probably not, as there are not many people of such accomplishments in America who could stand up satisfactorily under such investigations.

Unfortunately, those of little accomplishment who make the least number of enemies, stand up best under such an examination.

Rockefeller has undergone a rigorous and thorough examination by both the Senate and the House. I think we in this Nation are fortunate to have a man of such proven ability to serve as Vice President of the United States.

Mr. Chairman, I hope his nomination will be overwhelmingly approved.

Mr. MCCLORY. Mr. Chairman, I yield such time as he may consume to the gentleman from Kentucky (Mr. SNYDER).

Mr. SNYDER. Mr. Chairman, Nelson A. Rockefeller's wide experience in public service does not denote wisdom and discernment. The record shows that his standard pattern of operations reflects a lack of those two qualities. Both are vital to the Presidency, and the office he is up for is the backup slot for the Presidency more than anything else. By an unfortunate incapacitation or unexpected resignation of the incumbent President, he could be catapulted into the Oval Office like Harry Truman, Lyndon Johnson, and Gerald Ford.

The hearings before the Senate Rules Committee and the House Judiciary Committee focused attention on decisions and actions by the nominee which have rendered him suspect in the minds of the majority of our America citizens. Public opinion polls can be in error, but they are usually quite accurate when questions are clearcut and precise, leaving no room for ambiguity.

In November, the Harris poll results indicated that 43 percent of the people actually opposed the Rockefeller nomination while only 39 percent approved it. The nominee's record was such that another 18 percent could not make up their minds. It is hard to misunderstand a simple question, "Do you approve of Nelson Rockefeller?"

As to the people's opinion on the likelihood of conflict of interest because of the nominee's wealth and investments, 47 percent held it would be a factor, while 34 percent felt it would not; 19 percent were undecided.

My own thinking about Mr. Rockefeller is shared by more, rather than less, of my fellow citizens.

It is true that those citizens are not directly selecting and electing the man who may be the next President of the United States by succession rather than election if, God forbid, something should happen to Gerald Ford—or if he should for some reason resign before completing his term. We who are participating in the confirmation process on behalf of the electorate cannot ignore the people's thinking.

It is doubtful that when the 25th amendment to the Constitution was enacted by Congress, any of us appreciated the possibility that two or more successive Presidents might be elevated to office under its provisions instead of by the American people through the normal election process.

Since events have brought home this possibility, many have urged further perfection of the emergency selection process. In the meantime, however, we are faced with the immediate need to name a Vice President. The nominee should have the trust of a majority of the people, if only because they did not elect him. That is vital for the good of the Nation. The President's nominee does not command that trust.

I fear that the distrust of Mr. Rockefeller engendered by public airing of these facts would continue to attend upon every decision and act he would be called upon to make should he succeed to the Presidency. Let me sum up the chief factors which disqualify him.

First. Gerald Ford, as the opposite number of the Speaker of the House, would have been in direct line for the Presidency had the Republicans gained control of the House prior to the 25th amendment. He was a logical successor to the Vice Presidency. Mr. Rockefeller lacks any such stature. He was, in fact, repudiated by his own party more than once when he sought the nomination for the Presidency.

Second. The hearings showed that as Governor of New York, he gave large sums of money to certain persons who held public office. He admitted to giving some $2 million to 18 public officials. In those offices, the beneficiaries of his largesse were in a position to advance both the political and personal interests of Mr. Rockefeller. These gifts and loans are highly questionable under New York law. The Harris poll found 54 percent of the people disapproved of this use of the nominee's wealth.

Third. The Rockefeller financial interests were shown to be so widespread as to penetrate vast areas of American industry and commerce, controlling enormous enterprises and wielding the largest single blocks of power in many giant corporations. Some 8 to 10 million shares of Exxon, the largest oil company in America, are owned or controlled by Rockefeller interests. Eastern Airlines' preferred stock is entirely owned by them. They hold 700,000 or more shares of the Chase Manhattan Bank, a powerful international concern. That bank, in turn, holds the largest blocks of stock in Atlantic-Richfield Oil, in United Airlines, and in Northwest Airlines. It owns substantial amounts of stock in A.T. & T., IBM, Sperry Rand, ITT, Motorola, and other giants.

Wealth in itself is not bad.

Control of giant segments of industry and commerce in itself is no evil.

Power in public office in itself is not wrong.

Yet there is no way to erase from his mind and the public's mind the knowledge of these vast holdings—and his every decision—should he become President—would be subject to public and media scrutiny in light of these holdings. Resultant public controversy would not be good for our country.

Fourth. In my opinion, the congressional committees failed to thoroughly investigate and examine the nominee minutely in areas where great conflict of interest is indicated. It has been charged that the purchase by the State of New York of the Long Island Railroad while he was Governor, bailed out the parent Penn Central Railroad which was headed by a director of the Rockefeller Chase Manhattan Bank that had investments in Penn Central securities, and was heavily in debt to the First National City Bank—headed by another Rockefeller, Dr. William Ronan—who received some half a million dollars in gifts and forgiven loans from the nominee—negotiated the $65 million purchase of the Long Island Railroad when $76 million in debt to Penn Central, which purchase directly aided the interests of the two Rockefeller headed banks.

Still more conflict of interest needs total airing, in the matter of the Port Authority of New York and New Jersey, which the same Dr. Ronan headed, and which borrowed heavily from the Rockefeller Chase Bank. New York State agreed under Rockefeller to rent at high rates 60 floors of the World Trade Center controlled by the authority while, it is claimed, space in rent-free buildings was available.

A number of other suspicious areas remain obscure.

For example, it is charged that at least 44 individuals received financial gifts or loans from the nominee. The Senate Rules Committee called only five of these to testify or give prepared statements. The House Judiciary Committee called only one recipient, Dr. Ronan. That is no way to probe a total pattern of the nominee's operational procedure of giving his personal funds to officials in key positions where they clearly could advance his own ends.

Fifth. Mr. Rockefeller did not follow sound fiscal policies as Governor of New York, where he increased the cost of government by some 400 percent. After his terms in office, New Yorkers were the most heavily taxed citizens in the land. I cannot praise the administration of a Governor who increases the indebtedness of his State some 600 percent, as Mr. Rockefeller did, driving business out of State at a loss of 400,000 jobs. The Nation's taxpayers need less, not more, of such administration.

Sixth. Governor Rockefeller on occasion has professed some concern about the Communist threat to our freedoms. But his actions and certain Rockefeller family interests seem to indicate otherwise.

I have heard no objection on his part to the Rockefeller Chase Manhattan Bank being the principal American financial agent for the Chinese Communist regime. That bloody regime, committed to the ideas and goals of Marx and Lenin, has slaughtered hundreds of thousands of Chinese, murdered hundreds of American and other missionaries, and intervened on the side of the North Korean Communists to kill tens of thousands of our servicemen fighting to repel the invasion of South Korea.

The nominee favors increased trade with Communist countries. Yet such trade, other than widespread espionage, has been the Communists' chief means of obtaining our advanced science and technology. Our lead in this vital area is the only factor enabling us to hold any superiority in the strategic balance of power. And that fast-diminishing superiority alone has enabled us to defend the freedom of Western Europe and our own country from Soviet attack. The Communists vigorously seek to obtain our advanced computer technology, to cite only one example of their deficiencies. Governor Rockefeller's position simply confirms Lenin's classic definition of a capitalist as a man who would sell a rope to his enemy for a profit, even if he knew the buyer would use the rope to hang him.

Seventh. The nominee long has favored the concept of international federalism. The book, "The Future of Federalism," based on a series of lectures Mr. Rockefeller gave in 1962, sets forth his thinking. He argues that the concept of the Nation-State as we know it is obsolete. I cannot support a man for the second highest office in the land whose patriotism is such that he would subordinate the sovereignty of our people to a polyglot international parliament espousing principles other than those great ones embodied in our own Declaration of Independence and the Constitution.

The United Nations should be sufficient proof of the dangers involved. Even its staunchest supporters must privately admit the U.N. is nothing more than a sounding board for the self-interest of would-be world figures, some of whom head or represent so-called nations whose populations are smaller than the city of Louisville. While lip service is paid to liberty, justice, and the like, nothing but power counts there anymore—on the one hand, the power of the mighty Soviet Union which vetoes whatever it sees as a threat to its potential world domination, and on the other hand, the voting power of blocks of small countries practically impotent individually or collectively outside the debating halls.

As a private citizen, Mr. Rockefeller's views are merely impractical. As Vice President, they might have influence on our national policy. As President, his views could prove disastrous to the United States of America as a free nation.

Mr. McCLORY. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. PARRIS).

Mr. PARRIS. Mr. Chairman, several months ago I polled my district on the question of the confirmation of this nominee, and I would remind those who may have forgotten that my district is a Washington suburb that has been recently characterized in a national magazine as a microcosm of the Nation.

We enjoyed a substantial rate of return, well over 30,000, and almost 60 percent responded in favor of the confirmation of this nomination. My review of the record of the evidence and testimony before the various committees has not established any facts sufficient to dissuade me from casting my vote consistent with that result. I sincerely hope and believe that view represents the majority opinion of my constituents.

I would point out I have often disagreed politically and philosophically with the nominee but I will support his confirmation.

I have listened to almost all of the debate today with the exception of a very few moments and I have noticed with interest that many of my colleagues who oppose this confirmation are those who are most vocal in opposing any civil and political discrimination against

minorities, or any abridgement of a civil or constitutional right. And that is a laudable purpose, but those same people would by indirection or implication amend article II, section 1 of the Constitution which basically sets forth the qualifications for the highest offices of this Nation. They would reduce the constitutional rights of this nominee and the right of all Americans to aspire to public office because of his admittedly massive inherited wealth. That premise, Mr. Chairman, in my review is preposterous. Of course, it would be equally preposterous if we disqualified those people who were without wealth at all or without material assets.

So I would hope, Mr. Chairman, that the Members of this body would cast their vote and base their decision solely on this judgment as to the personal qualifications and competency of this nominee to carry out the serious obligations of his office.

Mr. KASTENMEIER. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. CARNEY).

Mr. CARNEY of Ohio. Mr. Chairman, I rise in opposition to the confirmation of Nelson A. Rockefeller as Vice President of the United States.

Around October 1 of this year, I sent questionnaires to the citizens of my congressional district, the 19th District of Ohio. Approximately 15,000 questionnaires were completed and returned to my office.

One of the questions I asked was: "Should Congress confirm Nelson Rockefeller as Vice President of the United States?" More than 74 percent, or almost three-fourths of all the people who answered the questionnaire, said: "No," Congress should not confirm him.

In addition, I have received over 300 letters and telegrams from my constituents regarding the Rockefeller nomination. Less than a dozen of these letters and telegrams expressed support for Mr. Rockefeller. The overwhelming majority urged me to vote against the confirmation of Mr. Rockefeller as Vice President.

Mr. Chairman, the people of my congressional district have spoken loudly and clearly on this issue. They are deeply troubled by the concentration of economic and political power in one man, which would result if Mr. Rockefeller becomes Vice President or President.

My constituents have expressed other concerns and other reservations about the Rockefeller nomination, but, primarily, they are concerned that Mr. Rockefeller is insensitive to the needs and problems of the average citizen—the working men and women of this country.

Mr. Chairman, I share many of the concerns expressed by my constituents. While I fervently and sincerely hope Mr. Rockefeller proves that my constituents and I are wrong about him, I must vote against his confirmation as Vice President of the United States.

Mr. KASTENMEIER. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. Mr. Chairman, this has been a very difficult day for most of us. There has been a great deal of concern expressed that we are talking in generalities. I have heard a great deal about the 15 years when the nominee was Governor of the State of New York and how wonderful have been his programs and how there has been no evidence of any conflict of interest.

Let me just state the following to the Members. I have watched Governor Rockefeller during his 15-year career as Governor of the State of New York, and I think it is a career which was kicked off and financed and consolidated by the Rockefeller family funds.

There is no question about the fact that Nelson Rockefeller is a very intelligent and forceful leader. Certainly as Governor for 15 years he has a record that includes some worthy accomplishments—and it would be incredible if in all that time he had not done some good and praiseworthy things.

But Mr. Rockefeller as Governor, viewed in his totality, achieved these programs by authoritarian and arrogant and questionable methods which did not serve the people well.

That record includes:

Quintupling the tax load on residents of New York State.

Developing gigantic, quasi-public authorities that are involved in every aspect of New York life and that have burdened taxpayers with a huge so-called phantom debt over which they have no control for programs they have never approved.

His largely successful efforts to give private utilities, in which he and his family had investments, monopoly control of conventional and nuclear power in New York State.

His sponsorship of the vacancy rent decontrol program, a disaster for tenants, and his approval of the lapsing of commercial rent controls, which was an equal disaster for small businesses.

His irresponsible behavior in the Attica prison massacre that took the lives of 43 prison guards and prisoners.

His imposition, for political reasons, of the most repressive and most ridiculed drug abuse law in the Nation.

His lavish and, in my view, illegal gifts of almost $2 million to public officials.

His domination of a State legislature notable for its rubberstamp actions and lack of democratic procedures.

A host of other actions that at the very least suggest a conflict of interest between his private role and the public welfare.

The New York State Legislature passed with Rockefeller support the statewide banking bill, which will allow such large New York City banks as Chase Manhattan to acquire branches all over the State. Given the obvious extent of Mr. Rockefeller's ties with Chase Manhattan, and the profit Chase Manhattan serves to gain by such legislation, inquiry could be made into the role Rockefeller played in the passage of this legislation.

Another example of Rockefeller exercising his leadership as Governor to benefit private interests with questionable results for the public involved the merger of the Triborough Bridge and Tunnel Authority into the Metropolitan Transportation Authority. This controversial merger was another instance in which Nelson Rockefeller as Governor worked in concert with David Rockefeller as the head of the Chase Manhattan Bank.

Evidence presented to the committee has indicated that the Rockefeller family holdings include extensive control in major insurance companies. In view of this interest in the well-being of insurance companies, the failure of the New York State Legislature to accomplish any significant reform in its antiquated workmen's compensation laws during Mr. Rockefeller's four terms as Governor merits inquiry.

Additionally, while Governor, Mr. Rockefeller was instrumental in securing passage by the legislature of a "no fault" automobile insurance law which drastically eliminated some 90 percent of personal injury claims at a time when there existed a direct conflict of interest because of the Rockefellers' ownership of seven insurance carriers. This ownership was revealed in a statement filed with the secretary of state of New York in 1959, and in one filed in 1972, following a disclosure of Rockefeller's noncompliance in the news media.

Another area which merits scrutiny is the extent to which Rockefeller's extensive oil interests may have influenced his leadership as Governor. It has been pointed out that it was not until some time after Rockefeller resigned as Governor that any action was taken against the flagrant violations of New York State antitrust laws by the major oil companies. In September of this year seven major oil companies were indicted by New York State for marketing practices designed to eliminate competition from independent gasoline stations, and for attempting to thwart open bidding for the supply of gasoline to State governmental agencies.

Mr. Rockefeller reportedly personally intervened in behalf of H. Ross Perot in obtaining a $125,000 feasibility study contract as the basis for a $30,000,000 contract to computerize the welfare system.

Mr. Rockefeller is particularly astute in consolidating his power by programs and hiring policies, as well as the use of his personal wealth, to bind to him the loyalty of certain constituents and individuals.

There will be Members who will talk about the enormous contribution that he has made to minorities in New York State, and I do not deny that that is so. This family, their foundation, has used their money well, has used their money to consolidate support and prevent and suppress any kind of opposition.

The pork barrel Albany Mall in the State capital, and the World Trade Center twin towers in New York City, which provided jobs, construction that would have better been used to build housing, stand as monuments to Mr. Rockefeller's expenditure of billions of dollars for dubious purposes.

The World Trade Center was constructed when New York City had experienced a boom in office building construction and had a great surplus of business space. This unnecessary architectural horror, now standing at least half empty, was erected by the Port Authority of New York, which plunged some $600 million of its surplus into the center at a time when Mr. Rockefeller's close associate and beneficiary, Dr. William J. Ronan, held a key position on the board. People who work in these huge 110-story buildings, the highest in New York and possibly the world, complain that the physical environment is alienating and makes them ill. Private businesses reportedly cannot wait for their leases to expire so they can move out. In an apparent attempt to cover up the magnitude of this fiasco in planning and construction, the State has rented 60 floors at the center—2 million square feet at an annual cost of $20.5 million—at a time when existing State office space is going unused in the city. There is also an estimated 10 million square feet of vacant, privately-owned office space in the lower Manhattan area in which the center is located.

The New York Post reported on December 13, 1974 that the State of New York is paying hundreds of thousands of dollars a year in rent for offices left vacant by agencies that were ordered by Mr. Rockefeller to move into the World Trade Center. One building alone, 50 Park Place, costs the State almost a half million dollars a year in rental fees for unused space, although the State liquor authority and other State agencies that formerly occupied the building are no longer there. The SLA lease, which cost $5,981 a month, expires this month, although the SLA has been in the World Trade Center for almost 4 years.

Not only is the State paying double rents to sustain this white elephant, but the city of New York is losing out on real estate taxes. The World Trade Center was financed by tax-free bonds, floated by the Rockefeller Chase Manhattan Bank, and pays only a fraction of the taxes to which a private building would be liable.

I have discussed this particular project in some detail because it illuminates the highhanded and extravagant Rockefeller mode of operation in New York State. If transplanted to a Federal level, this kind of operation could be incredibly costly for taxpayers.

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. KASTENMEIER. Mr. Chairman, I yield the gentlewoman from New York an additional 4 minutes.

Ms. ABZUG. Mr. Chairman, I thank the gentleman.

The most cynical thing that has taken place today is that we are moving to put into office not a Vice President, but as we have been told by Member after Member, an acting President. We have so distorted the meaning of the 25th amendment that it is unrecognizable. The 25th amendment never contemplated a situation in which there would be a nonelected President appointed by a self-impeached President who then sought to appoint a nonelected Vice President. Speaker after speare has justified support for Rockefeller's confirmation on the grounds that strength is needed in the executive branch of Government. In effect they are seeking to imbue the office of the Vice President with wholly new meanings and function. These are the very persons who insisted on confirming Ford in the face of those of us who said they should not because under those conditions he might succeed to the Presidency. What they are seeking to do here today is to virtually nullify the action they took with respect to Ford only yesterday, for they insist that they must put into power a strong acting President to bolster or replace President Ford. This we have no right to do. This happens to be the right of the American electorate. Particularly is this so, since we act here as Senator BAYH reminds us, as the surrogate of our constituents and the electorate who when polled have opposed this nomination.

We have heard a great deal about how we must hasten to approve the Rockefeller nomination because the Ford administration has to be shored up by Mr. Rockefeller's ability and energy. We are asked to compound an earlier mistake by placing Mr. Rockefeller in a position where, I predict, he will indeed function as a de facto President.

We are asked to abjure partisanship in confirming the Vice President, an appeal that would be justifiably laughed at in a Presidential election campaign. Why should we not give equal consideration to what we are doing when we have the added responsibility of substituting for the electorate? We are all aware that Mr. Rockefeller has been a controversial figure in Republican Party politics, and members of that party have presented their point of view here. But I cannot understand why my Democratic colleagues should collaborate so passively and unquestioningly in elevating to such a high position of power a man who may become President, without benefit of an election, in the next 2 years, and who certainly will gain an enormous advantage if he should decide to run for the Presidency in the next election.

Now to the issue of Mr. Rockefeller's power. Why is it we talk about this tremendously unique and huge interlocking complex of economic power that it concerns us and frightens us? I will tell the Members why. When Nelson Rockefeller was asked at the Senate hearings whether he thought his family had great influence he admitted it did if the word "potential" were added.

I think this House should ask Nelson Rockefeller just what on Earth the difference between "influence" and "potential influence" would be if he had to make a decision as Vice President, or as President, that affected the oil, banking, insurance, transportation, utilities, or communications industries, not to mention a number of industrial giants like IBM.

Of course, it is utter nonsense to suppose there is any difference. The fact is that Nelson Rockefeller would be unable to act in countless areas of public policy—the energy shortage and Middle East politics, Government regulation of airlines and broadcasters, the role of big banks in monetary policy, American involvement in Latin America, to name just a few—without stepping on one part or another of his own private empire.

I can tell the Members one other thing. As a lawyer who has practiced in New York State for many years and who knows something about New York State law, the six professors who testified to the fact that the State laws were violated by these gifts are correct.

There is strong evidence to indicate that Nelson Rockefeller during his tenure in office as Governor and following his resignation violated two section of the New York State Penal Code and the New York State Public Officers Law by giving gifts and interest-free loans totaling almost $2 million to various public officials.

I have already inserted into the record excerpts from a memorandum of law which I have presented to the incoming district attorney of New York County outlining a prima facie case that Mr. Rockefeller did violate these laws, under which violations are deemed misdemeanors.

Until the district attorney of New York County makes a thorough investigation of the facts and the law and until it is determined whether Mr. Rockefeller is innocent or guilty of breaking the law, I believe it would be unwise for the House to vote on confirmation.

If it does proceed to a vote, Congress may place itself in the unseemly position of having elevated to the Vice Presidency a man who may be subject to a grand jury investigation and trial. The Nation would then find itself again involved in a degrading and all too familiar discussion of whether a Vice President is immune from prosecution.

Or if Mr. Rockefeller is confirmed, no investigation will be held, and many Americans will feel more than ever that equal justice has once again been subverted and that the rich and powerful are above the law.

The investigation of the Judiciary Committee has really not been completed. The report of the Judiciary Committee is a statement of what was stated by witnesses. It is a statement of what documents were presented. It reaches no conclusions for decision. It provides no guidance.

Is this to be the legacy of Watergate? Have we gone through all the trauma of exposing and ejecting from power a servant of big business only to install in his place a master of big business and enormous wealth?

Thomas Jefferson once said:

> We must crush in its infancy the aristocracy of the monied corporations.

We failed to heed this advice, and we have paid for it dearly—from the time when the monopolies built by men like Nelson Rockefeller's grandfather tried to

buy whole legislatures to the time when ITT, big dairy combines, and a blue chip list of corporations bought themselves a piece of the Presidency.

We cannot be so unmindful of our responsibilities to raise to the Vice Presidency of the United States one of the most powerful leaders of that corporate aristocracy. I believe that the private Rockefeller power in combination with great public power would be simply too much for a democracy to risk.

That is the issue before us. We are not simply choosing a functionless Vice President. We are choosing a defacto President, now and for 1976. I ask you to consider whether the American people have given any indication that they want Nelson Rockefeller to be President of the United States. Have they given any indication that they support his policies and views, which include total silence on Watergate corruption, total support of the Vietnam war, total support of the nuclear military-industrial complex, and a fervent belief that the monopolies that now rule America should be put in charge of such vital Government programs as energy development.

I believe there is no significant popular support for Mr. Rockefeller. There is only an apathetic feeling that what the people want doesn't count. I urge you to reject this nomination and to begin to restore public confidence in Government.

I insert at this point in the RECORD my testimony at the House Committee on the Judiciary hearings on the confirmation of Nelson Rockefeller as Vice President, November 27, 1974:

I welcome this opportunity to appear before the Committee in behalf of many of my constituents who have asked me to express their opposition to the confirmation of Nelson Rockefeller as Vice President, a viewpoint that I share.

Once again a great responsibility rests with this Committee, which acted so correctly in serving the public interest in its hearings and votes on the impeachment of Richard M. Nixon. The issue now before you is a direct consequence of the Watergate events and should be seen as part of a continuing process in which the interests of the American people must be protected.

We are all aware of the unprecedented character of the Rockefeller nomination. A self-impeached President, Richard Nixon, names as his successor Gerald Ford, the first non-elected President in the history of our nation. President Ford, who by pardoning Mr. Nixon showed greater consideration for the former President than for the wishes of the American people, now proposes a Vice President who would be elevated to the second highest office in the land without benefit of a popular vote.

Under these most unusual circumstances the Committee has a moral obligation to act as surrogate of the American public to seek to determine as carefully as it can whether there is any reason why Mr. Rockefeller should become a non-elected President-in-waiting of the United States.

I can see no such reason.

Traditionally, the President has been allowed to choose a compatible Vice President, presumably because the electorate requires assurance that the policies it voted for in the person of the President will be continued by his successor. But there is no popular mandate for either Mr. Ford or Mr. Rockefeller, or for their policies. On the contrary, public polls show that a majority of those surveyed are opposed to the nomination of Nelson Rockefeller as Vice President.

The closest we have come to a determination of a public mandate is in the recent national elections, which certainly were an overwhelming repudiation of Watergate and Mr. Ford's policy. I think the Committee should take careful note of Mr. Rockefeller's position on the two major issues that have confronted and involved the American people in recent years: Watergate and the war in Indochina.

Mr. Rockefeller remained resolutely silent on the Watergate affair and Mr. Nixon's culpability from the beginning right through the resignation. How are we to interpret his silence on this momentous event, which involved massive corruption and lying in the White House under Mr. Nixon's direction and the illegal use of millions of dollars in corporate funds to influence the 1972 national election.

It should be noted that Mr. Rockefeller is an expert on the use of big money to influence elections. A study by the Citizens Research Foundation in 1972 showed that in 1970 he and his family spent $4.5 million on his gubernatorial campaign. In his four campaigns for Governor, the same group found he spent $27 million, and more than half of that came from his own family.

On the Vietnam war, Mr. Rockefeller actively supported American intervention in Indochina and was known as a war hawk. American involvement in Indochina continues, and it would be illuminating to get Mr. Rockefeller's views on whether he favors continued military support of the Thieu government in South Vietnam as well as the use of American planes for bomb "spotting" missions in Cambodia.

Mr. Rockefeller's acceptability as Vice President and perhaps, ultimately, as President of our nation also should be evaluated in terms of his record as governor of New York for almost 16 years. Other witnesses before this Committee will or already have discussed his gubernatorial record, which includes his shocking behavior in the Attica massacre that took 43 lives; his sponsorship of the vacancy rent decontrol program, a disaster for tenants; his pork barrel Albany Mall and World Trade Center buildings, involving the needless expenditure of billions of dollars in taxpayers money; his imposition for political reasons of the most repressive drug abuse law in the nation; his quintupling of the tax load on residents of New York state; and his lavish gifts to public officials.

It is Mr. Rockefeller's riches and the total wealth and influence of the entire Rockefeller family that overshadow these hearings, this wealth that shapes and influences our entire economy.

Mr. Rockefeller has told the Congress that he intends to place his holdings in a blind trust, which is surely the most ingenuous proposal ever made to this Committee. The nominee can no more divest himself of his heritage, his interests, his interconnection with the dominant corporations that control our economy and much of the world than he can divest himself of his skin. The power of the Rockefeller interests extends far beyond even what has been admitted before this Committee or the Senate committee.

I understand that the FBI's report to you on Mr. Rockefeller was compiled by 350 agents who conducted 1300 interviews. It is 2300 pages long.

The agents were thorough. But if the chairman of the Exxon Corporation was interviewed, did he admit anywhere in those 2300 pages that the Rockefeller family controls his company?

Did the chairman of Metropolitan Life concede that his giant financial corporation is dominated by another giant financial corporation—the Chase Manhattan Bank—which is in turn run by the Rockefellers?

Did the chairman of the Eastern Airlines admit that his ailing firm is in hock to the same Rockefeller-run bank?

Did the chairman of CBS testify that he was ever influenced by the fact that Chase Manhattan Bank holds 14% of this vital part of our communications industry?

Did the chairman of the Port Authority of New York and New Jersey, Dr. William F. Ronan, ever agree that receiving $625,000 in so-called "gifts" from Nelson Rockefeller had any effect on his official conduct?

Of course not. We will never get a straight answer to such a question from Dr. Ronan—much less from the heads of huge private corporations that are in the grip of Rockefeller power.

Rockefeller power is enormous and deeply entrenched. It has sometimes been ugly and often benevolent, as memorials from Rockefeller University in New York to Grand Teton National Park in Wyoming testify, even though this benevolence was induced by the tax laws.

Most importantly, Rockefeller power is entirely unique—one of a kind—as a huge, interlocking complex of economic and other interests both here and abroad.

It is our Constitutional duty to examine Rockefeller power thoroughly in judging Nelson Rockefeller's ability to serve as Vice President of the United States. In doing so, we must weigh any and all real or potential conflicts of interest, and insist on the highest standard of behavior by a possible holder of this great office; all the more so because we are acting on behalf of the whole people in assessing the nomination of a man who may become President.

When you have finished such an examination, I believe it will be evident that the private Rockefeller power in combination with great public power would be simply too much for a democracy to risk.

Only a man as completely accustomed to enormous wealth and power as is Nelson Rockefeller would have had the audacity to present his staggering financial statement to the Senate Rules Committee and say the "myth" of his family's influence had been "dissipated."

He revealed that his and his immediate family holdings were currently valued at $218 million. He evidently hoped that Congress, the press and the public would be satisfied that, as a small-potatoes multi-millionaire with long government experience, he was well-suited to be Vice President and would be confirmed routinely.

Even this initial disclosure, however, showed that he was guilty of serious conflicts of interest as Governor of New York. His holdings in two trusts that encompass the bulk of his personal wealth included 7,550,000 shares of tax-exempt bonds of New York State agencies, all of which were affected by decisions he made as Governor. According to a slightly earlier accounting of the same holdings obtained and published by New York magazine, Mr. Rockefeller benefits to the tune of $433,000 a year from these securities—tax free.

Mr. Rockefeller had fifteen years as Governor to eliminate any blemishes on his public image. Now he says he will put his direct holdings into a blind trust and instruct the managers of his existing trusts to treat them as "blind" while he is a federal official. But throughout his tenure as governor of the nation's second largest state, his trusts and those of his immediate family remained under the none-too-near-sighted control of the Rockefeller-run Chase Manhattan Bank, And even the Chase portfolio managers were not allowed to make significant changes

without the approval of Rockefeller Family & Associates, an operation headed by J. Richardson Dilworth that oversees the Rockefellers' far-flung interests.

Luckily, Mr. Rockefeller's incredible statement to the Senate Committee led to a barrage of questions and a commitment by Congress to scrutinize every aspect of his affairs.

So far, we have learned that he paid no federal income taxes in 1970 on an income of nearly $2.5 million; that he owed the better part of a million dollars in taxes; that he gave $50,000 to the Secretary of State, Henry Kissinger, for past services rendered; that he not only gave $86,000 to L. Judson Morhouse, the one-time Republican State chairman who played a key role in Rockefeller's gubernatorial campaigns, but also pardoned Morhouse after he was convicted of bribery and sentenced to serve a jail term; that Morhouse profited handsomely from a $49,000 loan from Mr. Rockefeller's brother, Lawrence; that he gave an unbelievable $625,000 to Dr. Ronan; and gave or loaned large sums to many other present and former public officials and associates; and that he and his brother were involved in a deceptive, money-laundering operation that resulted in the publication of a derogatory biography of former Supreme Court Justice Arthur Goldberg, his 1970 rival for governor.

We have long known that Nelson Rockefeller has always been prepared to use his vast wealth to get himself elected. What has not been explored, and I would hope this committee would do so, is the widespread suspicion in Albany that Rockefeller wealth and financial and banking connections were used to keep under his control some members of the state legislature, many of whom are attorneys with practices that involve real estate and insurance cases. The belief that this kind of influence was used is so prevalent among those familiar with the New York state legislature that it warrants further investigation by the Congress.

The hearings to date have shown that Mr. Rockefeller has not been above using his wealth behind the scenes for dubiously ethical purposes. This is truly "dissipating" a myth—the myth that so rich a politician does not need to resort to lowly means to achieve his ambitions. In fact, Mr. Rockefeller's riches have simply made it all the easier for him to get his way by spreading around gifts and loans.

His gift to Dr. Ronan violates a New York state law (Sec. 73 Public Officers Law, effective January 1, 1976) against giving anything worth more than $25 to a public official if it can "reasonably be inferred" that the gift would influence the official's duties. Mr. Rockefeller's largesse breaks the law to the extent of $624,975. Lesser men have resigned in disgrace or gone to jail for transgressions that make them pikers by comparison. Yet, incredibly, Mr. Rockefeller is still being considered for the second-highest office in the land.

The Ronan and Morhouse gifts and the Goldberg biography, among the facts we have learned about Nelson Rockefeller's conduct in office, are by themselves enough to disqualify him from such consideration.

If the lesson of Watergate means anything, it is that we must apply the most scrupulous standards of honesty and propriety to all public officials. Even the appearance of improper behavior or conflict of interest must be weighed heavily against any aspirant for office.

Mr. Rockefeller's nomination must be rejected for another, even more important reason; A person who is a principal in the unique Rockefeller empire of corporate and financial interests cannot function as Vice President—let alone President—without constantly criss-crossing those interests.

The guesses at what and how much the Rockefellers own or control vary so much that I am going to stick to those that are well-documented or seem to be fair estimates.

First, the Rockefellers control the Chase Manhattan Bank. They have fed the public a great deal of nonsense to the effect that this is not true. They get away with this because only David Rockefeller, as chairman of the board of Chase, is required to disclose how much of the bank he owns—about 1% at last count.

There are other sizeable chunks here and there that have come to light, and I suggest that if the Committee wants to clean up the whole matter once and for all it can invite David Rockefeller to appear publicly before it with all the undisclosed numbers. In any case, this particular argument is academic because David Rockefeller is indisputably Chase's chief executive officer. He therefore runs the world's third largest bank with more than $40 billion in assets and vast lending capabilities. It is through the bank's enormous economic leverage that the family can control or influence a long list of America's largest corporations.

Last winter, subcommittee headed by Senators Muskie and Metcalf released a report showing that Chase, through its trust department and investment subsidiary, was the single largest stockholder in 20 companies; that it was among the top ten shareholders in 42 utility companies; that it held 8.3% of United Airlines, 9% of American Airlines, 6.9% of Northwest, 7.3% of Western and 2.7% of Pan American, as well as 6.7% of the Burlington-Northern railroad; and that it held 14.1% of CBS, 6.7% of ABC, and 4.5% of RCA, NBC's parent company.

The bank's capabilities are perhaps even more important than its stockholdings in assessing the family's economic power. For example, according to the Muskie-Metcalf report, 14 airlines owed $274 million to Chase, including some in which Chase holds a significant interest. Chase has millions of dollars in loans outstanding to financially troubled Eastern Airlines, a company which Laurence Rockefeller helped start and in which he and Chase are major shareholders. This is double-barrelled control. While trying to dissipate the "myth" of family power, even Mr. Rockefeller was willing to admit at the initial Senate hearing that his family had great influence, if the word "potential" were added.

Through Chase, the family has "potential influence" over Metropolitan Life, the bank's largest customer. The family has substantial interests in Equitable Life, whose chief executive sits on Chase's board, and over which the family must have "potential influence."

In addition to the obvious "potential influence" over the transportation industry, the communications industry, and the utilities industry, it seems that the family has "potential influence" through the bank over AT&T, IBM, Sperry Rand, International Paper, Motorola, ITT and Atlantic Richfield Oil.

The family also has "potential influence" through its ownership of Rockefeller Center, a sizable piece of midtown Manhattan and 21 buildings worth an estimated $1 billion.

And consider what must be the "potential influence" of the total of all the private, personal holdings of family members—which many educated guesses place at more than $1 billion held in various trusts for the children, grandchildren and great-grandchildren of John D. Rockefeller, Jr.

More importantly, where is the bulk of this "potential influence?" Nelson's portfolio gives us some good ideas. He holds a good-sized chunk of the family's International Basic Economy Cooperation which owns, among other things, 48 supermarkets in Venezuela. This raises another question that should be more fully examined by this Committee—the extent of Rockefeller power in Latin America.

On the whole, Nelson Rockefeller's holdings show a tenacious desire to keep most of his fortune in a few of the bluest blue chips. Any portfolio manager would have told him long ago to diversify. But plummeting market prices notwithstanding, 79% of his holdings are in just five common stocks. Rockefeller Center, Inc. accounts for 25%. Another 25% is in just two oil stocks, Exxon and Standard Oil of California. Another 17% is in IBM and 12% in Eastman Kodak.

Interestingly enough, David Rockefeller's trust holdings, obtained and published by New York magazine, show a striking parallel to his brother's. Both men are life beneficiaries of trusts established by their father, so the similarity is not surprising. Their father created some 70 separate trusts for his descendants, which have now probably multiplied with the births of new Rockefellers. Do all these trusts show the same favoritism for the same companies, including Exxon, the direct descendant of John D. Rockefeller Senior's oil combine? If so, the "potential influence" of a billion dollars so concentrated must be enormous.

Finally, it is surely no accident that Chase and other Rockefeller-run institutions favor the same stocks. Among the top 20 on Chase's hit parade are IBM, Exxon, Mobil Oil, Kodak and Standard Oil of California. The Rockefellers' interest in and "potential influence" over the oil industry have no doubt been diluted over the years, but the holdings are still gigantic.

Everyone in the Rockefeller orbit and the oil industry denies that the family has anything like control over the oil companies. But the Rockefeller Foundation's assets of $986 million in 1972, included a whopping $362 million in oil stocks. And the Rockefeller Brothers Fund had $67 million of its $268 million in oils in the same year.

The bulk of these investments were in Exxon and Mobil. If you add Chase's Exxon holdings, you find that these three Rockefeller institutions have nearly 4% of the world's largest oil company. We are free to guess what the total would be if we throw in family holdings by those scores of trusts. I for one am willing to bet it's quite a lot of "potential influence."

And for what it's worth—potentially—Chase Manhattan describes itself as the "leading bank for energy industries."

I think this Committee should ask Nelson Rockefeller just what on earth the difference between "influence" and "potential influence" would be if he had to make a decision as Vice President, or as President, that affected the oil, banking, insurance, transportation, utilities, or communications industries, not to mention a number of industrial giants like IBM.

Of course, it is utter nonsense to suppose there is any difference. The fact is that Nelson Rockefeller would be unable to act in countless areas of public policy—the energy shortage and Middle East politics, government regulation of airlines and broadcasters, the role of big banks in monetary policy, American involvement in Latin America, to name just a few without stepping on one part or another of his own private empire.

What of Mr. Rockefeller's assurance that he would place public above private interests in the face of conflicts? He may be sincere in saying he would like to, but the question is, can he?

CONFIRMING NELSON A. ROCKEFELLER AS VICE PRESIDENT OF THE UNITED STATES—Continued

The Rockefellers' bank is the leading bank in East-West trade and is now up front in the parade of Western companies going into

business in Egypt. It is a major financial force on every continent. David Rockefeller, according to a biographical sketch by E. J. Kahn distributed by the bank, "rarely visits any country without paying at least a courtesy call—more often than not a business call—on its head of state. Such a gesture is expected of him, much as if he were a head of state himself." How long would it take for Vice President Rockefeller, or President Rockefeller, to find American foreign policy in conflict with brother David's foreign policy? How would anyone know the difference? Perhaps we could ask Secretary of State Kissinger to interpret for us.

Nelson Rockefeller cannot disassociate himself from Rockefeller power; he cannot abdicate it.

Throughout his advantaged life, Nelson Rockefeller has been a beneficiary of Rockefeller wealth and power. There is a price he should pay at this moment for this enviable distinction: He should not be allowed to become an appointed Vice President. He has, of course, a right to run for the Presidency, but he could not achieve that post without the sovereign act of the American people electing him.

We are told that Mr. Rockefeller should not be penalized for his wealth. Our concern should be not to penalize the American people without their consent. We in Congress have no right to jeopardize the independence and integrity of the Executive by placing in direct succession to the White House a man who is a partner in the greatest agglomeration of private power in the history of the nation.

Thomas Jefferson once said, "We must crush in its infancy the aristocracy of the monied corporations."

We failed to heed this advise, and we have paid for it dearly—from the time when the monopolies built by men like Nelson Rockefeller's grandfather tried to buy whole legislatures to the time when ITT and big dairy combines tried to buy themselves a piece of the Presidency.

We cannot be so unmindful of our responsibilities as to raise to the Vice Presidency of the United States one of the most powerful sons of that corporate aristocracy.

I, therefore, urge the members of this Committee to vote to reject this nomination. At the very least, I believe you should hold this matter over until the new Congress convenes. The men and women who will be seated in January, winners in the first national election held since the Watergate exposure, are the closest we can come to a direct expression of the people's will. If there is to be a vote on this nomination, it should be theirs.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, the first time I was called upon to cast a vote under the dictates of the 25th amendment, I faced many considerations. But overriding them all was the simple fact that the impeachment of Richard Nixon would not proceed until a Republican was safely installed in the Vice Presidency, insuring that an accident of history would not overturn the electoral verdict of the American people. My choice was, I thought, simple and so I voted for Gerald Ford.

When President Ford nominated Nelson Rockefeller to succeed him as Vice President I thought my task would again be easy. Mr. Rockefeller was a man of obvious ability. I believed him to be honest. He knew government, and in contrast with the ineptitude we have seen in some quarters in the last few years, his competence was a refreshing change. I thought I would vote for him.

But gradually I became troubled by a number of other considerations. For example:

First. What role should public opinion play in determining my own vote on Mr. Rockefeller?

In most cases when voting on legislation, I believe like Edmund Burke that in the end after weighing informed opinion from my own district and from elsewhere, I owe to my constituents above all else, the commitment to use my own best judgment based upon evidence and information I possess at the time. But in this case, I believe we all have a higher than usual duty to take into account the views of the people we represent because we are, in a sense, standing in for them in a peculiar sort of election.

Second. What standards should be applied in determining the "qualification" of the nominee?

It has been implied by some that approval of a nominee in this instance should amount to nothing more than a certification of good character. I do not think so—especially when the approval of a nominee will place in office in the two highest positions this land has to offer, two nonelected men.

I do believe that in this special case we are doing more than simply determining whether the nominee is agreeable to the President and is not a scoundrel. I do believe we have an obligation to look at the needs of the times—as best we perceive them—and ask whether this nominee is the right man for these times.

And based upon those considerations, I intend to vote no on Mr. Rockefeller—because I sense a great malaise on the part of the people I represent about Mr. Rockefeller's confirmation and because I personally doubt that he is the right man for these times.

I do not expect a nominee's views to be a mirror's image of my own, or my constituents, so I can, for instance, accept—even though I do not agree with—some of Mr. Rockefeller's judgments about our own use of arms aid to Latin America.

What bothers me most is Mr. Rockefeller's apparently easy acceptance of the fundamental changes in this Nation's economic structure since the end of World War II. Indeed, Mr. Rockefeller does not just accept those changes, he virtually epitomizes them.

I do not mean to imply that Mr. Rockefeller, because he is rich, may not serve. That is clearly not so. I do not even really fear that Mr. Rockefeller would consciously and intentionally use the political power of the Vice-Presidency or the Presidency as a lever to magnify his economic power or vice versa.

What bothers me about Mr. Rockefeller in short is not his character but his perspective. I do not believe Mr. Rockefeller really feels there is anything wrong about 500 of the 200,000 manufacturing firms in America—one-fourth of 1 percent—controlling 71 percent of the country's manufacturing assets. I do not believe Mr. Rockefeller really believes that there is anything fundamentally wrong with the inexorable concentration of economic power that has slowly moved more and more economic decisions affecting all areas of the country—large and small, urban and rural—into fewer and fewer plushly paneled and carpeted boardrooms of the economic titans in Chicago, New York, San Francisco and the other giant metropolises of America—gradually reducing any real opportunity for all but the biggest to compete.

I see no visible concern on Mr. Rockefeller's part that bigger might not necessarily be better.

I deeply believe that one of the essential elements of American success has been the ability of anyone with grit, initiative, imagination, good judgment and luck to make a place for himself. But today the overwhelming concentration of economic power in the economic sector is slowly squeezing the vitality out of free enterprise as we have known it—and squeezing with it the real opportunity for competition to thrive. We are losing the kind of genuine competition that we used to associate with the capitalistic system. And we are losing it not to any outside threat from communism or socialism, but rather to the economic titans within our own borders, who in the name of competition are in fact inexorably eliminating the competition that has always been the principle strength of our capitalistic system.

Today inflation is imposing a special burden on our economic system and on our people. We can, and should do all the things that "experts" tell us are necessary to ease that inflation: reduce our energy consumption, increase our food producing capacity, develop alternative energy sources, eliminate supply bottlenecks. But with all that, I do not believe any economic policy can satisfactorily attack the inevitability of inflation without action to bring under some control the growth of economic giants so strong and so powerful they surpass even the ability of government to influence them. And I honestly do not believe we would get that action from Mr. Rockefeller, were he to become President.

I believe it is necessary to convey to the American people a sense of urgency about this central economic problem and the acceptance of Mr. Rockefeller would do just the opposite. That is something we simply cannot afford to do if we are to rebuild the confidence of millions of Americans and the responsiveness and sensitivity of our political institutions.

I regret having to vote against Mr. Rockefeller. He is talented and vigorous. I think he is decent, but as I said earlier, what concerns me about Mr. Rockefeller is not his character but his perspective which I believe—for this time—is simply wrong.

Mr. KASTENMEIER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Chairman, when historians render an account of these times, they will undoubtedly say that this year, 1974, was one of the most perilous times in the history of our Republic. It will be recorded as a time of decision.

There have not been many such times; 1861, perhaps, or 1932 might be remembered as equally fateful.

This year we have seen the country fall into the grips of political scandal so pervasive that it forced the vacating of both the highest offices in the land. We do not yet have a government that has restored a sense of national pride or purpose; nor have we found the key to renewed confidence.

And even as our Government's powers of leadership and decision have sunk to grievous depths, our country finds itself endangered at home and abroad. At home we confront an economic situation of the most desperate nature; our entire economy is under attack from forces that wish to destroy it. We have found no effective response to oil blackmail, or to its consequences, inflation and mounting economic breakdown. Abroad we see a world endangered, from the possibility of renewed conflict in the Middle East, where our diplomatic efforts have been singularly ineffective. And we stand prepared today, for the second time in less than a year, to fill a vacant Office of Vice President.

We know that the nominee might become President. Yet we hesitate to assess the real importance of our decision.

The matter of the confirmation of Nelson Rockefeller is one that presents an opportunity for the first branch of Government, the Congress, to redeem its proper role as the surrogate of the people. Congress did not live up to this opportunity last year, in the matter of Gerald Ford. We did not demand excellence and high capacity for leadership, as was our duty; we merely acceded to the wishes of a President who was himself a desperate failure, and whose judgment none of us really trusted.

And the truth of the matter is that Congress has not thus far lived up to its responsibility in the matter of Nelson Rockefeller.

Yet here we have an astounding opportunity, as if taken from the dark and convoluted recesses of ancient Roman intrigue, or the poisonous intrigue of the Medici; or perhaps even more aptly, from the tangled web of ambitiousness, greed and pettiness of the 1940's government of France—all stained and darkened pages of history that we all pray will never be a part of American democratic history.

Here is a critical time—a turning point in our history. How historians write their judgments may well depend on what we do with our opportunity. Was the Republic regenerated today; or was it doomed? Did Congress do its duty? Sober minds one day will judge this day. We must understand the grave nature of this last decision of the 93d Congress.

Here we have the same situation: we are in no position to demand that the nominee be a person who can command respect; we are in no position to closely examine the nominee's ideas and attitudes on questions of national importance; and we are even helpless to evaluate the full implications of the nominee's unparalleled personal wealth—though we know that he has used his wealth in ways that at the very least call his judgment into question.

And so we are given hearings and a report that do not speak to the real issue. We are treated to a sideshow display, designed to satiate our curiosity about the structure of one of the world's greatest family fortunes. We do not know what kind of President Mr. Rockefeller would make.

Would the voters make Mr. Rockefeller President? The only evidence is that he has failed twice to win the nomination of his party. In preparing to overrule that twice-given decision of his own party, we ought to have persuasive evidence that in Mr. Rockefeller is a man who might, in fact, become an effective national leader, should he be called upon to do so.

All we have is his assurance that he will be careful about using his money to provide special beneficences to his friends and proteges; he will be careful with what he thinks of as charity, but which more skeptical minds see as misuse of personal wealth; misuse that moreover would create great scandal for a person of less renown or less power, or one to whom the normal scale of political values is applied, which certainly is not the case with a nominee for a vacancy in the Office of Vice President. A lesser man, like Mr. Gibson, lately of the Federal Energy Agency, can be bounced from office merely for having an income from an energy-related company, an income that is described as severance pay only.

But the scale of values is different in the case of Mr. Rockefeller; his actions might have been actual violations of law, but few would dare make such a judgment of a man of stupendous wealth, one who is being considered for Vice President. For to rescind his nomination would be a humiliation beyond measure for the President, something he will not inflict upon himself, and which we are unwilling to do ourselves. The circumstances, once again, render ineffective and valueless the confirmation process itself. So the hard questions fade away in the soft assurance that this very experienced politican was merely naive.

And we perforce accept Mr. Rockefeller's explanations at face value: he just made some mistakes in judgment, and would not do it again. He is willing to accept the penalty of being portrayed as an honest man, a little bumbling about the uses of money, because he has so much of it. The question will not leave my mind: how naive can a many-time Governor of New York be? Mr. Rockefeller is one of the most widely experienced politicians of our time.

He is not a naive person. If he had been, he would never have lasted as Governor of New York. If you consider his background in politics, you have to say that it is very unlikely that Mr. Rockefeller did not know what he was doing in making large gifts to numerous people who served him and his political interests. But also, the peculiar nature of these proceedings throws normal judgments, normal scales of value, completely out of the picture, and most retreat from making a judgment.

I would not say that Mr. Rockefeller is dishonest; he has no need to be. But I cannot accept his explanations that he was merely naive and unwise in passing out his special kind of charity.

For the sake of national unity, most of us have skirted around the very real implications of Mr. Rockefeller's immense fortune, and how it would affect his decisions, should he become President. There is hardly any aspect of American commerce and industry that does not in some way involve Mr. Rockefeller's family interests. There is no way that he can be unaware of those interests. Presidential decisions inevitably affect American business and commerce in various ways. As President, Mr. Rockefeller might try to forget this, but he could never be entirely unaware that, one way or another, almost any decision he might make would affect his personal fortunes.

Suppose that a crisis were to take place in Venezuela, and Mr. Rockefeller were President. The United States has vital interests in Venezuela. For Mr. Rockefeller to act on those American interests, he would in some corner of his mind always remember that his decision would beyond any doubt affect his family interests, for good or bad. And from the Venezuelan point of view, aggressive action by a President named Rockefeller would be aimed not at protecting the legitimate interests of our country; it would be seen as preserving or enhancing his own fortune.

The same might well be said of other countries, where Rockefeller fortunes are involved in ventures and investments of all kinds. How would those countries differentiate between the personal interests of Mr. Rockefeller, however conscientious he might be, as against the interests of this country?

It is unfortunate that this is so. Yet to deny the truth of it is to ignore our responsibility; to assess how good a President this man would be. And the truth of it is that wealth, in his case, could in fact be a handicap. There is no escaping it: the implications of the man's fortune are involved, whether we like it or not, whether we will it or not, and whether it is fair or not. "Life is unfair," President Kennedy once observed, and he was right. It might be unfair to say that Mr. Rockefeller's wealth has to be considered as a possible handicap to his possibilities to be an effective President, should he become President, but there is no blinking the fact that his wealth is so great that it cannot help but affect his performance. Great wealth might not have mattered so much in a Governor of New York: it might not matter so much in a Vice President; but it could matter a great deal in a President.

As in the case of Mr. Ford's romination, we have little idea of what Mr. Rockefeller's conception of national problems is, or how we ought to deal with the very critical problems of our time. Yet how can we assess him as a potential President without knowing his ideas?

It might be argued that we need not ask his views, because a Vice President has the duty of following the President's lead in all matters, and that is true. But we do not have here a Vice President; we have a nominee who might become Vice President, and maybe President. It is not possible to become such a nominee, in the normal course of events, without having been in politics on a national level long enough to have developed some kind of track record, or displayed some ideas. Mr. Rockefeller was in the process, at the time of his nomination, of setting forth on a great effort to establish his ideas on leadership. But that project has been dropped, so we do not know what kind of President he might be.

Mr. Rockefeller has had a couple of runs on the national political stage, but that was years ago, in a very different kind of world than we see today. We have no way of knowing what his notions are today, and no way of reacting to them.

Now it is almost time for us to vote. The question is, what kind of President would this man make, should the Presidency become vacant? On the basis of the record, we do not know.

We are told that it would be catastrophic to let the Office of Vice President remain vacant. But there have been vacancies in that office before, and the Nation has survived. Beyond that, what assurance is there that the presiding officer of the Senate would necessarily make a better President than the presiding officer of the House? There is none; bestowing the title of Vice President carries with it no special gift of leadership.

We are told, finally, that the President has the right to choose a person in whom he has confidence, to fill any vacancy in the Office of Vice President. If that is so, then there is no reason for this confirmation process, and we have no real decision to make. This argument by those who favor the nomination is evidence that there is no independent decision desired from Congress on this matter.

Would the nominee be elected, if there were an election? On the basis of the record, and what I can discern about the feelings of my constituents, the answer is that his election would be unlikely. Why then, do we dare, acting as proxy for the people, elect one for whom there seems to be no general public support?

I have no ill feelings for the nominee. Yet I cannot bring myself to believe that this is a process that allows us to give a true measure, a true test, to the nominee. I reluctantly conclude that I will vote "no."

My vote is a judgment that we do not have a record sufficient to show what kind of President the nominee would make.

My vote reflects my firm belief that the 25th amendment provides a process which is fatally defective, in that it does not allow Congress to make the kind of judgment that its authors said would be made, and so Congress ought to abolish or radically change that process. The people are entitled to a mature and informed judgment of persons who become President and Vice President, and the 25th amendment effectively destroys any such judgment.

I doubt that many will hear my arguments in the rush to judgment and adjournment; the distractions of the hour are too raucous; and there are few who want to stop long enough, in these crowded hours, to reflect on what we are doing, and why, or what our real function and duty are. Yet I have a duty to be true to myself, and to do that I must raise these questions, and say that this is a proceeding about which I have profound reservations, and that I cannot in good conscience cast any but a vote of "no" on the confirmation of Nelson Rockefeller to be Vice President of the United States.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. KASTENMEIER). Does the gentleman have additional requests?

Mr. KASTENMEIER. Mr. Chairman, I have no further requests for time, but I will reserve 1 minute for myself, that 1 minute to be utilized immediately prior to the presentation by the chairman of the committee.

I will then yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. MCCLORY).

Mr. MCCLORY. Mr. Chairman, I yield 5 minutes to the gentlewoman from Massachusetts (Mrs. HECKLER).

Mrs. HECKLER of Massachusetts. Mr. Chairman and Members of this House, I would say that this has been a most interesting debate, and I do not seek to prolong it at this late hour. Nonetheless, it strikes me as significant that we have somehow confused the issue of the confirmation of a Vice President with the possible revision of the Constitution itself.

There are those who seek to redraft the Constitution by opposing and rejecting the confirmation of Nelson Rockefeller as Vice President of the United States.

I think it is important that we realize the real issue here. Many extraneous points have been raised as to questions of policy and questions of selection by the President.

President Ford took office on August 11. Should this President have proposed a Vice Presidential nominee of a different political stripe, and then further, from a political dimension totally different? Is this a potential nominee who will go on to be a President of the United States, and is that what we seek, or is that what we fear?

There are many, many interesting cross currents in this whole debate.

I would like to say that I would be in sympathy with those who would open the issue of a revision of the Constitution and seek to redraft another 25th amendment. Certainly, after the tumultuous events of August and throughout this year, we have come to enjoy and cherish the wisdom of the Founding Fathers, and perhaps should have left the document intact without the recent revision of the 25th amendment itself. However, we are not about to redraft that particular provision right now. What we are talking about is the confirmation of the Vice President.

If I may inject a totally extraneous issue, I would like to make it clear to the Members of this House that the constituents in my district, who are facing a very cold, a very gloomy, and unprosperous winter, are very anxious for this country to get going on the real issues, the issues of the economy and the issues of energy, and they will not understand our endless delay of a progressive thrust into problem solving by the President and his chosen Vice President.

The dimensions of the people's problems, in my judgment, are so great as to make pale the postponement of executive leadership by a President and Vice President for reasons of policy differences with the Vice Presidential nominee.

I have strongly disagreed with Governor Rockefeller on a number of questions. I have agreed with him on others. The perfect Vice-Presidential nominee probably does not exist.

The Goldberg book, for example, is a deplorable episode in Governor Rockefeller's past. It is also a mistake for which he has publicly apologized.

I do not support his expensive gifts. I question them and I question their wisdom, but I am confident that they were made in good faith.

The Rockefeller wealth is too vast for most of us to comprehend. But I can find no evidence that in all his years in public service Nelson Rockefeller ever used his position to enhance his economic status.

What this House is really doing is searching the soul of a public man.

I think we are extracting a standard that far exceeds the one which is exhibited in the private lives of many Members of this body.

I feel that we too, of course, must live up to the highest standards. The Committee on the Judiciary has done so. It has found no conflict of interest. I have respect for the eminent men and women on that committee. I respect their judgment.

During this debate we have heard the most extraordinary rationalizations for a particular judgment.

In fact, I can cite one position which was submitted to the Committee on the Judiciary as a reason for objecting to the Rockefeller nomination.

10. The U.S. Census Bureau confirms that, largely through exodus, New York State has been losing population during the past two years—the first shrinkage in history and under Rockefeller's stewardship (over 102,000 persons in the last 12 months alone).

So, some would have us believe that the Rockefeller empire's influence extends even to changing the population

patterns of New York, to the outward movement of people from New York, and if we are to believe such ridiculous extensions of fantasy then we do not warrant our positions in this House.

Mr. Chairman, it seems to me that this has been an honorable and distinguished public servant. I think we have searched his soul, although we are not theologians here, and he has been found more than adequate by the Committee on the Judiciary.

Nelson Rockefeller's record of strong, able, imaginative, compassionate leadership is clear—his service to five Presidents, Democratic and Republican, in domestic and foreign policy matters, and his 15 years as Governor of New York.

Mr. Chairman, I urge his confirmation as Vice President of the United States.

PRESIDENT FORD SIGNS S. 4016, TO PROTECT AND PRESERVE TAPE RECORDINGS OF CONVERSATIONS OF RICHARD M. NIXON

(By unanimous consent, Mr. McCLORY was allowed to proceed out of order.)

Mr. McCLORY. Mr. Chairman, I have just learned that President Ford has signed the bill S. 4016, a bill to protect and preserve the tape recordings of conversations of former President Richard M. Nixon.

Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. GOLDWATER).

Mr. GOLDWATER. Mr. Chairman, there seems to be little doubt that Governor Rockefeller will be confirmed. The arguments in his behalf by his supporters and a large segment of the media are indeed convincing, and I am very impressed by them. Few men bring such a wealth of experience to the job of Vice President as does Mr. Rockefeller.

But, I submit, Mr. Chairman, there are other considerations in this nomination which have been conveniently relegated to a remote corner by the proponents of Mr. Rockefeller. In my judgment these considerations, which I want to discuss briefly, compel me to oppose his nomination.

Let me say at the outset that I am well aware of the arguments advanced by some political observers to the effect that I would naturally oppose Mr. Rockefeller's nomination in retaliation for his lack of support of my father's Presidential candidacy in 1964.

Well, Mr. Rockefeller was not the only person in this country to oppose the Goldwater candidacy in 1964. He was joined by a sizable majority of the American people as I recall. In retrospect I seriously doubt if Mr. Rockefeller, or any other prominent politician, for that matter, would have been able to stop the landslide for President Johnson. It would be easy to blame Mr. Rockefeller for the 1964 election defeat, but such an argument files in the face of history and good sense.

No, Mr. Chairman, I oppose this nomination because I am totally convinced that in this critical phase of our Nation's history, Governor Rockefeller is the wrong man for the job.

I do not question his honesty or integrity. Furthermore, as I mentioned previously, he has great experience and administrative ability. But, what he does not have and I am convinced beyond a shadow of a doubt—is the support of the majority of the American people.

I know the argument to refute such an observation. Simply stated, the argument is that the President has a right to make his own choice as to who will be Vice President. I cannot buy that.

For instance, I have received a large volume of mail from my constituency on this nomination. It is running approximately 30 to 1 against. Furthermore, recent national polls show mounting opposition to the nomination. A recent Harris poll indicated only 39 percent of those polled favored his confirmation as Vice President.

Now, these are troubled times, and I would be the first to admit that we cannot govern by opinion polls and especially, popularity polls.

But, I do intend to suggest that we ought to pay more than passing attention to public opinion in this case. This is especially important when we consider that we are acting in lieu of a direct expression of the public's wishes in the selection of one who, we so painfully learned over the past year, can become in an instance the most powerful man in the country.

We are not debating the confirmation of a cabinet officer. A cabinet official can easily be removed from office. On the contrary, for the second time in a year, we are discussing the critical matter of a Vice-Presidential confirmation. Once confirmed, the people for all intents and purposes, are removed from the decisionmaking process, because a Vice President can only be removed through the process of impeachment.

When the nomination was first announced, it appeared to have significant support among the electorate, but much has come to light in the past few months to indicate a dramatic turnabout.

While I do not presume to read the mind of the President, I cannot help but feel that if he had been totally aware of the manipulation of the Rockefeller fortune in some questionable areas, he would have had second thoughts about the nomination. At any rate, I sense that more and more people are having second thoughts about it. For that reason I sincerely feel that we should turn down this nomination and give the President an opportunity to select a nominee who enjoys greater support.

We have a special obligation to do this in light of recent political scandals which have rocked the Nation.

I do not oppose Mr. Rockefeller because of his wealth as much as I do because of the ethical questions raised by its use; not only in the gifts, but in the conflict of interest, the influence it may have on him in the day to day decisionmaking process as Vice President. His family fortune of $2.5 billion is invested heavily in national and international business not to mention seven major oil companies.

I see nothing legally wrong with the so-called "Rockefeller gifts", but I do question the judgment and propriety of such gifts when the recipients played a major role in political decisionmaking, including influence upon national and international affairs.

There is another critical area of national concern, where, in my judgment, Mr. Rockefeller falls short. Not everyone in this Chamber agrees with me that the greatest contributor to inflation is top-heavy Federal spending, which has resulted in too much money chasing too few goods.

But, if you do accept such a premise, then the economic philosophy of Mr. Rockefeller is appalling. The record demonstrates conclusively that as Governor of the State of New York, Mr. Rockefeller helped spend the State into financial chaos.

I know of no other man in America who should appreciate the value of the dollar more than Mr. Rockefeller, but apparently he lacks some degree of sensitivity to the taxpayer's dollar as Governor of New York during the period 1959 through fiscal 1974, the cost of State government soared from just under $2 billion a year to around $9 billion a year.

Under Mr. Rockefeller the taxpaying citizens of New York saw incredible increases in their tax burden. During his tenure, the maximum rate on the personal income tax went from 7 percent to 15 percent. In just 15 years, taking into account all forms of tax levies, the people of New York were hit with a tax bite that almost quintupled.

During his tenure, the State gasoline tax went from 4 to 8 cents a gallon. Cigarette tax has climbed from 3 cents to 15 cents a pack, and a 4 percent sales tax went on the books.

Through the efforts of Mr. Rockefeller ways were devised to obligate State funds far into the future without permission from the people in the form of a constitutionally required referendum; thus, although the people of New York have approved only $3.4 billion in bonded indebtedness, they owe another $7.7 billion in long-term obligations, which were never submitted to the electorate for approval. As a result the State had to pay more than half a billion dollars in debt service last year, which represented double the figure of just 5 years earlier. The future of the people of New York is thus heavily mortgaged for many years to come. I cannot help but wonder how members of this House could entrust the future of the entire Nation to a man who has handled the affairs of one of our largest States with such disregard for the taxpayers and their limited earnings.

Very few economists would argue against the point that the taxpayers of New York State are the most overburdened in the Nation.

Make no mistake about it, as Vice President, Mr. Rockefeller will have incredible say in the Nation's economic affairs. And, if he applies the same economic rationale to the country as he applied to New York State, then God help us, because we'll be going to the poor house in short order.

During the confirmation hearings, Mr. Rockefeller has displayed no economic changes of heart. On the contrary, his public utterances convince me that he will be a strong proponent of the spend, spend, spend, theory.

Well, this is an outmoded solution to the Nation's economic woes, and I think the American people deserve a Vice President who has some fresh ideas about cutting inflation instead of the shopworn Keynesian approach, which Mr. Rockefeller apparently advocates.

Mr. Chairman, I am truly sorry to vote against the President's selection of a Vice President, but in good conscience I cannot do otherwise. I have been acquainted with Mr. Rockefeller and his wife, Happy. They are indeed fine people from a family that has given much to making America a better place to live. He is a courageous, hard-working man.

I would like nothing better than to support the nomination; but, I reiterate that in my judgment it does not meet with majority approval on the part of the American people. Also, the revelations concerning the monetary gifts do little to restore public confidence. His wealth presents a potential conflict of interest in the decisions he must make, and lastly, we need a Vice President who believes in cutting Government spending and restoring the economic decisionmaking power back to the taxpayer. I urge that the nomination, therefore, be rejected.

Mr. McCLORY. Mr. Chairman, I do not have any further requests for time. I want to say on my own behalf that in my opinion the Committee on the Judiciary of the House have fully discharged their responsibilities, and a reading of the hearings, the committee report, and the debates in my opinion fully support this confirmation.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Chairman, the hour has come for the ending of the debate. I think this has been a temperate debate. It has been conducted on a high level, and I wish to compliment all those who have participated in this historic proceeding.

I hope and trust that a case has been made for objection to the nomination notwithstanding the fact that the other body has acted in the affirmative, and at this very moment arrangements are being made there for investiture proceedings, and where the networks are ready to televise the swearing in of the nominee, should he be so sworn in. However, I hope and trust that this House will not supinely accept what appears to be its alloted fate, and will instead vote, and vote with courage, "no" on this nomination.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. REID).

Mr. REID. Mr. Chairman, I rise in support of the confirmation of Nelson Rockefeller as Vice President.

Mr. Chairman, I have known Nelson Rockefeller for a number of years and in several incarnations.

His nomination for Vice President, with the possibility that at some point in time he could become President, is a question—and a vote—on which I have given considerable thought.

Although I have frequently differed with Nelson Rockefeller in matters of public policy, I support his nomination as Vice President. The primary, indeed critical, need of the Nation, at a time of incipient depression, is for firm, creative, and experienced leadership. Nelson Rockefeller has demonstrated those qualities. He has also shown remarkable ability to attract to government some of the best talent available. I may differ with him on specific questions of priorities, human needs, and indeed at times on judgment, but I cannot doubt his commitment to public service and his unique personal qualifications, nor his ebullience and faith in America.

I am hopeful that Nelson Rockefeller in concert with President Ford can help energize an administration and help restore confidence in our land, that tough decisions can be made, that sacrifices are called for, and that our country can act with compassion and decisiveness at home and with wisdom and forethought abroad.

Mr. BROWN of Ohio. Mr. Chairman, Vice President-designate Nelson Rockefeller is an unusual man whose consideration for appointment comes before us at an unusual time and under unusual circumstances. He is also a controversial man called to serve at a time of great controversy. He is a complicated man, who is being considered for a previously simple job at a time when simplicity seems to be greatly admired, but when the problems are very complicated. And, he is a rich man in a time when wealth has become a political embarrassment—even though it is a common goal.

Some members of my party believe that Mr. Rockefeller brings more political problems to the office of Vice President than can be tolerated by the administration which he will serve. And some others tout him as the solution to our Nation's problems.

But in fact, neither of those things may be true. Like the rest of us, he puts his pants on one leg at a time. He has many strengths and his share of human frailties. He will neither be our Nation's salvation or its downfall. But if past performance is any way to judge, he will do his best to contribute generously—even generously for one who has a great deal to give.

Nelson Rockefeller will join the executive branch of our Government at a time when our new President, Mr. Ford, is working manfully to assert his own leadership as our first nonelected Vice President to succeed to the Presidency. As the second nonelected Vice President is called upon to assist President Ford in the task of administrative leadership, his real or imagined weaknesses are not so significant as his strengths. I have not agreed with everything President Ford has ever done or said. So I do not agree with all of Nelson Rockefeller's views or actions during his career. But they have each been given more thorough public scrutiny than most other men who have occupied their positions. And each has stood the test as an honorable man.

Nelson Rockefeller need not have devoted a life to public service or responded to the calls of national leaders of both parties to exercise his talents in a wide variety of governmental fields. His family need not have used its talents to further expand its talents. And there is no requirement that persons of wealth use that wealth toward social good. Many people with much less of the world's wealth have chosen to use their wealth merely in pursuit of self-gratification. But not the Rockefeller's. They have been good, hard working and generous citizens of the Nation which gave their family an opportunity to do or be whatever it had the capacity to do or be.

My predecessor once said of Nelson Rockefeller—

> Can you think of anyone who owes more to the American system of opportunity and who has more at stake in trying to conserve that system?

I will place my bet on Nelson Rockefeller's efforts and his prospect for success. He is a proven administrator and a natural leader who has the capacity and the good sense to gather men of talent and integrity about him. We need those qualities very badly at a time when public service is in question. I will cast my vote for him.

And I will offer him my best wishes and my prayers that he will receive and accept God's guidance as he begins his difficult undertaking. Even those who oppose him here today must wish him only success.

Mr. FRASER. Mr. Chairman, my decision to vote for Mr. Rockefeller is based largely upon his civil rights record which I understand to be supportive of these rights for all Americans. A person's record in this area I believe to be the most significant indicator of all as to the kind of person he or she is. I find other considerations in Mr. Rockefeller's record and background mixed. Moreover it is difficult to know what standards should be applied in judging this record. I am uneasy about the marriage of wealth and political power about which Joseph Rauh, vice chairman of Americans for Democratic Action, spoke so forcefully in his testimony before the Judiciary Committee. Nevertheless, since the 25th amendment requires me to make a decision, I shall vote aye.

Mr. GRAY. Mr. Chairman, this is an historic moment in our history. I had the privilege of voting for the 25th amendment to the constitution and tonight I will have the privilege of voting to confirm the nomination of a candidate for Vice President under that amendment. In fact, Mr. Chairman this is the second time this year that we have seen democracy work by voting to confirm President Ford and now Mr. Rockefeller for the second highest office in the land. Mr. Chairman, I have been requested by sev-

eral persons to vote against the nominee because he has too much wealth or because he is too liberal for the Republican administration or for other reasons; however, I sincerely believe President Ford has the right to chose his own Vice President and in the absence of any wrongdoing by the nominee as adjudicated by a court of law, I feel obligated by my conscience and for the good of the country to vote tonight for the nomination of Nelson Rockefeller as the next Vice President of the United States.

Mr. Chairman, we are living in critical and uncertain times. The call for strong leadership is crying out. Government is like a chain, it is no stronger than the weakest link. We need a strong President and Vice President. When one office is vacant, that becomes an impossibility. On behalf of southern Illinois, we want to offer the new Vice President that will surely be confirmed tonight, the prayers and best wishes for successful service to our country.

Mr. VANIK. Mr. Chairman, I rise to cast my vote in opposition to the confirmation of Nelson A. Rockefeller as Vice President of the United States. I would like to take this opportunity to discuss this difficult decision.

Allegations have been made that Mr. Rockefeller should not be confirmed by virtue of his wealth alone. Mr. Rockefeller certainly is a wealthy man. However, wealth alone should not disqualify Mr. Rockefeller from serving his country. Nowhere in the Constitution is a citizen forbidden from seeking public office by virtue of either his wealth or lack of it.

Our decision today is not whether Mr. Rockefeller should be considered as a candidate for Vice President, but whether in our judgment Mr. Rockefeller is qualified morally and professionally to serve in the highest office of the land with the right to succeed to the Presidency.

Mr. Rockefeller's professional qualifications are impressive by any standard. However, the conduct of his personal fiancial affairs raises serious moral questions concerning the way in which Mr. Rockefeller perceives his obligations and responsibilities as a private citizen to his government. Over the past 15 years Governor Rockefeller has made approximately $3 million in gifts and loans to associates both inside and outside government. Legal questions have been raised regarding Mr. Rockefeller's gifts and loans to public officials. These issues regard a possible violation of New York State law, which unfortunately, remain unresolved.

Issues of law aside, however, Mr. Rockefeller's gifts reveal a callous insensitivity to any standard of propriety. What is worse, while Mr. Rockefeller has demonstrated an eager willingness to assist his friends and associates in financial trouble, he demonstrates no similar sense of responsibility in supporting his Government. In 1970, after an IRS audit, Mr. Rockefeller paid a tax liability of $104,180 on a total income of $2,257,241. Before the audit, Mr. Rockefeller reported no income tax liability for that year. How can we measure Mr. Rockefeller's tax patriotism? At his income level, a taxpayer can decide through his estate planning whether he will pay any Federal tax. How are we to interpret his initial decision to pay no tax? Is there no obligation to the Government which provides shelter and protection of his fortune. Is there no obligation to support a Government which has permitted his fortune to grow?

Mr. Chairman, I want to emphasize that Mr. Rockefeller used every loophole in the book to minimize his tax liabilities. What these facts demonstrate, however, is that Mr. Rockefeller is virtually unaware of the responsibilities his wealth entails for him as a citizen of the United States. For a man who makes millions of dollars each year, the least the American people can properly expect is a small contribution in support of our Federal Government.

Finally, in these days of oil crisis, can we be certain of Mr. Rockefeller's objectivity if a decision must be made to deal with the oil producing nations on a government-by-government basis, instead of dealing through American corporations and banks in which his family has great holdings and historic control? Can Mr. Rockefeller insure a sufficient degree of objectivity if it might become necessary to drastically reduce or eliminate oil imports? Does Mr. Rockefeller possess that degree of objectivity necessary to pass judgment on the elimination of the foreign tax credit, proposals to deny U.S. support for petroleum search abroad or high import taxes on oil? Can Mr. Rockefeller objectively support tax programs which would subject equity sales of American-held oil assets in foreign countries to taxation as domestic capital gains?

In my considered judgment, there are grave risks in the degree of impartiality that can be expected from a person with Mr. Rockefeller's extensive involvement.

The integrity of the office of Vice President, or President, would constantly be challenged by the appearance or the fear of potential conflict of interest.

While I admire the many achievements of Nelson Rockefeller as Governor of New York and as a Federal official, I cannot approve his appointment as Vice President of the United States.

Mr. KOCH. Mr. Chairman, for the second time in a year we are voting on the confirmation of a Vice President. In 1967 the Nation ratified the 25th amendment which provides for the interim appointment and confirmation of a Vice Presidential nominee submitted by a President. I believe that the Congress is limited in the criteria it can use in determining whether to confirm or reject a nominee under the 25th amendment. We are not being asked to endorse the nominee's political philosophy. We are being asked to confirm that he or she is capable of fulfilling the oath of office, namely to "faithfully execute the Office of the President of the United States, and will to the best of my ability, preserve, protect and defend the Constitution of the United States."

When we voted on December 6, 1973 on the confirmation of Gerald Ford as Vice President, I set forth the criteria of the 25th amendment as I saw them, which I believed compelled my voting for him. I said then that I believed Gerald Ford "is an honest man. I believe he is intellectually able. I believe that his philosophy, though different from mine, is within the mainstream of the Republican party."

I think that the same is true of Nelson Rockefeller. I have read the Judiciary Committee's report, including the dissenting opinions, and I have listened to the debate. I have been concerned about some of the financial questions raised. I know that the nominee is not without blemish. But, I also know that he has had a long history of public service, he has been a hard and demanding leader, and in the passage of this much time there have been some instances in which he has made some wrong judgments and decisions. I have been offended by the loans and gifts that Nelson Rockefeller has made to public office holders and I am introducing legislation tomorrow to require full public disclosure of future gift giving by public office holders. I will reintroduce this bill on the first day of the 94th Congress. After the many weeks of long and intensive investigation, I had to conclude, as did the majority on the House Judiciary Committee including one of its most probing members, BARBARA JORDAN, that no evidence had been brought forward establishing corruption or dishonesty on the part of Mr. Rockefeller.

I also am concerned about the enormous wealth of the Rockefeller family and the power and the potential abuse of power that accrues from that magnitude of wealth. I am aware of the fact that the Rockefeller family has financial interests all over the world. But, I also know that Nelson Rockefeller has devoted his life to unstinting and capable public service. Since coming to Congress I have worked with him on several matters in support of New York's interests. The care that Nelson Rockefeller has demonstrated in past years for the poor, the handicapped, and the education of our children, leads me to believe that he will not abuse his office and that he will strive to uphold and protect the Constitution and remember that this is a government of, for, and by the people—and that indeed he is a public servant. Just as I do not believe that any person should be denied office because of a lack of personal finances, I also do not believe that an individual should be denied office because of wealth.

Aside from the financial matters that have been thoroughly explored in the committee, I also have been concerned about his position on Israel. During the House Judiciary Committee hearings Mr. Rockefeller had an unfortunate exchange with our colleague from Pennsylvania (Mr. EILBERG) on the subject of the Palestine Liberation Organization. Nelson Rockefeller has assured me subsequently by letter that he understands Israel's refusal to deal with the Palestine

Liberation Organization and that he is supportive of Israel and believes that "the preservation of Israel is not only in the U.S. national interest, but it is also a moral imperative."

In saying the foregoing, I want to note that while voting to confirm Nelson Rockefeller's nomination in extraordinary circumstances under the 25th amendment, this does not mean that I am endorsing his future political candidacy. As I indicated earlier, I do not believe that in voting to confirm an individual nominated by the President for the Vice Presidency, a Member of Congress can demand the same political and philosophical agreement that one does in endorsing a candidate in a general election. I expect that I will disagree with some of the administrative and political decisions of the Ford-Rockefeller administration. And I have no doubt that the Democrats will nominate a Presidential candidate who will represent my political philosophy as opposed to Nelson Rockefeller who represents the Republican Party's philosophy. I will not hesitate to support the Democrat's candidacy against Mr. Rockefeller if he is the Republican Presidential nominee. Furthermore, I would hope that the Democrat's financial disclosure will not have the blemishes of the Rockefeller disclosures—and so I would expect to refer in the campaign to the negative material disclosed concerning Mr. Rockefeller.

Mr. Chairman, I have thought long and hard on this matter. On balance I believe that Nelson Rockefeller should be confirmed.

Mrs. HOLT. Mr. Chairman, I shall vote to confirm Nelson A. Rockefeller as Vice President of the United States.

It is a reluctant vote. I cannot be enthusiastic about the ambitions of a man who is now achieving by appointment, a status he failed to reach through normal political processes on three occasions. His own political party rejected his Presidential aspirations three times, and now we are asked to approve his nomination as the potential successor to the Presidency.

However, Mr. Chairman, the 25th amendment to the U.S. Constitution imposes upon us the duty of considering his fitness and qualifications, not our political differences with him. Although he is not my choice for the Vice Presidency, he is the choice of President Ford. We must give great weight to the need of a President to have a Vice President in whom he has trust and confidence. The Presidential team will survive or fail on their record of performance.

Indeed, I believe we are duty bound to confirm this nomination unless we find extremely compelling reasons to do otherwise. My great political differences with Nelson Rockefeller are not sufficient reason to vote against confirmation.

There is evidence that the Rockefeller family has recognized the public responsibilities associated with immense wealth, and that Nelson Rockefeller has a strong commitment to public service.

I hope, Mr. Chairman, that he serves our Nation well.

Mr. ADDABBO. Mr. Chairman, I rise in support of House Resolution 1511 to confirm the nomination of Nelson Rockefeller to be Vice President of the United States. My vote on this most important issue will be cast with the knowledge that a most unique constitutional crisis has been passed by the American people with the strength necessary to prove and sustain our democratic system of government.

The 25th amendment to our Constitution may not be perfect—in fact I believe we should reexamine the provisions of that recently passed amendment during the next session of Congress—but it has provided us with the vehicle to continue on in our search for answers to very difficult problems at home and abroad.

The nomination of Nelson Rockefeller to assume the duties of the Vice Presidency has been examined by appropriate congressional committees with a careful eye. The results of the investigations have been published for all to read.

There are certain issues which have been raised during these investigations that disturb me—issues involving the vast wealth of the Rockefeller family, gifts made to public officials, and charges of political dirty tricks. There have also been many differences between the former Governor of my State of New York and myself over important substantive matters and of course the Attica prison incident. Notwithstanding these concerns and differences, the results of the investigation also indicate that Nelson Rockefeller is a man with a long record of public service, with no traces of corruption in his personal activities, and with the kind of broad experience in foreign and domestic matters which we need in the individual who will occupy the second highest position in Government.

In addition to his personal qualifications, Nelson Rockefeller has been elected and reelected to the governorship of the populous State of New York four times in the past, a sign of voter confidence which is important when we consider that this is the first time in our Nation's history when both the Presidencyt and Vice Presidency shall be filled by appointment rather than direct election. While I have reservations about this unusual procedure allowed by the 25th amendment, I am pleased that the nomination pending before us has in its favor a record of previous voter support. In 2 years the voters will have the opportunity to directly elect their highest officeholders so essential to our system.

I cannot allow partisanship to stand in the way of the urgent needs of our Nation for an active Vice President who is qualified to participate in policymaking decisions at the highest level of Government. I believe Nelson Rockefeller has the qualifications to serve in that capacity. He has undergone one of the most thorough personal examinations ever witnessed in our nominating process and I believe the plus outweighed the minus findings.

For these reasons I will vote in favor of the nomination of Nelson Rockefeller to be Vice President of the United States.

Mr. CLEVELAND. Mr. Chairman, these remarks are in support of the confirmation of Nelson Rockefeller as Vice President. It seems difficult to believe, however, that we are for the second time in little more than a year proceeding to confirm a Vice President under the 25th amendment.

In my remarks on that earlier occasion when the House voted to confirm Jerry Ford as Vice President, I expressed the belief that as long as we have a party that can attract to its ranks and develop as leaders people like Jerry Ford, we still have a future, and a great one, for service to our Nation.

This belief has been reinforced, Mr. Chairman, by President Ford's selection of former Gov. Nelson Rockefeller whose record of public service has convinced me of his capabilities to serve well as a strong and effective Vice President.

Mr. Rockefeller was one of the three choices I submitted upon request from the White House to recommend nominees for the office of Vice President.

A number of people in my district have expressed strong opposition to Mr. Rockefeller. During the hearings I have kept an open mind; but none of the information brought out in either the House or Senate investigation is, in my view, of sufficient weight to change my initial opinion.

I have previously noted that President Ford wisely gave great weight to a proven record of experience in government in nominating his Vice President; and, in the case of Nelson Rockefeller, the record is an outstanding one.

I was fortunate to have been able to personally observe Mr. Rockefeller's qualifications when he testified before my House Public Works Committee during water pollution hearings on July 28, 1971. At that presentation I was deeply impressed with his breadth of knowledge in this complicated area. He was not only well informed; he was frank and realistic. He was without doubt one of the best witnesses we had; and, if the committee had paid better attention to his testimony, we would have written a better law than we did.

Mr. Chairman, it will not be my purpose to summarize the arguments for and against this nomination. Members of the committee have done this in their report which I commend. Suffice it to say I think we are fortunate in this country to have the number of people we do who participate in public service and sacrifice for it. I hope the day never comes when we will invoke unwise restraints against unlimited participation in public service by reason of race, creed, or color, or for other reasons such as wealth or lack of it.

This Congress has just proudly passed a campaign reform act with a modified public financing of Presidential campaigns. This is in recognition, among other considerations, of the fact that we do not want a qualified candidate of modest means to be denied the chance to

run for the Presidency or Vice Presidency—or conversely to give a candidate of great wealth unfair advantage. With this in mind, it seems rather unfair to invoke the specter of wealth as a bar to public service.

Mr. Rockefeller has run the gamut of the elective process in a large "city-State" on four occasions. He has been carefully scrutinized by voters, the Congress, and the press. The results of that scrutiny and his record in New York State in perspective persuade me that his nomination should be approved.

Mr. BENNETT. Mr. Chairman, I have made it clear in what I have said previously that I do not plan to vote to confirm this nomination. I would just like to add a few thoughts to what I have said. It is quite possible to do one's best to achieve one's highest potential in achievement and in character, for both himself and for mankind, and still find particular responsibilities and particular opportunities closed to him. Not every athlete can be a poet. Not every businessman can be an orator. When a person's financial holdings are such that serious conflicts of interest are inevitable if that person were to hold public office, then that person, however noble and however able, should not be placed in that public office. That is the case before us today.

Mr. TALCOTT. Mr. Chairman, our decision today on the confirmation of the President's nominee for Vice President is as critical and momentous as any decision we have made during this Congress.

Most of the questions have been thoroughly and extensively debated and discussed—in the Congress and out. There is no need for further repetition.

Our Nation has been without a Vice President for 4 months. Granted the circumstances are unique, the hiatus has been delayed too long. Effective representative government should be able to act more expeditiously.

I have certain philosophical differences with Governor Rockefeller and he was not the person I recommended to the President for nomination as Vice President. I admittedly cannot fully appreciate the magnitude or the impact of his personal and family wealth.

But, the committees of the Congress, the news and commentary media, and the Rockefeller adversaries have throughly investigated and exposed every aspect of Mr. Rockefeller's personal, political, public, business, and family life. They have pried far beyond the bounds of civility and necessity, except in the area of the political impact or influence of the Rockefeller Foundations, which, to my amazement, was largely neglected.

Frankly, Mr. Rockefeller's personal stature and his qualifications and capabilities to serve as Vice President were enhanced by the hearings in the House and Senate.

He bested his detractors and condemnors in almost every instance.

He demonstrated a sincere commitment for public service far beyond any large personal ambition or self-aggrandizement.

His background and experience in State, local, and international affairs are sorely needed in the administration.

He is the President's choice for many good reasons. We in the Congress have a constitutional obligation to pass upon the President's nomination. We have a moral and political obligation to try and make our system work.

In spite of my reservations concerning Governor Rockefeller, I must consider the alternatives. No other name has been suggested that could be confirmed expeditiously by this Congress or the next.

For these and other reasons I shall vote to confirm Nelson Rockefeller as Vice President of the United States. I wish him great success, personal satisfaction, and Godspeed. I trust and believe that his every deed will be in the best interests of the United States.

Mrs. SULLIVAN. Mr. Chairman, when Gerald R. Ford was nominated by former President Nixon under the 25th amendment for the vacancy in the Office of Vice President, most of the Members of the House were transported with joy. The Republican Members were overjoyed that their minority leader in the House had been singled out for such recognition. The Democrats, while holding the minority leader in great esteem, and regarding him as a friend, had somewhat different feelings about his nomination for the Vice Presidency.

We had a growing conviction in those days that whoever was named Vice President to succeed the disgraced Spiro Agnew would shortly be President of the United States, probably as a result of impeachment of Mr. Nixon by the House and conviction in the Senate. Mr. Ford would not have been our choice for President among all Americans eligible for the Office. But as between Mr. Nixon and Mr. Ford, or as between Mr. Ford and any other Republican Mr. Nixon might choose as his Vice-Presidential nominee, we regarded Gerald R. Ford as a man who could handle the Presidency with honor and integrity, virtues desperately needed in that Office at the time.

If we had refused to confirm Mr. Ford or any other Republican, and had proceeded to impeach Mr. Nixon and thereby cause his eventual removal from office, the elevation of a Democrat Speaker of the House to the Presidency would have lent credence to the charge some were making that the impeachment proceedings were politically motivated, representing an effort by the Democrats to reverse the results of the 1972 election. Most of the Democrats in the House were, I believe, sensitive to that charge and anxious to demonstrate its falseness.

Mr. Ford's elevation to the Vice-Presidency proved our sincerity in pursuing impeachment proceedings.

But the situation is much different now from what it was when Mr. Ford was nominated for Vice President under the 25th amendment. There is not the remotest possibility of Mr. Ford being made the subject of impeachment proceedings. President Ford has requested confirmation of Nelson Rockefeller in order, he has told us, to have Mr. Rockefeller help him run the country. Aside from the fact that no Vice President in our history ever really ran anything while in that office, President Ford has many high positions available in his administration to which he could appoint Nelson Rockefeller with full confidence that the Senate would confirm him—perhaps not as energy czar but in almost any other field.

The point is that we do not really need a Vice President at this time. President Harry Truman felt that when the Vice Presidency was vacant, as it was during the 3 years and 9 months of his first term, that the Speaker of the House was the proper official to stand next in line to the President, because the Speaker was an elected official, elected not only by his congressional district constituents but by the Representatives of all of the people in all of the congressional districts in the country. And this idea was written into law at Mr. Truman's urging.

The argument of a year ago that a Republican had to be appointed Vice President because otherwise impeachment and removal of Mr. Nixon from office would result in overturning the 1972 election results, by placing a Democrat in the Presidency, holds no water now. President Ford was not elected by the people. The last time the people of this Nation spoke in an election, it was to vote resoundingly for the Democratic party.

The only reason, then, to name a Republican Vice President at this point is to provide for a continuation of a Republican Presidency in case anything should happen to the nonelected Republican President now in office. But I think the 1972 election results are no longer binding on anyone. I do not see any reason to confirm any Republican as Vice President at this time. The majority who voted for Nixon and Agnew in 1972 would not do the same thing today, knowing what they know now. There are no residual obligations upon us to anoint a new Vice President and possible President from the other party.

I have come to the conclusion that I will vote against Mr. Rockefeller's nomination, not only because filling the Office at this time holds no urgency from an administrative or political standpoint, but also, and more importantly, because Mr. Rockefeller is not in my opinion the person to be President of the United States in case a vacancy should occur between now and January 20, 1977.

He is a personable, knowledgeable, and extremely able politician. But he was rejected by his own party at least three times for the Republican nomination for President of the United States. And he was certainly never the choice of the Democrats for that office. He can make many fine contributions to the Ford administration in a variety of possible positions other than Vice President.

If his role as Vice President is to be chiefly a political one, then there is no

reason for the Democrats in Congress to provide him with this possible stepping stone to the Presidency.

I will vote no on the nomination.

Mr. CAREY of New York. Mr. Chairman, this House has moved and expressed its support for Nelson Rockefeller of New York to be the 41st Vice President of the United States. I support that and wish to join with the countless others this day who wish him well as he undertakes his high office and duties.

We in New York have a long tradition, carried on in this case, of offering fine men for national leadership. The respective committees of the House and Senate have attested to the worthiness of Nelson Rockefeller. Their investigations were both thorough and complete—this man was tested and he met the test.

Nelson Rockefeller and I have differed in the past and I am sure we will again, in that spirit of debate that differentiates our Nation from so many others. But common to us is the desire to serve, and it is that bond that will always remain.

To the former Governor of my State, his lovely wife and entire family, I offer my most sincere congratulations and best wishes on this day and for the months ahead.

Mr. NIX. Mr. Chairman, I will vote today in support of the nomination of Nelson Rockefeller to be Vice President of the United States despite some of the testimony developed in Senate and House hearings on cash gifts made by the nominee to public officials associated with him.

Nelson Rockefeller, who has given generously of his time and fortune to many causes, is a liberal, a lifetime member of the NAACP and from 1961 through 1971 made personal contributions to the NAACP Legal Defense Fund totaling $76,250. He is a long and regular supporter of CORE and the Southern Christian Leadership Conference.

As Under Secretary of the Department of Health, Education, and Welfare, he led the fight to obtain $6 million from Congress for Howard University construction. The Rockefeller Brothers Fund in its annual report shows current contributions of $860,000 in its 1972 annual report to such organizations as the NAACP Legal Defense Fund, the NAACP Special Contribution Fund, the National Council of Negro Women, and the National Urban League. The ties between Nelson Rockefeller and his family to equality and rights for black Americans stretch back to the time of the Underground Railroad in the 1850's. As a wealthy family their contributions to good and great causes have been freely and often.

It is the very generosity of Nelson Rockefeller which has raised an issue as to his confirmation to the Vice Presidency of the United States.

Testimony developed the following facts: Nelson Rockefeller had given to various friends involved in politics gifts totaling $2 million. Among these gifts or loans, later written off, was $625,000 to Dr. William J. Ronan, chairman of the New York Port Authority, Edward Logue, president of the New York State Development Corp., who received $31,389 as a gift and $145,000 as a loan; and Emmett Hughes, journalist, who received a total of $155,000. In no case was there any evidence established that Nelson Rockefeller had received any improper consideration from persons who were recipients of such gifts. What was established was the power of a man with immense wealth who had spent, all told, in his political career an amount close to $20 million on his career.

What has been established is the Rockefeller search for talent often involved the giving of outside income to those he wished to retain in public service or in political life.

These matters have a sensational impact but must be weighed in the balance against a liberal record as Governor of New York. This record includes:

The first statewide law in the United States prohibiting discrimination in private housing, a later extension of this legislation covered 95 percent of the private housing in New York State.

The development of the largest public university system in the world, which grew from 41 campuses and 38,000 students to 72 campuses and 232,000 full-time students and increased the number of community colleges from 13 to 38.

The initiation of the Nation's largest State medical care program for the needy under medicaid creation.

The initiation of increased worker benefits in five minimum wage increases, five workmen's compensation increases, and four worker disability increases and New York's first minimum wage law.

The veto of a 1972 bill prohibiting busing.

Provided State aid for expenses in achieving school racial balance.

Initiated affirmative action in the construction industry hiring of minorities.

Created a tax break system for bringing jobs to low-income areas.

Nelson Rockefeller's career in public affairs began long before his election to the governorship of New York. He began his career under Franklin Roosevelt and he has taken an intense interest in foreign affairs. He maintained that interest while he was Governor of New York. Nelson Rockefeller was one of the first to speak out in behalf of the $2.2 billion military aid program on behalf of Israel on October 21, 1972, when Israel's need was greatest.

I believe that Nelson Rockefeller must not be discriminated against because of his wealth in voting on his nomination. I believe that his public life weighs in the balance against the bad judgment he used in making cash gifts to retain the services of New York State officials and political officials. That bad judgment highlights a brilliant career, a career that must not stop this afternoon in this Chamber.

I urge the Members of the House to support this nomination.

Mrs. COLLINS of Illinois. Mr. Chairman, I have given a great amount of thought to Mr. Rockefeller's nomination as Vice President of the United States.

In the first place, I thought about Attica which I see as an unfortunate circumstance which was poorly handled. I read in one of the dissenting views to the committee report that his refusal to go to the prison or to so much as recognize as valid some of the prisoners' demands—even after repeated urgings of his staff who were at the scene—was based upon the fact that he did not want to appear on world television as "the man who failed in this thing." It is sad when a public official's concern for his image is placed above his prime responsibility which is to govern. For him, Attica was destined to be a "no win" situation, because his momentary reluctance to lead left many men dead and played even greater havoc with his image.

Second, I am, too, bothered by the fact that he saw fit while Governor of New York to make loans and grants to individuals holding high political office. The revelation of this sophisticated persuasion has not done much to enhance his moral image, and has accomplished even less in narrowing the credibility gap that our citizens feel about public officials.

Third, and more important, I have strong misgivings which stem from the fact that his confirmation as Vice President will forge a marriage between immense monetary power and enormous political power. This seems especially true in light of yesterday's Star-News article which said that President Ford is seriously considering establishing a Domestic Policy Board on which Vice President Rockefeller will serve as Chairman. This Board, as I understand its proposed structure, will bring together domestic advisers and Cabinet members for the purpose of charting the course of domestic policy. As we all know, that policy is inextricably interwoven with monetary policy which has to do with the shaping of world economy.

Mr. Ford, according to the Star-News, wants to get Mr. Rockefeller involved in domestic policy. He already is. It is not secret that the Rockefeller assets include stock in Eastman Kodak, General Electric, Dow Chemical and IBM, Standard of California, Exxon, Mobil, and the Chase Manhattan Bank, which has holdings in four of our Nation's largest airlines and all three television networks. Although he has indicated a willingness to place his fortune in blind trust, his holdings so permeate the American economy that his every domestic policy decision will be subjected to outcries of "conflict of interest."

Further, Mr. Rockefeller has indicated an unwillingness to speak out against covert CIA activities and has steadfastly supported huge defense spending. In my view today's economy needs less such spending and more policy commensurate with social needs. For these reasons, Mr. Speaker, I cannot cast my vote for Mr. Rockefeller.

Mr. STOKES. Mr. Chairman, with the confirmation of Mr. Rockefeller the United States will, for the first time in its history, have both a President and a

Vice President whom the American people never elected. It is regrettable that both of these offices were achieved through the provisions of the 25th amendment. However it would be improper if the entire burden resulting from the operation of this new amendment were to be entirely shifted to the specific individual now nominated pursuant to it. For the reality is that we do now have a void in the second highest executive office in our Nation. It is necessary to fill that void, and the only mechanism now available to us is that provided by the 25th amendment.

Since the 25th amendment has seen such rapid and successive usage in the past year, I think it is vitally important to clarify what the responsibilities of Congress and its Members are when preparing to confirm a Vice President. The nomination of a Vice President is unique by its character and importance. It is also clear that the President and Congress are to be equal partners in the process, with the Congress particularly reflecting the popular will. Those criteria which are appropriate for the President to use when nominating, or for the people to use if they were electing, are proper for the Congress to use when confirming. The nominee should be evaluated as a potential President, and the level of scrutiny which ought to apply to a Vice Presidential nomination must be higher than that which is exercised by Congress over other Presidential nominations.

As responsible Members of Congress we must be aware of the likely ultimate consequences of our decision. If Mr. Rockefeller is not confirmed another individual will be nominated under the 25th amendment. Would it be Mr. GOLDWATER? Mr. Reagan? I am not comforted by the alternative selection list. A careful analysis of all those with any reasonable chance of subsequent nomination by Mr. Ford reveals no other Republican official with the equivalent experience in public affairs, or a similar commitment to solving the problems of the minorities and disadvantaged of our Nation. And it is only natural to expect that Mr. Ford would choose a second nominee from the ranks of Republicans, and would choose a man at least as compatible with his own views and philosophy as is Mr. Rockefeller.

Many persons are opposed to Mr. Rockefeller on the basis of what occurred at Attica. I, too, have strong feelings and a vivid memory of what took place at Attica. I condemned it for what it was, a damnable act. But in arriving at my decision as to how to cast this vote, I cannot isolate Attica. I must view it in the total analysis of the man. I do not know of any person with whom I would be in agreement upon the totality of his record or with all aspects of his general philosophy of government. My vote, therefore, must reflect upon the nominee's overall fitness to serve as Vice President.

Much has been said in recent weeks about the manner in which the enormous financial Rockefeller empire has been utilized. Much has been said about the gifts and loans which were made by Mr. Rockefeller and the purposes for which they were made. As a black American one of my main concerns was how the utilization of such wealth had adversely or favorably affected black Americans. I was principally concerned as to whether it had been used to the disadvantage of black Americans. For that reason I have taken the time to research the issue, because it is important that when I put the total picture together on Mr. Rockefeller from a black perspective, that all the facts be known.

No area of life in America today is more important to me than the area of education. Much progress has been made in this Nation by black Americans by utilization of the educational process, yet the acquisition of higher education has not been easy nor have black Americans had the equal access to higher education available to other Americans. In this category I cannot help but think of the tremendous financial undertaking which the United Negro College Fund undergoes each and every year in attempting to obtain from private resources the funds necessary to educate black youth in institutions of higher learning. My research led me to the fact that in 1881 the first college for black women was founded in Atlanta, Ga.

This institution was originally known as the Atlanta Baptist Female Seminary, but in 1920 its name was changed to Spelman College because of the significant financial contribution of John D. Rockefeller, whose wife's maiden name was Laura Spelman. This institution is today one of America's outstanding places of higher learning. Over the years the Rockefeller family has continued to contribute money to Spelman College, affording the opportunity for higher learning to thousands of black women. This year alone the Rockefeller Brothers Fund contributed $1 million to the college.

The first college for black women was only the beginning of the Rockefeller contribution to minority education. John D. Rockefeller founded the General Education Board, which was later to become the United Negro College Fund. The latest Rockefeller Brothers Fund donation to UNCF was $300,000. The total of all Rockefeller contributions to minority education is about $62 million.

Nelson Rockefeller demonstrated his commitment to black education when, as Under Secretary of HEW he managed to get $6 million from Congress for Howard University. As Governor of New York he was also active in this area, establishing the SEEK program which aided 15,000 disadvantaged youths seeking higher education. He also created the Higher Educational Opportunities Program which increased black attendance considerably in State universities.

There has been Rockefeller philanthropy toward minorities in many areas. The NAACP has been the recipient of on the average of $75,000 a year from the Rockefeller Brothers Fund. Nelson Rockefeller's personal contributions to the NAACP totaled $76,250 between 1961 and 1971, and he is a lifetime member of the association.

The Rockefeller Brothers Fund has been contributing to the National Urban League since 1921, providing their own money plus entrees to other sources. Nelson Rockefeller has been effective in soliciting millions of dollars for the League from the giants of American industry. He personally chaired several Urban League affairs and it was through his influence that the League became the only organization to have the fundraising benefit of a showing of the Rockefeller family's collected art works. The combined total of all Rockefeller donations to the National Urban League is the most impressive fact of all. It amounts to $8,399,501.03.

In the final analysis I do not wish to point merely to the pecuniary gain afforded to blacks by the Rockefeller family. My real concern is the history of this man and his family in terms of their commitment to minorities, the poor, and the disadvantaged. I must peer into the future also to see what his commitment will be to black Americans and the only criterion I have is his family's proven commitment over the years in terms of their vast contributions to the lives of minorities in this Nation. When I add up all the facts and take a look at the total picture I cannot discount their enormous assistance to black progress. For that reason I have no problem in casting my vote for the confirmation of Nelson Rockefeller as Vice President of the United States of America.

Mr. DON H. CLAUSEN. Mr. Chairman, today, December 19, 1974, marks another very significant day in our Nation's history. As a result of unparalleled and unprecedented circumstances related to the Presidency, we are asked to assume our constitutional responsibility and vote to confirm or reject the recommendation of the President that Nelson A. Rockefeller become Vice President of the United States.

This responsibility is delegated to us by virtue of the authority established by section 2 of the 25th amendment which reads as follows:

> Whenever there is a vacancy in the office of the Vice President, the President shall nominate a Vice President who shall take office upon confirmation by a majority vote of both Houses of Congress.

Now it is up to this body to exercise its constitutional responsibility. The 25th amendment clearly defines both the executive and legislative authority involved in the process. The President submits his nomination and we, in the Congress, vote to support or reject his nominee on the basis of factual evidence.

As would be the case with every human being, we can judge a nominee for this office and find points of disagreement, concern over motives, questions of judgment and other factors. In the final analysis, however, my vote must be based upon Governor Rockefeller's capabilities, qualifications, and honesty.

The State Rules Committee and the House Judiciary Committee have completed their very comprehensive and ex-

tensive investigations of Governor Rockefeller's personal and public life and presented us a 1,411-page hearing record and a condensed committee report of findings, evaluations and a recommendation.

The exhaustive investigations of the two committees found Governor Rockefeller capable and qualified by virtue of his background and experience. Few men have had their lives scrutinized more thoroughly. We can rely on the diligent investigations that were made.

In addition, I am personally acquainted with Governor Rockefeller and have high regard for his professional talents and expertise. He has testified before the committees on which I serve on a variety of legislative proposals and I have always found him to be an able advocate of his viewpoints with a grasp of the facts and issues.

If Governor Rockefeller is confirmed—and it is generally apparent that the House will follow the pattern of the Senate and approve his nomination by a large majority—he is going to be granted a unique and unusual opportunity to serve his country.

With this special opportunity comes a special responsibility and challenge to discharge his duties fully and effectively in troubled and historic times. If, in the final analysis, he rises to the challenge, he will have secured his place in history and vindicated the trust placed in him by the American people through their Representatives in the Congress.

Very few people have had this opportunity. I shall vote to present this major challenge to Nelson Rockefeller and then we must all give him the support and assistance he will need to serve effectively in this high office.

Mr. ROUSH. Mr. Chairman, under the requirements of the 25th amendment the House of Representatives will once again today concur or disagree with the President's choice for Vice President of the United States. This is the second time in just over a year that we have exercised this responsibility of choosing for the American people in the second highest executive position in the Government.

Few of us would say that we accept such a responsibility gladly. But I believe every Member of the House approaches the vote on confirmation with a profound sense of the historic quality of this particular decision. Equally impressive is the fact that each of us in casting our vote must vote for every constituent in our district. Now I cannot vote as all 500,000 of my constituents would wish me to, but I can and will try to represent the best interests of them all in my choice.

I have determined that the best way I can do this is by voting for the confirmation of Nelson Rockefeller for Vice President.

I do so with certain reservations. I am disturbed about the possible conflict of interest between the Rockefeller fortune and this high position in the Government. I think Mr. Rockefeller displayed perhaps admirable generosity, but something less than wisdom when he dispensed large sums of money to friends whose positions in government made those gifts suspect, whether correctly so or not.

But, on the other hand, I cannot find in all the hearings on this nomination over several months' time that Nelson Rockefeller was ever involved in an actual conflict of interest situation; that he ever used his political position to augment his family's fortune. So I will not vote against confirmation simply on the grounds that he has "too much money." Nothing in the Constitution disqualifies a person from holding office, because of the accident of being with or without a personal fortune. I would not want to make such a disqualification a precedent in this vote today.

We have now been without a Vice President since August. I believe that we badly need to fill that second post in our executive branch. This country is now facing a severe economic crisis. We need all the help that we can get. Our President needs all the advice and assistance that he can secure. President Ford seems to think that Nelson Rockefeller fills the bill on that score. I believe the President deserves to have the person of his choice for Vice President, unless that person is proven unqualified for the office. In political conventions the Presidential candidate alone chooses who his running mate will be. The 25th amendment recognizes the particular right of the President in that regard by providing that he will nominate the Vice President; the Congress confirm.

Nelson Rockefeller can provide the wealth of executive experience that President Ford lacks, which he seriously needs and certainly deserves. I believe the fact that Mr. Rockefeller served four terms as Governor of one of our largest States, that he has had 40 years of service at the local, State, and Federal governmental levels, that he has filled consultative and administrative positions under five Presidents, all led President Ford to his choice.

Finally, Nelson Rockefeller has endured a kind of public scrutiny that few can pass and he has survived this with dignity, affability, and candor. Although he has not always supported issues that I support, and in spite of the fact that we will doubtless disagree on other matters in the future, yet I believe that Nelson Rockefeller has shown himself to be a man of rich experience, personal integrity, and dedicated service to this Nation. He, therefore, will have my vote for confirmation for Vice President of the United States.

Mr. MEEDS. Mr. Chairman, the Congress has been called upon twice in as many years to confirm the nomination of a man who could become President of the United States without being chosen by popular vote.

The potential ascension of a Vice President selected under the 25th amendment procedure was dramatically demonstrated on August 9 when Gerald Ford, who we confirmed as Vice President a year ago, became the 38th President. With the confirmation of Nelson Rockefeller, the United States will for the first time, have both a President and Vice President who achieved these offices without popular election.

Because of the enormous responsibility placed upon the Congress in lieu of a Presidential election, I have thought about Mr. Rockefeller's nomination for some time and carefully reviewed the results of the committee investigation. I have decided, somewhat reluctantly, to vote in favor of confirmation, because Mr. Rockefeller's overall record of public service outweighs the individual misjudgments he may have made in financial gift-giving and in campaign tactics.

I am not as disturbed as some of my colleagues over the Rockefeller wealth. If this is truly a nation where one's economic background should not be a basis for discrimination, then the rich as well as the poor should have equal opportunity to achieve in their own right. Mr. Rockefeller has stated his intention to place his financial holdings in a blind trust and has made full disclosure of that wealth. There has been no evidence brought forward that he has used his or his family's wealth to abuse the political system.

However, I am disturbed by the legal and ethical questions raised by his substantial gifts and loans to public officials while Governor of New York. I am also displeased by his involvement in a scurrilous campaign book on Arthur Goldberg, which he sanctioned, and his apparent lack of judgment and leadership in dealing with the Attica prison riot.

These are all serious allegations. But they must be considered in the context of Mr. Rockefeller's overall record of public service. Few individuals in the United States today can match his record of achievement in foreign and domestic affairs.

He served Presidents Roosevelt, Truman, and Eisenhower well in various foreign and domestic assignments of considerable responsibility. His 15-year record as Governor of New York is one of accomplishment and that, in a State with the problems of New York, is an achievement that can stand well by itself.

Although he may have a few isolated misjudgments on the public record, there is nothing that indicates to me that Nelson Rockefeller is incompetent or lacking in sufficient wisdom to serve as President of the United States. His overall record demonstrates just the opposite and on that basis I will vote for his confirmation.

Mr. LEGGETT. Mrs. Chairman, I have decided to vote to confirm Nelson Rockefeller to the Office of Vice President. Since this is a decision I have made with considerable reservation, I believe I should explain my reasoning in some detail for the record and for my own satisfaction.

Much of the debate over this nomination has centered on the wealth of the nominee's family. While the Rockefeller family money is immense, I see no sign that it has been used for antisocial purposes or in an illegal manner. While this wealth has been used to further his po-

litical career, there is no evidence that it has done so illegally; the fault is in the system of private election financing which allows wealthy candidates an advantage; I do not feel we can fairly blame Mr. Rockefeller for playing by the rules. In summary, I do not regard wealth as necessarily a barrier to public office.

On the other hand, the most commonly advanced argument in favor of Mr. Rockefeller's nomination is that he is supposedly an experienced and distinguished public servant who is fully qualified to serve as President should the need arise. This, too, strikes me as a very weak argument. Because a man has occupied many offices over many years does not necessarily mean he has learned anything. Distinction does not automatically accompany experience—witness Richard Nixon as a prime example of how it did not.

We must examine the substance of Mr. Rockefeller's record and his views. On this basis, I find most serious cause for concern.

His record on foreign policy and national security questions has been dismal. He opposed the test ban treaty. He advocated bombing North Vietnam a year before Lyndon Johnson did it.

More important than his specific views is his broad view of the place of the national security apparatus in a democratic society. Consider these two instances:

First. When asked by Congressperson HOLTZMAN, in the course of his confirmation hearings, for his views on our CIA efforts to subvert the Allende government in Chile, he acted as if she had belched in church. His attitude was that it would not be proper for him to discuss such things in public. Clearly, he does not regard foreign policy as the servant of the American people.

Second. In discussing the decision to retake Attica by force, he said:

> I'm not a military man or a police official. These are professional judgments. . . . I do not feel I have the competence to make the judgments and I think there's nothing more dangerous than a civilian messing in military activities and trying to impose . . . his judgment over those of the professionals. . . . My experience is that the best thing a well-intentioned civilian political personality can do is not try and impose his judgment on professional matters but to pick good people and back them up.

Mr. Chairman, I want to state as forcefully as I can that a President who does what the military tells him to do is no President at all. The Constitution designates the President as the Commander in Chief.

Last night the American Broadcasting Co. brought us a gripping and brilliantly executed 3-hour dramatization of the Cuban missile crisis. We saw how every military advisor, backed by the congressional delegation and many of the diplomats, emphatically insisted on an invasion of Cuba. We saw how they told the President that their professional judgment left no room for doubt that a quarantine would be a miserably inadequate response.

When a single U–2 pilot was shot down, the military demanded a massive air strike in retaliation. We saw how it was only through the determination of President Kennedy to avoid war and follow his best judgment that the casualties of that episode were limited to one person, when they could easily have been 1 billion.

What would have happened if Nelson Rockefeller, with the attitudes he has expressed, had been President at that time?

Briefly, there are several other points which cause me concern:

First, Rockefeller's conduct regarding the book on Arthur Goldberg can only be described as a gradually retreating coverup reminiscent of former President Nixon. Even today, he has not come clean regarding the reasons for disguising the Rockefeller family financial support for the book.

Second, throughout the Attica crisis he seemed to be less concerned about the lives of the hostages than about the impact the incident would have on his political image. This makes painful contrast with former Illinois Gov. Adlai Stevenson's handling of a similar riot in the midst of a Presidential campaign.

Third, he has frequently shown a tendency to evade rather than confront issues, to give Ron Ziegler-style answers to difficult questions, and to attack the image of a problem rather than its substance.

But when all that is said and done, I believe that on balance he should be confirmed. These are my reasons:

First, Mr. Rockefeller is obviously a man of intelligence and ability. These qualities are not in overabundance in the current administration.

Second, there is reason to hope he will grow in office.

Third, he seems to have none of the insecurity which caused Mr. Nixon to do many of the things he did. There are, after all, some advantages to having independently wealthy people in office.

Fourth, and probably most important. While Congress could, of course, reject nominee after nominee, I believe this would be a perversion of the spirit of the 25th amendment. I believe it is our duty to confirm somebody, and realistically speaking Mr. Rockefeller is the best nominee we are likely to get in spite of the objections I have mentioned.

Mr. KING. Mr. Chairman, I rise in support of the confirmation of Nelson A. Rockefeller as Vice President of the United States.

On August 20 last, President Gerald R. Ford sent to the Congress his nomination of Nelson Rockefeller to succeed him as Vice President.

The processes of confirmation as provided by the 25th amendment to the Constitution have been pursued exhaustively. No nominee for public office has ever been scrutinized so thoroughly. And the life and service of Nelson Rockefeller has met the test.

As one who has enjoyed the privilege of his political partnership and close association for many years, this comes as no surprise. I have long recognized his eminent qualification for high public responsibilities.

Nelson Rockefeller possesses extraordinary ability, vast executive experience, and an uncommon knowledge of foreign relations. He will be a distinct asset to the Ford administration, and a credit to our country.

It will be my pleasure to join the overwhelming chorus of "ayes" in acclaim of his confirmation, and I take this final moment to extend my congratulations and cordial good wishes to Mrs. Rockefeller and their family in appreciation for what this great moment must mean to each of them.

May God bless and use Vice President Nelson A. Rockefeller.

Mr. JAMES V. STANTON. Mr. Chairman, after carefully reviewing the record of Nelson Rockefeller, I have concluded that I must, in fulfilling the responsibility entrusted to me under the 25th amendment, cast my vote against confirming Mr. Rockefeller for Vice President.

While no one can seriously believe that one's wealth inherently disqualifies him from serving in public office, I suggest that the extent and nature of the Rockefeller family wealth are vastly different from those of any Federal officeholders ever in our history. Regretfully, Mr. Rockefeller has not been sensitive to the dangers created when great wealth and governmental authority are fused. To the contrary, he has at times acted as though his financial power is a legitimate instrument to effect his political and governmental purposes. His pouring large sums of money into foundations whose main function—in addition to benefiting his tax situation—is to further his political ambitions, and his large gifts to others in public life, are of especially great concern to me.

Of course, if Mr. Rockefeller stood before the voters of this country as a candidate for President or Vice President, they might well decide that he could be trusted to exercise sound discretion with regard to his wealth. But, standing in the stead of the voters, and reviewing the record before us, I can say neither that the serious questions raised by the Rockefeller wealth have been answered in a satisfactory manner, nor that the fears of abuse of power—of which we have had our fill in recent years—are groundless.

In addition, I find that Mr. Rockefeller's conduct indicates that he would be hostile to what I consider to be one of this Nation's most pressing needs—the need for tax reform. In reducing his tax liability, Mr. Rockefeller has, I feel certain, done nothing illegal, and indeed, this fact shows what the problem is. The flagrant loopholes which permit the wealthy to avoid paying their fair share of the tax must be closed, and we can hardly expect leadership on this issue from one who has so benefited from the present tax system.

Thus I shall vote against confirming Nelson Rockefeller for Vice President.

Mr. BINGHAM. Mr. Chairman, the one thing I am sure of, as we confront

the question of whether or not Governor Rockefeller should be confirmed for Vice President, is that the 25th amendment to the Constitution, which mea culpa I voted for, should be changed.

We will soon have a President and a Vice President neither of whom was elected by the people, and one of whom was selected by a President who was forced to resign his office in disgrace.

This situation, which clearly we did not foresee when we passed the 25th amendment, seems to me to be clearly intolerable. My vote today will be in part a protest against that situation and against the constitutional amendment which gave rise to it.

One of the things that is wrong with the 25th amendment is that it offers no criteria by which the Congress is to act in passing upon the President's nomination. As I have discussed this matter with many colleagues, I have discovered that widely varying sets of criteria are being used by different Members.

In attempting to resolve this question of criteria in my own mind, I have come, first, to the conclusion that the process here is different from the confirmation of a Presidential appointment to a Cabinet position. In the case of a Cabinet position, one has to agree that a President is entitled to have working for him as a department head a person who shares the President's point of view on the major issues involved in the operation of that department. In such a case, the principal question faced by the Senate is whether the person is of good character and is qualified in terms of experience and ability, although in recent years questions of possible conflicts of interest have also been carefully examined by the Senate.

It seems clear to me that the 25th amendment procedure presents a different case. First of all, the language is different. In the case of a Cabinet appointment, the President nominates and, "with the advice and consent of the Senate, appoints"; in the case of a Vice President, the President "shall nominate a Vice President who shall take office upon confirmation by a majority vote of both Houses of Congress."

The language of the 25th amendment, I submit, suggests that the power to appoint a Vice President is a shared power, in which the President and the two Houses of Congress are to act to a degree as surrogates of the voters who normally elect a President and a Vice President.

It was on this basis that I voted against the confirmation of Gerald Ford as Vice President. I said then that my vote "should not be construed as any reflection on Mr. Ford's character or ability" but that I felt it was "incumbent upon the President to nominate a person whose public record and views lay somewhere between his own and those of the majority of both Houses." Instead, I noted, the President had nominated a person who had "given him virtually 100-percent support."

This is not to say that a Congressman's vote on the matter of confirming a Vice President should be a partisan one; but it is to say that the criteria to be applied are broader than simply ability, experience, and character.

Turning now to the nominee before us, let me first say that I have found it extraordinarily difficult to decide how to vote.

There is no doubt that Nelson Rockefeller has had a distinguished career. He performed creditabily in several appointive posts in the Federal Government, including Under Secretary of Health, Education, and Welfare. Earlier, as FDR's Coordinator of Inter-American Affairs and later as Chairman of the International Development Advisory Board, he was a pioneer in the field of international development. His book "Partners in Progress" admirably set forth the need for developmental programs and the concepts of technical assistance embodied in President Harry Truman's Point 4 program.

When he first began campaigning for the Presidency, Nelson Rockefeller was considered a representative of the liberal wing of the Republican Party, and during that period he apparently incurred to his credit, the lasting enmity of many representatives of the extreme right wing. If he had maintained this political posture, he would in my view have a very strong case for confirmation. But he has not; as Governor of New York, he moved steadily in a conservative direction, apparently trimming his views to what he considered to be the political winds. He showed courage on some issues—notably the sensitive issue of legislation on abortion—but he showed a regrettable lack of courage in his refusal to speak out on the two overriding issues of our time: the Vietnam war and Watergate.

I have read with care the various opinions expressed in the committee report and dissenting views, and I find I cannot agree wholly with any of them.

For example, I felt that Messrs. McCLORY and SMITH, who curiously were the only members of the committee majority to state their reasons for voting to confirm, brushed far too lightly over the very disturbing matter of large loans and/or gifts to public officials. I feel these transactions were highly inappropriate, to say the least. What if a President were to give half a million dollars to the Chairman of the Federal Communications Commission, for example? Would that not be considered intolerable?

Governor Rockefeller has virtually admitted that this was bad practice by undertaking not to make such gifts while holding national office, except in case of medical emergencies or something of that sort.

Yet I do not feel that the motivation for these loans or gifts was selfseeking or in any way sordid. To some extent, they resembled the contributions that Adlai Stevenson as Governor solicited from friends of his so that some of his State government appointees could afford to accept or remain in their jobs. The chief difference was that Nelson Rockefeller could afford to make the supplemental payments himself, and Adlai Stevenson could not.

In any case, as already noted, Governor Rockefeller has agreed not to repeat such loans or gifts in the future.

I also cannot agree with the dissenters' severe criticism of Rockefeller's acceptance of tens of millions of dollars from members of his family "to achieve his political desires;" that is, to finance his various campaigns. Until the recent changes in Federal and State laws, this was a not uncommon practice for those who had wealthy relatives, and the voters of New York State, at least, showed on several occasions that they did not object to such contributions or to the fact that Nelson Rockefeller and his family were almost uniquely wealthy people.

The authors of the dissenting views seem to recognize this when they say "The people of this Nation may believe it appropriate to merge vast economic power with enormous political power," but they go on to say that "a decision of such fundamental magnitude must be made by the people, themselves, in a direct election, rather than by Congress." I fail to see the logic of that distinction, especially since the dissenters elsewhere state that in acting under the 25th amendment, the President and the Congress "are acting as surrogates of all the electorate."

Thus I cannot accept the argument that Nelson Rockefeller should be denied national office, because of the extraordinary economic power he and his family are in a position to exercise. And I wonder if my friends, the dissenters, would have reached that conclusion if the nominee had been a person whose views on the issues had in general coincided with their own.

Thus, we come back to the question of the nominee's positions on public issues. So far as I can discern, Governor Rockefeller's views coincide almost totally with those of President Ford. In naming him, the latter made no concession whatever to the fact that the majority of both Houses hold very different views. This consideration leads me in the direction of casting my vote on the basis of the same reasoning that led me to vote against confirmation of Gerald Ford.

One final point: In meetings with my constituents I have often been asked—as, I am sure, have all my colleagues—whether in deciding how to vote on an issue I follow my own convictions or whether I am guided by the views of my constituents. My answer is that, if my conviction is a profound one, I will follow it, even though my constituents may feel differently; but that, if the issue is one on which I am ambivalent and on which I know the majority of my constituents have strong views, I will "vote my district."

During the fall campaign I discussed the Rockefeller nomination with my constituents in all parts of the 22d District, singly and in groups. By an overwhelming margin, their advice to me "vote no" and that is what I shall do.

Mr. WRIGHT. Mr. Chairman, I shall vote in support of Nelson Rockefeller's

confirmation. I can see no valid reason to do otherwise. He is remarkably able and more than amply qualified for the office.

Those who oppose this confirmation seem to base their opposition on one or more of three grounds. Either they feel Mr. Rockefeller should be disqualified because of his personal wealth, or they find something unattractive in the fact that he has been generous with his money, or they disagree with his public position on some particular issue.

As one who feels very strongly that no person should be disqualified to serve in high public office for lack of wealth, I cannot consistently support the theory that an individual should be disqualified simply because he possesses financial wealth.

Having actively and wholeheartedly supported John F. Kennedy for the Presidency, I could not now oppose Mr. Rockefeller for the Vice Presidency on the grounds of his affluence.

As for the contention that Governor Rockefeller's personal gifts to friends and associates implies some sinister or unworthy motive, I find this the least impressive objection of all. Are we to condemn a person for being generous? Every instinct of decency cried out against such tortured reasoning.

And supposing Mr. Rockefeller may at one time or another have disagreed with you or me on some issue of public policy. What man who thinks for himself has not disagreed with me on one occasion or another? To search for a public official who agrees with me on every point would commit me to a more difficult quest than that of Diogenes.

And to expect such a person to be nominated by a President of the other party would be unrealistic in the extreme for any Democrat.

If not Mr. Rockefeller, whom would you desire President Ford to name? Whom indeed could we find who is better grounded by experience? Whom could we find who has dedicated more years of his life to the service of our country?

There probably is relatively little that I can tell the House which most Members do not already know about Nelson Rockefeller, but I am pleased to share a few of my personal observations and the results of my personal experience with this truly distinguished public servant.

For approximately 10 years, in the consideration of legislation involving such matters as water pollution abatement, economic development, highway and port improvements, the House Committee on Public Works has had occasion to receive testimony from the Governors of various States. Typically a Governor will have a prepared statement and will be accompanied by staff personnel to assist in the factual answering of specific questions posed by members of the committee.

Ever since his extremely remarkable appearance before our committee in 1965, I have been deeply impressed by the unique skills, broad knowledge, and total dedication of Gov. Nelson Rockefeller. He has been clearly the best informed and most informative witness who has appeared before our committee in discussions of these vital matters.

Consistently, Nelson Rockefeller has displayed a profound depth of knowledge and a truly surprising capacity for detailed information. While accompanied by a battery of experts, he hardly ever has had to call upon one of them for a complete and factual answer to specific and sometimes difficult questions posed by members of our committee. In almost every instance, he has had the information we desired at his very fingertips and has replied lucidly, responsibly, and informatively to an almost infinite variety of questioning. More than once, he has volunteered suggestions which were innovative and creative. His mental capacity has been more than amply demonstrated in these appearances, and I have been very greatly impressed by his total grasp of deep and perplexing public problems.

More recently, during the past 2 years, I have had the privilege of serving with him as a member of the National Commission on Water Quality, of which Governor Rockefeller has served as Chairman. Here his decisive leadership and great executive capability have become known to me. He has the ability to assimilate enormous volumes of information, to sift through the outer froth and burn quickly to the center core of each issue. His questioning of expert witnesses is sharp and incisive. His ability to organize professional staff personnel and professional consultants into a purposeful and effective team is almost unrivaled in my experience.

In my judgment, there can be no question that Nelson Rockefeller possesses breadth of knowledge and experience, the traits of personality and the keen mental acuity to perform the duties of the Vice Presidency in a truly outstanding manner.

Mr. REUSS. Mr. Chairman, despite some doubts, I vote to confirm Mr. Rockefeller. I do so in conformance with what I conceive to be my duties under article XXV, section 2, that I must vote to confirm unless the nominee is unqualified.

The doubts arise from the blend of vast financial and political power symbolized by Mr. Rockefeller.

Consider the financial empire in which Mr. Rockefeller and members of the Rockefeller family hold such substantial interests. In Vietnam, Thiokol-powered McDonnell Douglas aircraft use IBM or Itek guidance to drop bombs made by Automaton Industries; ground forces, flown in by Pan Am, guided by ITT communications, use vehicles fueled by Mobil, Chevron, and Amoco. In the United States, the family holds substantial interest in 17 of the top 100 military contractors. In Peru and Venezuela, political disputes rage over Exxon subsidiaries.

It is reported that Mr. Rockefeller has offered to put his financial holdings in a blind trust, and to forgo the financial buttering up of political associates. These decisions are commendable.

But the larger question remains: Is it wise, in a democracy, to encourage the marriage of extreme wealth and high political power? The Milwaukee Journal perceived the danger 70 years ago in an editorial in which it saw the coming of the first billionaire, the original John D. Rockefeller, the nominee's grandfather. Said the editorial:

> A billion dollars in the possession of one family, makes it possible for one man to say who shall work and who shall starve, who shall engage in business and who shall not be allowed to compete in the markets of the world. They make it possible to control legislation as well as the finances of the country. By centralizing industry and hogging opportunity they force an increase in the number of those who must work for wages and decrease the number of those who would embark in business for themselves.
>
> There are wise men in this country who see in this coming billionaire and what he represents a greater danger than America has ever know before, and who believe that it can only be curbed by one of two methods: legislation rigidly enforced or revolution.
>
> The last must not be.

The Rockefeller empire has grown more rich and more powerful in the last 70 years. And all this time, the Congress has been doing those things, and leaving undone those things, which have made this vast agglomeration of wealth and power possible. The plutocracy has grown, and recently the share of income and wealth going to those at the top has increased. The holding company, the conglomerate, the multinational have acquired sovereignty undreamt of by the first Rockefeller. Congress has acquiesced in a tax system that lets the incomes and inheritances of the wealthy very largely escape their just share of the burdens of civilization. Money makes money, and there is more of it at the top.

All this is so. But, in a certain sense, it is a world that Nelson Rockefeller never made—though it cannot be denied that he enjoys its benefits. He has not been one of the idle rich—indeed, there are those who complain that he is overenergetic. He has not shrunk from contact with the common man—indeed, there are those who complain that he is overgregarious.

It is Congress that has created the system that produced Mr. Rockefeller. Our duty ought to be to correct the inequities of the system, rather than to take it out on the exemplar who comes before us under article XXV. I vote to confirm.

One final thought, perhaps inspired by the Christmas season. When Mr. Rockefeller assumes his magistracy later today, he will be granted for the next 2 years powers and opportunities seldom granted to an American. Because of his unique background, he has a capacity to reform our society not given to Tom, Dick, or Harry. It is too much to hope that Mr. Rockefeller, in his high office, will lead the struggle to rid this country of the curse of bigness, to reform our tax laws so as to prevent the accumulation of empires like the Rockefeller, to reduce our international corporate giants to manageable and humane proportions?

Mr. BOWEN. Mr. Chairman, I have followed with great interest the hearings

of the House Judiciary Committee and the debate here today. Although I have seen nothing on Governor Rockefeller's part which would disqualify him out of hand for the office of Vice President of the United States, I have found many things which give both me and my constituents cause for deep concern about whether or not this is the right man to fill the office. We have heard these matters discussed in detail today, and I do not propose during these few minutes to examine them any further.

Under the 25th amendment to the Constitution, the people of America have no voice in the selection of a Vice President, and because of the peculiar circumstances obtaining today they have had no voice in the selection of their President. My vote on most issues under consideration in this body has been and will continue to be based upon my own considered judgment of what I believe to be best for my district, my State, and my Nation, but under the circumstances of this confirmation process, I feel a very special obligation to vote as my constituents would want me to vote. I feel that I am serving here this evening in an unusual capacity as a member of an electoral college, representing the people of the Second Congressional District of Mississippi.

Through many letters, phone calls, and personal contacts over a period of several months I have found the overwhelming sentiment in my congressional district to be against Governor Rockefeller's confirmation. I have the highest respect for those of my colleagues who for convictions of their own will vote to confirm Governor Rockefeller, and I am certain they will be in the majority, but I feel a personal obligation to vote not to confirm Nelson A. Rockefeller as Vice President of the United States.

Mr. DINGELL. Mr. Chairman, I rise to oppose the confirmation of Nelson Rockefeller as Vice President of the United States.

I do so for many reasons which I consider compelling. My purpose in rising at this time is to set forth the reason why I will vote no when the roll call is called on this important constitutional action of the Congress.

Our duties here are defined for us by the 25th amendment, which provides as follows:

AMENDMENT XXV

(Ratified February 10, 1967)

SECTION 1. In case of the removal of the President from office or of his death or resignation, the Vice President shall become President.

SECTION 2. Whenever there is a vacancy in the office of the Vice President, the President shall nominate a Vice President who shall take office upon confirmation by a majority vote of both Houses of Congress.

SECTION 3. Whenever the President transmits to the President pro tempore of the Senate and the Speaker of the House of Representatives his written declaration that he is unable to discharge the powers and duties of his office, and until he transmits to them a written declaration to the contrary, such powers and duties shall be discharged by the Vice President as Acting President.

SECTION 4. Whenever the Vice President and a majority of either the principal officers of the executive departments or of such other body as Congress may by law provide, transmit to the President pro tempore of the Senate and the Speaker of the House of Representatives their written declaration that the President is unable to discharge the powers and duties of his office, the Vice President shall immediately assume the powers and duties of the office as Acting President.

Thereafter, when the President transmits to the President pro tempore of the Senate and the Speaker of the House of Representatives his written declaration that no inability exists, he shall resume the powers and duties of his office unless the Vice President and a majority of either the principal officers of the executive department or of such other body as Congress may by law provide, transmit within four days to the President pro tempore of the Senate and the Speaker of the House of Representatives their written declaration that the President is unable to discharge the powers and duties of his office. Thereupon Congress shall decide the issue, assembling within forty-eight hours for that purpose if not in session. If the Congress, within twenty-one days after receipt of the latter written declaration, or, if Congress is not in session, within twenty-one days after Congress is required to assemble, determines by two-third vote of both Houses that the President is unable to discharge the powers and duties of his office, the Vice President shall continue to discharge the same as Acting President; otherwise, the President shall resume the powers and duties of his office.

A clear reading of this amendment shows that there is no mandate upon the Congress to confirm or not confirm the President's appointee. As Members of a coequal branch of the Government we have the right, and more importantly, the solemn sworn duty to exercise our independent judgment on confirmation of Mr. Rockefeller as Vice President, giving due weight to all facts and circumstances.

I note with some regret that the tone and language of the report of the Judiciary Committee gives the impression, which I am satisfied is erroneous, that the Congress has some sort of responsibility to confirm the nominee here. This interpretation is thoroughly out of keeping with the language, intent, and constitutional prerogatives of the Congress. To consider the meaning of the 25th amendment to be so is to convert the Congress to a mere rubber stamp, condemned in this instance, and probably in others, succeeding and difficult, to only approve and ratify the actions of the Executive without exercising the wise judgement necessary to a strong and independent Congress, properly responsive to the will of the people.

This Nation has learned time and again, from the days of the Magna Carta, the struggles of the Parliament against the excesses of Stuart kings, from the outrages of George III which led us to our War of Independence, and the scandals of Watergate and Richard Nixon, that a strong and independently minded Congress is the only protection of the liberties of people against executive tyranny and excess.

In that framework, let us then approach our task of determining whether the public interest requires that this Nation should fill this office of Vice President at this time, and whether or not Nelson Rockefeller should fill it by confirmation of the Congress.

THE IMPORTANCE OF OFFICE IS REALLY MINIMAL

A wise, and much beloved Vice President, the late Alben Barkley told a story of the significance of this office—he described a mother who had two sons, one went off to sea, and the other became Vice President and neither was ever heard of again.

Vice President John Nance Garner observed in his usual salty way the importance and value of the office was about equal to a "pitcher of warm spit."

President Eisenhower was asked for contributions to his administration by his Vice President, Mr. Nixon. Mr. Eisenhower asked for several days' time to think and observed that in that period he might think of some contribution or service by his Vice President to the Nation.

The duties of the Vice President are set out in law and the Constitution.

He is to do the following:

First. Preside over the Senate;

Second. Cast the deciding vote in the event of a tie vote in the Senate; and

Third. Assume the office of President in the event the President dies or becomes incapacitated.

A reading of history and the CONGRESSIONAL RECORD reveals that few, if any, Vice Presidents bother with the tedious and burdensome duty of presiding over the Senate. According to my study Vice Presidents exercise this function on opening sessions, joint sessions, and when the meetings of the other body are televised. In other times they are not to be found, except where we read of their partisan denunciations of the other party in the press.

To prove the general uselessness of the position, of Vice President, the Republic has existed most comfortably for long periods with no incumbent in the office at all. In the difficult periods following the assassination of Presidents Lincoln, McKinley, and Kennedy there was no Vice President. In the period following the enforced resignation of President Nixon, there has been no Vice President. There is no demonstrable evil which has befallen the Nation for this absence of a Vice President in these difficult times.

In the period following the enforced resignation of Mr. Agnew there was no Vice President until confirmation of Mr. Ford as Vice President.

There was no evidence of any difficulty besetting the Republic during that period stemming from the absence of a Vice President.

THERE IS AN ORDERLY STATUTORY PRESIDENTIAL SUCCESSION

The law provides that in absence of a Vice President there shall be a regular statutory succession to the Presidency.

The immediate successor is the Speaker of the House, next the President pro tempore of the Senate, then Cabinet officers in order of seniority of their respective posts.

So if anything happens to the President, there are fully qualified successors ranked in depth ready to succeed to the office with minimal dislocation.

THE CONFIRMATION OF NELSON ROCKEFELLER MEANS TODAY THAT THE HIGHEST TWO OFFICERS OF THE NATION ARE APPOINTED, NOT ELECTED

The factual character of this statement cannot be denied. That the situation is evil and unintended even by framers of the 25th amendment cannot be gainsaid.

That we as a nation need tolerate this situation is obviously untrue. We have always believed that the people should select their servants and officials by open and free election. Let this process not be diminished here.

THERE IS GREAT COST AND SMALL BENEFIT IN THE CONFIRMATION OF NELSON ROCKEFELLER

The cost of keeping a Vice President in style is enormous.

His salary is over $60,000 per year. He gets a $10,000 a year as a personal expense allowance.

His staff, according to the last appropriation list costs about $550,000 a year.

Security by Secret Service is $1.5 million per year for this rather useless office, plus $200,000 per year for the new Executive Protection Service to look after his safety at the new Vice President home.

We have yet to get a figure as to the cost of remodeling the new official residence of the Vice President, entertainment costs, travel and so forth can only be estimated as large, and unneeded at this time.

What does the Nation receive for this expenditure? Very little.

NELSON ROCKEFELLER DOES NOT MEET THE HIGH STANDARDS OF CHARACTER REQUIRED FOR VICE PRESIDENT

Nelson Rockefeller, it is clear, did not deal fairly with the committees which investigated the qualifications. He failed to reveal his true holdings until prodded by the committees. His worth grew from around $30 million to somewhere around $300 million during his testimony.

If this discrepancy grew from ignorance of the English language it raises one kind of question as to his fitness. If the discrepancy grows from inability to keep count of assets, it raises still other questions. Possibly it results from intention on part of Mr. Rockefeller to deceive the Congress. I do not know what the reasons are. The questions raised by the discrepancy remain to speak loudly against his fitness.

Mr. Rockefeller's family supported his gubernatorial campaign with a book about his opponent which was in keeping with the best traditions of character assasuration, muckraking and Watergate politics. Even the financing was obscured by laundering funds advanced by family members for the publication of the book.

LOANS AND GIFTS BY MR. ROCKEFELLER RAISE GRAVE QUESTIONS AS TO HIS BEHAVIOR BOTH AS GOVERNOR OF NEW YORK AND A PRIVATE CITIZEN

Mr. Rockefeller's gifts to officeholders, large gifts may well contravene the law of New York.

The roster of the recipients of Mr. Rockefellers' beneficience is long and distinguished.

Listen to the roster: Some $2 million showered upon the superintendent of banking, the commissioner of the department of environmental conservation, the commissioner of housing and community renewal, the commissioner of taxation and finance—who later became chairman of the State housing finance agency—the president of the State urban development corporation, the chairman of the New York and New Jersey Port Authority, the presiding judge of the New York Court of Claims, all officials of the State of New York; and the Assistant to the President of the United States for National Security Affairs.

Why these gifts?

What was their import? What was the quid or the pro quo here? We will never know. Nor do we need to. The appearances are against a real sensitivity to the public interest on the part of both donor and donee. There appears here real lack of appreciation of the responsibility of an officeholder to so behave as to maintain and justify the public trust in its officers in both appearance and fact.

The appearances are bad. It is doubtful that fact is appreciably better than appearance.

Certainly the recipients had before them, on a daily basis, a plethora of questions affecting Mr. Rockefeller as an individual, as a member of the Rockefeller family, as Governor, as stockholder of scores, if not hundreds of major corporations. Gifts were made to persons who pass on questions relating to oil and Exxon, to banking and Chase Manhattan, on matters relating to airlines, all of which are matters of special interest to Nelson Rockefeller, stockholder and possible beneficiary and to his family whose financial interest multipled his.

POTENTIAL CONFLICTS OF INTEREST ABOUND IN THE PERSON OF NELSON ROCKEFELLER

Protestations as to establishment of a blind trust, and other remedies to the contrary, there is no way Mr. Rockefeller can be viewed as anything other than a walking, breathing, conflict of interest.

President Ford indicates Mr. Rockefeller will be his partner, in fashions not yet divulged, in running the country. While this arrangement is of doubtful legality and unsanctioned by law or usage, it does indicate the opportunity available to Mr. Rockefeller for conflicts will be immense.

If there is such virtue in blind trust, why is it coming years after Mr. Rockefeller was elected Governor of one of our largest, richest, and most populous States? What trustee will dissipate, sell, and dispose of Mr. Rockefeller's vast holdings in today's market and under the 2 years potentially remaining in his Vice-Presidential term? The questions answer themselves. The reform comes too late, and is clearly meaningless.

Mr. Rockefeller's actions and advice will clearly affect IBEC, the family holding company, his brother's bank, family banking interests, family investments in oil, his and his family's holdings in the giants of the oil industry. This action and advice will clearly affect the families interests in transportation, land, and other corporate interests and investments.

The Nation is told of his integrity. I do not know the gentleman. There is possibility his integrity is proof against both the constant flow of opportunity and temptation to favor his personal interests and those of his family. I hope so. Many people doubt it with the best of reasons.

Certainly trust of Mr. Rockefeller is gravely jeopardized by common understanding of the frailty of human nature and the immense size and frequency of temptation imposed on him by the office he seeks. No action of his will escape perfectly valid questions as to his self-interest.

I will not recount his holdings, or speculate as to his potential conflicts. His wealth is documented in the hearings. His conflicts of interest will cover the whole width and breadth of his official actions.

Nelson Rockefeller cannot escape these questions by our confirmation. Our action is not a baptism absolving Mr. Rockefeller of taint and question. We cannot even engage in a whitewash here. We cannot instill any trust of him or his actions into the public mind.

There will be no reason to bottom our judgments here on integrity or lack of it on the part of Mr. Rockefeller.

We have a special duty to exercise the greatest prudence and care here. Since no election will be held for the office for 2 years, we exercise a duty bound by the highest care and greatest caution. There are sufficient warnings here of potential peril that we cannot confirm this man. His every action is subject to broad and widespread public doubt and apprehension. Public trust in its Government cannot be helped by his appointment. Human nature being what it is, no one can be sure when and whether his actions favor the people or further Exxon's interests. No one will know when or whether be furthers the public interest or those of his brother's Chase Manhattan Bank. Or, worse, when his actions favor his brother's bank's correspondents here at home or abroad. Nelson Rockefeller should not be confirmed.

Mr. CLAY. Mr. Chairman, this speech will perhaps be the most ironic speech I have ever made. However, it fits the most ironic situation America has ever faced. Let me point to a few of the ironies. Is it not ironic that in this instance, I disapprove one Rockefeller, the Vice-Presidential nominee; and end up approving another Rockefeller, his brother, John D., III. More importantly, the American political irony in which we find ourselves involved, looms beyond any single event this country has faced since its birth.

Approaching the 200th birthday of a nation built upon the world's greatest experiment in democracy and self-government, we find ourselves in a situation where the first and second office in the land will be occupied by people—not elected—but appointed. Needless to say, this greatly disturbs many of us.

More disturbing is the thought that this President was appointed by a President whose Vice President had to resign from office in disgrace as a convicted felon. Furthermore, the former President himself had to resign in face of certainty of impeachment because of crimes he had committed against the United

States. Our present President unconscionably pardoned his benefactor for all crimes he had committed or may have committed, even before justice could have established his guilt or innocence.

Article II, section I, of the Constitution explicitly provides that the President and the Vice President are to be elected. This right of the people to choose their own leaders is the fundamental principle of self-government. Clearly, this was the intention of the framers of the Constitution. They believed firmly, like I do, that no one should serve as President who had not faced a national election. Neither the President nor the Vice President nominee has ever faced a national election. In fact, the Vice Presidential nominee was repudiated by his own party as their Presidential choice in the past. Today, public opinion of the American people show disapproval of Mr. Rockefeller's appointment by a margin of 43 percent against, to 39 percent for his appointment.

The authors of the 25th amendment back in 1967 never contemplated that they would introduce such an extraordinary innovation into the American system of government. When they cavalierly discarded the wisdom of the framers of the Constitution, by allowing the President to appoint his own successor. I am sure that they never contemplated such extraordinary events. Both the President and the Vice President will take office without winning a single precinct in the country or without the opportunity of a single voter to express an opinion. This has moved the most vital political choices farther and farther away from the people.

There are very serious questions about the wisdom; even the legitimacy of this arrangement. For these reasons alone, I oppose the nomination of Nelson Rockefeller. But, this is not to say that he otherwise gets a clean bill of health. One cannot easily forget the 40 prison inmates and guards slaughtered at Attica under his governorship. Nor, can one ignore the enormous accumulation of wealth and its attendant power.

Watergate has alerted a great number of Americans to the fact that the democratic, representational election procedure is much too valuable to be left in the hands of those who are willing to purchase it at any price. Rockefeller has demonstrated in the past that no price tag is too high to pay for an election. It is staggering to look at the money spent by the Rockefeller family to get him elected to office. In 1970, the Rockefeller campaign for reelection for Governor of New York cost $6,985,455 million. Over $4 million of this sum came from members of the Rockefeller family. In 1966, he spent $4,896,656 million, of which, more than $3.5 million came from the Rockefeller family. In his unsuccessful Presidential campaign of 1964, $5,228,550 million was spent. Over $8 million was spent in 1968 in his bid for public office.

I must say that I am confounded why an individual or a family would spend such vast amounts of money to stay in office or to get elected to an office. My concern is—what effect would this have on those less advantaged though dedicated who would also wish to seek election to public office in this country.

I sincerely believe that public officials seeking election to high offices such as these, should be decided by we the people of the United States, we alone, each equally. Furthermore, integrity in Government is a sine qua non to effective Government policymaking in all fields. Yet, the bag of history bulges with instances of the many ways that public officials flaunt that trust for their own personal material gain, conflict of interest, and outright corruption. One might ask, why did Mr. Rockefeller see fit to subsidize the U.S. Secretay of State, and in New York, the chairman of the transportation authority; the superintendent of banks; the head of environmental affairs; the commissioner of housing and community renewal; the chief of urban development; the commissioner of taxation and Finance; and the presiding judge of the State court of claims.

Earlier this year, Mr. Rockefeller personally, and through friends, established a "nonpartisan" national committee to "study" public issues. Rockefeller himself headed the proceedings. This cost millions of dollars, won countless admirers, friends, staffers, and supporters under the guise of political nonpartisanship. This clearly shows one way that a true public-spirited citizen with money can beat the political hustlings and gain a tremendous political advantage long before the Congress could institute campaign expenditure ceilings. This sort of maneuvering gives us a foretaste of the potentiality for corrupting the political process.

This litany can go on ad infinitum, but suffice it to say that my vote of no confidence will be recorded.

In conclusion, if Nelson, would subscribe to the ideals of his brother, John D., III, a millionaire himself, his ultimate solution to social and political equality would be the same as mine. In his book, "The Second American Revolution," John D., III recognized that the fundamental political problem in American society is the gap between our ideals and the way it has fallen into general disarray, disrepair, and disrepute. He, too, sensed that growing numbers of Americans feel hostile or alienated from the "system." In his words:

> I became aware of the underlying similarities between the America of today and of 200 years ago. It seemed to me that now, as then, there are important social forces in motion that can legitimately be considered revolutionary, and they go to the essence of what our country is all about. In my judgement, we are in the early stages of a revolution of fulfillment, not of overthrow, a revolution designed to bring fruition to the great ideals upon which this nation was founded.

His hope is to fulfill these revolutionary impulses. So he latches onto the idea the "American Revolution" was not a war, with 1 day as its beginning and end, but a process that took time. It began on July 4, 1776, with the Declaration of Independence and formally terminated with the ratification of the Constitution in 1789. What he wants is the American people to rededicate themselves, starting in 1976 to Bicentennial era in order to complete a renaissance and rebirth of American principles.

One of the fundamental principles then, as is now, that this country of self-government should be governed by leaders chosen by the people. He believes that time is needed to find new ways to address our social and economic problems, and to chart our future into the third century of the American experience. Time. Time to learn. Time to discover. Time to chart. I subscribe to his idea.

Mr. FRENZEL. Mr. Chairman, today the House will at long last pass judgment on the nomination of Nelson Rockefeller to be Vice President of the United States. The dilatory manner in which this nomination has been handled provides just one more example of why the Congress, as well as the nominee, stands today in judgment.

Reams of criticisms have been leveled at the 25th amendment, under which authority this nomination is being considered. Yet we have failed to come to grips with the amendment's most glaring deficiency; namely, its assumption that Congress would make a good-faith effort to complete the confirmation process with all deliberate speed. Someone obviously underestimated the willingness of Congress to pursue partisan advantage at the expense of the national interest. There is nothing wrong with the 25th amendment. There is definitely something wrong with a Congress that needs 4 months to make it work.

Even our interminable presidential election campaigns consume less time from nomination to election than the 17 weeks it took this Congress to process the Rockefeller nomination. This is just one more example of the desperate need to reform our antiquated congressional procedures and our even more obsolete congressional attitudes. Our zeal is boundless when it comes to exposing someone else's soiled linen, matched only by our lassitude in laundering our own.

Governor Rockefeller is without doubt the most investigated nominee for the office of Vice President that this country has ever known. The record shows that the nominee has the normal complement of human flaws. But, there is nothing in the record to indicate that he has violated the public trust, nor is there any reason to believe he would do so in the future.

The principal criticism of Nelson Rockefeller is that he is too rich. The next nominee might be too poor. Whomever the nominee might be, he or she could bring a record, an association with friends, a set of principles, a set of prejudices, and some assets. Any of us might be encumbered, but very few of us would be disqualified. Neither is Nelson Rockefeller.

Nelson Rockefeller has enjoyed a long and distinguished career of public service as Governor for 15 years of the then most populous State. As Governor, he was regarded as creative, but practical, and above all, effective. He has served

as an employee, adviser, and troubleshooter for several Presidents of both political parties. He has the background, the experience and the ability to complement President Ford in the day-to-day conduct of the executive branch. I consider him an excellent choice for Vice President.

Based on the record, I will vote to confirm Governor Rockefeller as Vice President of the United States.

Mr. FUQUA. Mr. Chairman, it has not been very long since we were called upon to approve, by virtue of the 25th amendment, the nomination of Gerald Ford as Vice President of the United States. I voted in favor of that nomination and I believe that history has shown that that nomination and subsequent approval was in our national best interest. As a cosponsor of that amendment and being mindful of the great public interest in an orderly transition of power within the executive branch, I recognize the important task before us today; the confirmation of Nelson Rockefeller as Vice President of the United States.

We, as a people, have been without a Vice President since August 9, 1974, when Gerald Ford was sworn in as the Chief Executive. The 25th amendment recognizes that the important matter with which we are now confronted is too critical to be decided arbitrarily or without the cooperative efforts of the executive and legislative branches. Accordingly, the House and Senate must approve the President's choice for Vice President after a searching inquiry into his personal and financial background and his capacity to lead. This process has gone forward and we have seen favorable action by the U.S. Senate in a vote of 90 to 7 for the confirmation of Mr. Rockefeller.

This House knows that the nominee and I have disagreed many times about the priorities which should be set for the American people. In voting in favor of the President's nominee, I demonstrate my willingness to cooperate with him in insuring that the American people are spared the upheaval and uncertainty which would be encountered should an untoward event make a vacancy in the office of the Presidency. Certainly, in ratifying the 25th amendment the several States recognized that Presidential succession would be more orderly and less traumatic should it be accomplished by the processes at work today.

We are not called upon to vote for or against Nelson Rockefeller on the basis of his political philosophy or his view of the National Government's role in the Federal-State relationship. The President's nominee is to be approved or rejected on the basis of his personal integrity, capacity for leadership, and ability to unite the people of our great Nation. On the basis of the extensive inquiry which has been conducted since Mr. Rockefeller's nomination as our 41st Vice President, I feel compelled to vote in favor of his confirmation. Certainly, I join with my colleagues in wishing Mr. Rockefeller well in fulfilling the awesome responsibilities of that high office, for his successes will be shared by the American people.

The course that this House has embarked upon today is more prudent and considerably less divisive than rejecting the President's nominee and casting our Government into still further crisis and unrest. Our actions will serve to bring the American people closer together and provide a cohesive filament to strengthen further our institutions of government. I believe that the good people I am privileged to represent would have us do no less.

Mr. STARK. Mr. Chairman, the vote we cast today could be one of the most meaningful in the history of our Nation. We are being asked to approve the nomination of a man of great inherited private wealth and power to a position of enormous public influence, a breath from the Presidency. The mixture is not comforting.

I do not question the sincerity of Nelson Rockefeller in seeking the Vice Presidency of the United States. He has served his own constituencies, both well and poorly, with a dedication peculiar to his circumstances. But I question whether he could get elected today to any public office in the ninth Congressional District, or a majority of congressional districts throughout the Nation, because by accident of birth, he lacks the one quality desperately needed in today's crippled society, the quality of understanding.

In my own district, for example, would a man who has never suffered want in his life understand the pangs of hunger suffered by the elderly and poor living on social security and welfare? Would a man who keeps a doctor virtually within arm's reach 24 hours a day understand the health needs of the average person faced with spiraling costs of medical care and hospitalization? Would a man who has consistently used tax loopholes to protect his own empire understand the need for tax reform that will relieve the inequitable burden of taxation now carried by low- and middle-income persons? Would a man whose family fortune was built on oil understand the morality of eliminating special favors now granted to oil companies and other large corporate interests? Could a Nelson Rockefeller feel what it means to live on a social security check of $191 per month?

As a prospective member of the Ways and Means Committee, which deals with taxation, social security, and other human concerns, I question whether we will get a sympathetic ear from a man whose existence depends upon attempts to foil movements toward eliminating unfairness between the rich, the middle income, and the poor.

I fear that Nelson Rockefeller's whole background coupled with his shift toward conservative views which stall movements for reform, mitigate against his ability to make decisions which will solve the problems facing Americans today.

Nelson Rockefeller's concerns are not those of the average person. He does not share the hopes, the dreams of those he seeks to reign over.

He is not being elected by the people, and I do not believe he would be. He will not get my vote.

Mr. PHILLIP BURTON. Mr. Chairman, I am voting against the nomination of Nelson Rockefeller as Vice President of the United States for a variety of reasons. Most importantly, it is clear to me that the power of the Rockefeller fortune in a free and democratic society if combined with the authority of the Office of the President, which Rockefeller seeks, would amount to a monumental concentration of power that would leave the public potentially defenseless.

More particularly, a President not elected by the people, selecting a Vice President—also not elected by the people—is too bizarre a confluence of events to be ratified by a "lame duck" Congress where almost 100 "lame duck" Members will not be serving next year.

My colleagues may find of interest the material prepared by the Democratic Study Group which I am placing in the RECORD at this time:

DEMOCRATIC STUDY GROUP,
FACT SHEET,
December 17, 1974.

THE ROCKEFELLER NOMINATION

This DSG Fact Sheet deals with President's Ford's nomination of Nelson A. Rockefeller to be Vice President of the United States. The Rockefeller nomination is the second appointment to the office of Vice President in little more than one year. Confirmation of Rockefeller will give the U.S. its first President and Vice President who were not elected, but who achieved office through provisions of the 25th Amendment for filling a vacancy in the Vice Presidency.

The principal controversies surrounding the nomination include the following: possible conflicts of interest concerning the merger of Rockefeller family wealth and influence with the office of the Vice Presidency; Rockefeller's gifts and loans to public officials; Rockefeller's financing of a book critical of Arthur Goldberg, Nelson Rockefeller's 1970 gubernatorial opponent; Rockefeller family political contributions; and the nominee's handling of the Attica prison riot.

The Rockefeller nomination is scheduled for consideration beginning Thursday, December 19. The Judiciary Committee has requested a rule providing eight hours of general debate. The Senate confirmed the nomination by a vote of 90 to 7 on December 10.

This DSG Fact Sheet contains the following sections:

I. Background.
II. Major Points of Controversy.
III. Arguments For and Against the Nomination.

SECTION I

Background

The office of Vice President became vacant at noon on August 9, 1974 when Gerald R. Ford was sworn in as the 38th President of the United States, succeeding Richard M. Nixon. On August 20, President Ford announced the nomination of Nelson Rockefeller to be the 41st Vice President of the United States. The nomination of Rockefeller to the office of Vice President is the second such nomination in little over a year under provisions of the 25th Amendment. The first occurred when President Nixon nominated House Minority Leader Ford to succeed Vice President Agnew, who submitted his resignation on October 12, 1973, immediately prior to his conviction on a felony count involving tax evasion.

The procedure for filling a vacancy in the Vice President is set forth in Section 2 of

the 25th Amendment to the Constitution, which was ratified February 10, 1967:

"Section 2. Whenever there is a vacancy in the office of the Vice President, the President shall nominate a Vice President who shall take office upon confirmation by a majority vote of both Houses of Congress."

The 25th Amendment

The 25th Amendment was adopted to prevent situations such as that which existed following President Kennedy's assassination when the Vice Presidency stood vacant for 13 months after Vice President Johnson became President. The first section of the amendment states that "In the case of the removal of the President from office or of his death or resignation, the Vice President shall become President," thus making clear that the framers had in mind situations in which a vice presidential vacancy resulted from a prior presidential vacancy. The framers could not have foreseen an Administration so scandal-ridden that the Vice President would be forced to resign and a President under threat of impeachment himself would be replacing said Vice President with his own potential successor.

The legislative history surrounding the adoption of the 25th Amendment makes clear the intent of the framers regarding the role of Congress in the approval process:

The President and the Congress are equal partners in the process, with the Congress guaranteeing a popular voice in filling the office.

The Congress is expected to exercise a greater degree of scrutiny over a vice presidential nominee than it exercises over presidential nominations for other offices.

The Congress should judge the nominee as a possible future President and examine his capacity to lead and unify the nation.

Senate Action

The Rockefeller nomination was referred to the Senate Rules Committee, which requested reports on Rockefeller's financial background and qualifications from the FBI, the IRS, the Attorney General, the GAO, the Library of Congress, the New York State Board of Elections, and the Senate Select Committee on Presidential Campaign Activities. Following eight days of hearings on the nomination, the committee unanimously recommended that the Senate confirm Rockefeller (Executive Rept. 93–34). On December 10, the Senate approved the nomination by a vote of 90 to 7. The seven dissenting votes included four Democrats (Abourek, Bayh, Nelson and Metzenbaum) and three Republicans (Goldwater, Helms and Scott of Virginia). Another Republican (Dominick) voted Present.

House Committee Action

In the House, the nomination was referred to the Judiciary Committee, which conducted an extensive investigation of the nominee, including financial and tax audits and his past record in public service Following nine days of hearings, the committee on December 12 recommended approval of the nomination by a vote of 26 to 12. Voting against confirmation were Reps. Kastenmeier, Edwards, Eilberg, Conyers, Waldie, Sarbanes, Seiberling, Danielson, Drinan, Holtzman, Owens and Mezvinsky.

SECTION II

Major points of controversy

This section briefly discusses the major points of controversy which have arisen regarding the nomination of Nelson A. Rockefeller to be the 41st Vice President of the United States.

Possible Conflicts of Interest: Rockefeller Wealth and Influence

The major concern surrounding the Rockefeller nomination involves potential conflicts of interest and the magnification of power which could result from merging the vast financial power of the Rockefeller family throughout the U.S. and the world with the office of the President of the United States, to which Rockefeller as Vice President might suddenly succeed. Many decisions Rockefeller would have to make would directly or indirectly affect the Rockefeller family fortune, which exercises substantial financial influence in several important sectors of the U.S. and world economy.

In disclosing his financial holdings, Nelson Rockefeller stated that his net worth is approximately $218 million. The Rockefeller family has assets totaling over $1 billion, most of which are held in two trusts established by John D. Rockefeller.

The $1 billion in total Rockefeller family assets does not include the Rockefeller brothers' fund, the Rockefeller family fund, the Chase Manhattan Bank and the Rockefeller Foundation, which if included, would add another billion dollars in assets. Also excluded from this figure is Nelson Rockefeller's real estate in the U.S. and his art collection valued at $33 million.

The Rockefeller family has more than $1 million of their stock in 12 corporations, including Dow Chemical, Eastman Kodak, General Electric, and IBM. The family also has aggregate holdings in three of the world's largest oil companies—Exxon, Mobil, and Standard Oil of California—which total more than $300 million, not including lesser holdings in the stock of other oil companies. In addition, the Rockefellers have controlling interests in the International Basic Economy Corp., which funnels family investments into Latin America and other developing areas; Coherent Radiation, which manufactures laser systems and optical equipment; and Rockefeller Center.

Rockefeller investments are coordinated by a central management group. It is reported that the 15 employes of this group serve on the Board of Directors of some 100 large business enterprises such as Chase Manhattan Bank, Chrysler Corp., and Eastern Airlines.

The Rockefeller family is the leading holder of stock in the Chase Manhattan Bank, of which David Rockefeller, the nominee's brother, is the Chairman of the Board. The Chase Manhattan Bank is one of the world's largest, holding major interests in four of the nation's largest airlines, all three television networks, and many other major corporations.

Rockefeller's financial advisor, J. Richardson Dilworth, testified that in most of the companies in which the Rockefellers have invested, their holdings are approximately 2%. He also stated that members of the family do not coordinate their investment, and stressed that while the family held total assets of over $1 billion, both the family members and their investment advisors "are totally uninterested in controlling anything." The family's aim is simply to make money, according to Dilworth.

Nelson Rockefeller stated that he hoped the "myth or misconception" about his family's control of "the economic life" of the U.S. would be dispelled by his financial disclosure. He also stated that he holds a "nominal percentage" of stock in the Standard Oil Companies and owns no shares in Chase Manhattan, although one of the Rockefeller family trusts owns shares of Rockefeller Center, which in turn owns Chase Manhattan Bank shares.

Nelson Rockefeller has offered to put his holdings in a "blind trust" if confirmed as Vice President.

Rockefeller Gifts and Loans

Questions of legality, propriety and moral value have been raised regarding some $3 million in loans and gifts Nelson Rockefeller made to public officials, friends, and personal associates during 15 years as Governor of New York. The Rockefeller gifts and loans to public officials almost always were given to persons when they moved from one post to another, and all were given to individuals in the top 1% of all wage-earning Americans.

Most of the gifts were given tax free and the loans were given with the apparent expectation that they would be forgiven at some future date. The record establishes that very few loans have ever been repaid.

Examples of Rockefeller's beneficiaries include:

Dr. Henry Kissinger, who was given $50,000 when he was about to become President Nixon's chief advisor for foreign affairs.

Dr. William Ronan, who was given more than $500,000 in loans, all of which were forgiven the same day he was elected Chairman of the Board of Commissioners of the New York-New Jersey Port Authority, an authority in which the Rockefeller family holds $1.8 million in bonds. Dr. Ronan also received a $75,000 gift two weeks before he was appointed Governor Rockefeller's secretary in 1959.

L. Judson Morhouse, a convicted felon and former Republican state chairman, received a $100,000 loan in 1960 for investment purposes. Subsequently he was convicted of bribery in a liquor license scandal. Rockefeller then commuted Morhouse's prison sentence because of his medical condition and then forgave the loan.

Fred Young, who received a $15,000 gift, had been a Republican state chairman and was appointed to the State Court of Claims as presiding judge. He was later relieved of the judgeship to assist in Nelson Rockefeller's 1964 campaign and then was reappointed as presiding judge on the Court of Claims in 1966.

G. Russell Clark received a $25,000 gift three weeks before he assumed office in 1959 as New York State Superintendent of Banks.

James W. Gaynor received $107,000 in gifts, which originally were given as loans. He received a $7,000 gift just after he assumed office in 1959 as New York State Commissioner of Housing and Urban Renewal.

Serious questions have been raised regarding the legality of the Rockefeller gifts and loans to New York State officials under the *New York Penal Code* (Section 200.35). That section states that it is unlawful to give money to a public official for the performance of his official duties for which he is not entitled to any special or additional compensation.

A memo by six distinguished law professors* sent to Sen. Cannon and Rep. Rodino stated that "We do not know all of the facts bearing on these loans and their forgiveness. But enough evidence has been made public to raise substantial legal questions in our minds." The memo added, "The statute involved is important to the integrity of government. If it has been violated by the nominee, its violation could be a disqualification for holding high office in the Government of the United States."

Nelson Rockefeller testified that the loans and gifts were made "as gestures of affection and friendship", not as a reward to the recipients for services rendered. Although Rockefeller, during Senate testimony, recog-

*Professors Barbara Babcock, Stanford Law School; Paul Bender, Pennsylvania Law School; Robert Mnookin, University of California Law School, Berkeley; Norman Dorsen, New York University Law School; Frank Newman, University of California Law School, Berkeley; and Dean Clinton Bamberger, Catholic University Law School.

nized in retrospect the validity of concerns of impropriety, he adamantly denied that any ulterior motives were present in connection with his generosity.

Rockefeller Financed Book on Arthur Goldberg

During the 1970 New York gubernatorial race, Nelson Rockefeller arranged family financing for a derogatory book about his opponent, former U.S. Supreme Court Justice Arthur J. Goldberg. The book, entitled *Arthur J. Goldberg: The Old and the New*, was written by Victor J. Lasky with $65,000 in financial backing from Laurance Rockefeller, brother of the nominee.

Nelson Rockefeller did not contribute money to the publication himself; however, he did further its progress by arranging for John Wells, a lawyer who had worked in previous Rockefeller campaigns, to meet with Lasky and work out details for the book. He also arranged the financing of the book through his brother Laurance by requesting that he find investors for the publication.

Nelson Rockefeller originally disclaimed any knowledge or involvement with the publication of the book; but when attention remained focused on the issue during Senate hearings, he acknowledged his role in the publication and assumed "full responsibility" for his participation and his brother's $65,000 under writing of the Goldberg book. Upon accepting "full responsibility", Rockefeller stated that the book was a mistake and that he should not have become involved in the matter. He also extended an apology publicly and privately to Justice Goldberg and to others regarding publication of the book.

Rockefeller Political Contribution

The substantial political campaign contributions by Nelson Rockefeller and the Rockefeller family to further the nominee's past political career have been criticized. While there has been no evidence of any illegality, critics question the propriety of these contributions. Political contributions of the nominee and the Rockefeller family have totaled approximately $20 million over 17 years of the nominee's active political career, including major campaigns for Nelson Rockefeller's four gubernatorial and three presidential races plus various politically oriented research projects and background studies.

Nelson Rockefeller's own total contributions to political parties, campaign committees and candidates have amounted to nearly $3.3 million, two-thirds of which he gave in connection with his own campaigns. Approximately $16 million in contributions has been disbursed by the Rockefeller family, including a total contribution estimated at $10.5 million from the nominee's Step-mother Martha Baird Rockefeller.

In almost all of his campaigns, Nelson Rockefeller began as an underdog, but enormous infusions of money have given him the edge over rivals in the last few months of campaigning. During his 1970 gubernatorial campaign, Rockefeller spent almost $7 million compared with Arthur Goldberg's $1 million. Two-thirds of the Rockefeller campaign funds came from within the family. Rockefeller won the election with 51% of the vote.

Reports of political contributions by and to Nelson Rockefeller and the Rockefeller family furnished to the House and Senate investigating committees showed no violation of either state or federal election laws. During his testimony before the Senate Rules Committee, Rockefeller expressed his intention to continue to make political contributions to "selected political candidates" if confirmed as Vice President.

Attica Prison Riot

Governor Rockefeller's handling of the 1971 prison riot at the New York Correctional Facility at Attica has raised questions of his leadership capabilities. Prison inmates held 39 correctional officers and civilians as hostages and presented Governor Rockefeller a list of grievances, including better food and medical facilities, recreation facilities, and the right to have legal counsel representation before the parole board. They also demanded amnesty and safe passage to a "nonimperialist" country.

Governor Rockefeller refused all of the demands and refused to meet with the inmates. Instead, he called in the state police who opened fire on the inmates, killing 43 prisoners and hostages and wounding 80 others.

After the Attica uprising ended, controversy arose about the handling of the situation by Governor Rockefeller, leading to the creation of a Citizen's Committee. This nine-member committee later became known as the New York State Special Commission on Attica, and included the Dean of the New York University Law School, Deputy Dean of Yale University, and the Chairman of the Board of the New York Urban Coalition. In its report, the Commission concluded that the prisoners were trying to demonstrate the pitiful conditions of their imprisonment and, having exhausted all other channels for their grievances, tried the method of taking hostages. Rockefeller never recognized the prisoner's demands and refused to go to the prison after repeated urgings of his staff at the scene. The reason, according to the Commission, and admitted by the nominee publicly many times, was that he saw the issue as one of state sovereignty versus rebellion.

The number of dead and injured left Attica with the highest casualty rate of any disturbance in U.S. prison history, resulting in the Commission describing the riot as "the bloodiest one-day encounter between Americans since the Civil War."

In his opening statement to the Senate Rules Committee, Rockefeller stated that the Attica prison riot was one of the five events that "I shall always deeply regret." He added that "these tragic developments will always remain in dispute but as one who has accepted the responsibility to govern and uphold the Constitution and the laws of the state, I had to do what I sincerely felt was best at the time under all the existing circumstances."

SECTION III

Arguments for and against the Rockefeller nomination

This section highlights the major arguments raised by opponents and supporters of Congressional approval of President Ford's nomination of Nelson Rockefeller to be Vice President of the United States. Following is a summary of those arguments.

ARGUMENTS AGAINST THE ROCKEFELLER NOMINATION

Opponents make the following arguments against the Rockefeller nomination: The power of the Rockefeller family fortune combined with the office of the President of the United States, to which Rockefeller could succeed, discards a fundamental principle of the American system of checks and balances used to restrain economic power. This merger of power threatens our free enterprise system because it emasculates these healthy checks and balances that our system of government has established, through its anti-trust laws and regulatory agencies, to protect the public from huge economic powers. By confirming the nomination of Rockefeller, Congress is agreeing to a powerful economic and political consolidation; thereby encouraging abuse of power and leaving the American public without any protection.

The economic power of the Rockefeller family would continually raise the spectre of conflicts of interest. Rockefeller stands for the consolidation and expansion of executive power and economic concentration at a time when the U.S. is reducing those powers in the aftermath of the Nixon era. At a time when the U.S. faces serious decisions about the economy, Rockefeller is associated with and advised by those connected with the largest corporations in the world. One of the lessons of the Nixon years is that those who see government as something separate and remote from ordinary people are dangerous individuals, especially when that belief is combined with the power of the Presidency.

In addition, a number of matters recently have been brought to public attention which call into question Rockefeller's judgment: his involvement in the publication of a derogatory book on Arthur Goldberg, financed by the nominee's brother and sanctioned by Nelson Rockefeller; his lack of candor and leadership in the Attica prison riot; and his lack of sensitivity to the serious legal and ethical questions involved in his substantial gifts and loans to public officials while Governor of New York.

These poor judgments are reflected in a recent Harris Poll which shows that the American people disapprove of the appointment of Nelson Rockefeller by a 43 to 39 margin. The same poll also indicates that the public, by a 47 to 24 margin, believes Rockefeller's financial holdings and investments will create an inherent conflict of interest. Confirmation of Nelson Rockefeller would not restore public confidence and trust in government officials.

Rockefeller has clearly demonstrated his lack of sensitivity to U.S. spying activities by his continued support of covert CIA operations into the internal affairs of foreign nations and illegal domestic FBI activities. Also, Rockefeller was an ardent supporter of American involvement in the Southeast Asian war.

The confirmation should not be voted on until further inquiries into the Rockefeller fortune are examined, including testimony from the nominee's brother David, and the family's relationship to the Chase Manhattan Bank. Many unanswered questions still remain. Moreover, the Members of the 94th Congress, rather than the 93rd, should vote on the nomination since they represent the most direct, recent expression of the will of the American people. The responsibility of confirmation as stated in the 25th Amendment is in the hands of Congress, instead of the electorate, and therefore should not be left to a lame-duck Congress.

Finally, President Ford never would have nominated Rockefeller had he been aware of the problems which have subsequently come to light. Rejection of Rockefeller will free President Ford to find a more acceptable nominee.

ARGUMENTS IN BEHALF OF THE ROCKEFELLER NOMINATION

Supporters make the following arguments in behalf of the Rockefeller nomination: Few individuals in the U.S. today can match Nelson Rockefeller's experience and outstanding achievements in the field of public affairs. Rockefeller is a highly qualified and extremely competent individual who would bring strong leadership to the office of Vice President.

Rockefeller's government service began in 1940 when President Franklin D. Roosevelt appointed him coordinator of inter-American affairs. In 1944–45, he served as Assistant Secretary of State for American Republic Affairs. While in that post, he participated

in the founding of the United Nations. In 1950, he was named chairman of the newly-created International Development Advisory Board by President Truman.

In 1952, President Eisenhower asked Rockefeller to take over the chairmanship of the President's Advisory Committee on Government Organization, which subsequently recommended the establishment of the Department of Health, Education and Welfare. Rockefeller then become HEW Undersecretary. In 1954, he resigned that position to become special assistant to the President for foreign affairs.

Even while serving as Governor, Rockefeller undertook numerous presidential assignments, such as a Latin American fact-finding tour for President Nixon early in his administration.

Rockefeller's 15-year record as Governor of New York is also one of unparalleled accomplishment. His administrative hallmarks include: the establishment of the Metropolitan Transportation Authority; the creation of one of the nation's best state university systems; the development of a vast interstate highway network; lowering the voting age requirement to 18 years; and implementing a state revenue-sharing plan distributing 21% of state income tax revenue to cities and towns.

Rockefeller's full disclosure of his financial holdings during the intensive congressional investigation into his qualifications has proven that Rockefeller has never used his or his family's economic wealth to abuse political or public power. The nominee's full financial disclosure and his stated intention to place his holdings in a blind trust will serve as a sufficient safeguard against the use of the office of the Vice President for personal or family gain. In addition, all the attention that has been focused on Rockefeller's gifts and loans to political associates and friends has failed to produce any evidence of illegality.

Although Rockefeller has been heavily criticized for his involvement in the publication of the derogatory book about his 1970 gubernatorial opponent, Arthur Goldberg, Rockefeller has admitted that the undertaking was a mistake and has apologized both publicly and privately to Justice Goldberg and all others involved in the book's publication. Rockefeller has also been sharply criticized for his lack of leadership in his role in the Attica prison riot. He has stated that the tragedy was one that he will always regret, but felt he did what "was best at the time under all the existing circumstances."

Although some Rockefeller supporters agree that publication of the book about Justice Goldberg and the handling of the Attica prison riot clearly demonstrate errors in judgment, they believe that Rockefeller's years of competent public service totally outweigh these errors in judgment.

Under the 25th Amendment, the President is guaranteed the right to choose an individual in whom he has trust and confidence. President Ford has nominated Nelson Rockefeller because he believes Rockefeller will bring substantial administrative and leadership skills to the job, plus diverse experience in both foreign and domestic affairs. Also, President Ford has indicated that he will make full use of the Governor's considerable talents. Congress should confirm the President's choice in the absence of any information which would serve to disqualify the nominee.

Mr. MICHEL. Mr. Chairman, I am very happy to rise in support of the nomination of former Gov. Nelson A. Rockefeller of New York to be the 41st Vice President of the United States.

I believe he is an American who is qualified, in every respect, to stand the traditional "one heartbeat" from the Presidency. He will bring to the administration of President Ford an added dimension of governmental expertise such as is rarely seen in our Nation's history.

The life record of Nelson Rockefeller is replete with devoted service to the public good. I feel that he will make a dynamic Vice President, combining hard work with selflessness, and applying himself with all the knowledge gained in a long career of tackling some of the toughest human problems existing on the national and international scenes.

I am enthusiastic about the nomination for four principal reasons:

First. Nelson Rockefeller as Vice President will inspire confidence. The need for greater confidence in government is shown by almost every index one can name—low voter turnout, nationwide polls, the stock market, inflation—you name it. We have a winner in the field of gaining public confidence, and I hope we have the acuity to recognize him as such.

Second. He has blue-chip qualifications in Government. He was Governor of New York for nearly 15 years, and was the first Governor in U.S. history to be elected to four 4-year terms. During part of that time New York was our most populous State, and the remainder of the time it was the second most populous.

Third. Nelson Rockefeller is a long-time believer in and practitioner of the free enterprise system, the system that has made this Nation what it is today. I am sure he would not apologize for that fact, and I am not here today to do it for him. If I may, I think I might call him an enlightened apostle of big capital. His goals have consistently been humanitarian, but he has always been realistic in ways to achieve them. He knows that the wealth that is controlled by government can derive only from the work of the governed; he is, therefore no welfare-stater.

Fourth. He is a firm believer in putting wealth to work. Much of his life has been devoted to finding imaginative ways to employ capital so as to create jobs—to provide housing—to improve diets—to lift the living standards of the poor of this Nation and other nations.

Mr. Chairman, those are my four principal points. However, the second one—the nominee's qualifications in Government—I believe deserves a little elaboration. What is often not recognized is the fact that Nelson Rockefeller, despite his record tenure as a Governor, has a parallel record as an organizer and administrator at the Federal level.

Mr. Chairman, the nominee's background has been most thoroughly dug into by the Federal Bureau of Investigation, by other Government agencies, by the Senate Committee on Rules and Administration and by our House Judiciary Committee.

The purpose of those investigations was to determine the character and moral qualities of the candidate. In that regard it seems to me that there is a growing attitude in the country and especially in the media which seems to presuppose that any individual who has achieved some level of success in life is somehow automatically suspect when that individual becomes a candidate for public office or for appointment to a high position in government. This mood, or attitude, if you will, causes me a great deal of concern. It is unhealthy. People who have trouble imagining anybody with either power or money being honest and above-board betray more of their own nature than they perceive in others.

We have all heard and read some of the criticism of the President that he has been too slow in replacing officials from the previous administration and in getting his own team in place. While I am not familiar with all of his efforts in that field, I suspect that he is having a hard time attracting competent people because of the treatment that Governor Rockefeller and others have received from the media and committees of Congress.

If we are not careful, we will find ourselves with a political system woefully lacking in people who have a record of achievement and accomplishment in other fields of endeavor that could be usefully applied in government.

Finally, Mr. Chairman, President Ford has had an enormous burden thrust upon him. He faces an incredibly big task in rebuilding confidence in Government—in putting behind us the divisions created by our longest war—and in working with labor and with business to turn the economy around and bring out its vast underlying strength.

Big tasks require the efforts of big men and women. Gerald Ford is such a man and so is Nelson Rockefeller. They will make a great team. I hope you feel, as I do, that we should put the team on the field as soon as possible.

Mr. HOGAN. Mr. Chairman, we are again confronted with our responsibilities under the 25th amendment.

Each of us, of course, may interpret these responsibilities differently. My own view is that standards against which we test a nominee for Vice President should be measured with the thought in mind that he could become President.

If I were a delegate to a national Presidential-Vice Presidential nominating convention, I would be justified in judging a nominee on the basis of ideology and political views on issues. It would be valid for me to compare his or her views with my own and those of the constituency which I was representing at such a nominating convention.

I do not feel that my responsibilities as a Member of Congress voting on a sitting President's nomination for a person to be Vice President allows me to base my decision on these same ideological or issue grounds.

I see my responsibility as judging such a nominee on his loyalty to the country, his personal integrity and his ability to do the job.

The President, under the 25th amendment, has the right to nominate a person who, in his judgment, is acceptable from an ideological and political basis. President Ford has nominated Nelson

Rockefeller to be his Vice President, and, while Mr. Rockefeller would not have been my choice for Vice President, the decision was President Ford's not mine.

Along with many of my colleagues on the House Judiciary Committee, I have been troubled by some of the matters uncovered during the investigation. I also have very strong disagreement with Nelson Rockefeller on some vitally important issues. Notable among them is abortion. Mr. Rockefeller favors it; I most strenuously oppose it. But I have been unable to persuade myself that these disagreements justify my voting against him. That, in my view, is not my right under the 25th amendment.

As a reading of the hearing transcript will reflect, I was also deeply disturbed by what I perceived to be a lack of candor on the part of Mr. Rockefeller and his associates relating to details surrounding the financing and publication of a book about one of Mr. Rockefeller's political adversaries.

But weighing the pros and cons, study my own duty under the 25th amendment, and being concerned about the country being so long without a Vice President, I will vote "aye" on this confirmation.

Mr. CONYERS. Mr. Chairman, I have approached my decision on this nomination on the basis of whether Mr. Rockefeller's policies are in the best interests of the citizens of this country. And after reviewing his record, I conclude that they are not.

I say that because we are now moving into a different period in American history. Since World War II, and up to Vietnam and Watergate, we operated under a misconception—a myth, if you will—that all would prosper in this country through the expansion and consolidation of American corporate wealth within the United States and abroad. Our governmental policies have reflected this continually. We have supported a huge defense establishment and a CIA with its destabilizing ability. We have supported expansionary fiscal policies, but all of a sudden, we realize that perhaps this theory, this myth, no longer applies. And I think that this question of what are the best interests of the people in this country converge upon our votes on this nomination, because I suggest that on policy grounds alone, this nominee does not meet the test.

I must respectfully refuse to be guided by the argument that since the nominee is as acceptable as any Republican would be, he ought to be supported. And the reason I reject that theory is that we would be injecting partisanship and we would be bringing political considerations to this test. That is not the test. Our test is more important than whether the nominee has ideas compatible with those of the President who nominated him. That is not the point, and that is precisely why the 25th amendment provided that we would each enter our one small 435th of a judgment, separate from that of the President of the United States who made this nomination. And so I reject this nomination on policy grounds—for example, on Mr. Rockefeller's continuing support for the notion of America as policeman of the world, which has led to the decline of American power and the shortage economy that we now live in. But over and above that, if that were not a sufficient ground, I would argue that this great merger of wealth and power is more than this Congress should tolerate.

Now I am not willing to say that the American people would not have the right to elect Nelson Rockefeller to the Vice-Presidency or indeed the Presidency. But I do say, and I say very firmly and with a deep conviction, that this Congress has no authority for the first time in our history to ratify this enormous merger of wealth and economic power with the political power that would become his upon assuming the office of the Vice-Presidency.

There is one other notion that I feel I must address because all have granted rather cavalierly that the rich and the poor should not be precluded from public office, which is something like precluding the wealthy from being able to sleep under bridges. The poor, in fact, are excluded from the American political process, and I think that it is incumbent upon at least some of us to make that statement public. Poor people—not professional people, not middle-class people, but poor people—have been traditionally excluded from this process, not only as active participants, but even as voters. And so the great struggle in this country to make this democracy what it has said it is continues with greater urgency than ever before.

What is before us now is a question of merging wealth and power that is so enormous that this Congress ought to reject it.

Now, finally, I have been troubled by the lack of candor, of the nominee. I have been impressed that most of the critical evidence has not been brought forward in a voluntary manner, but it has been discovered almost despite the activities of Nelson Rockefeller and the staff and counsel assisting him in the Judiciary Committee hearings. It has been brought forward most reluctantly. There are any number of contradictions on the record itself that disturb me.

My views on how this country ought to be run are not compatible with those that have been expressed and are reflected in the record of this nominee. He ought not be confirmed.

Mr. RARICK. Mr. Chairman, the action that we are asked to take, that is to confirm or reject the nomination of Nelson A. Rockefeller to be Vice President of the United States, is so far-reaching that it again points out the mistake of the adoption of the 25th amendment.

By treating his nomination as a perfunctory confirmation, we commit the grievous act of placing over the affairs of our country and our people a man who has not been selected, nor voted upon by the American people. His confirmation fulfills the wildest fears of the original opponents of the 25th amendment, in that we will then have both a President and a Vice President who, by the quirk of fate, have been hand-selected by a powerful minority of one political party, rather than by the traditional constitutional process of a Republic.

No minority government, unelected by its people has remained stable long.

I am not unmindful of Mr. Rockefeller's background as the Governor of New York, nor of the influential role he has played through applying his family's wealth to the change mechanisms which are hard at work in our country, as well as, almost every other country on the face of the Earth. I am also aware of the intense suspicions by many freedom-loving Americans as well as foreign nationals, to the Rockefeller wealth and Mr. Rockefeller's image as a little god, desirous of changing the world to suit his scheme, regardless of time-honored traditions, loyalties and the Creator's natural plan.

Mr. Rockefeller's nomination has set many fears in operation. He is identified with trade with the Reds for profit, with the pro-abortion movement, the firearm registration movement, and the international one-world supremacy elitists. He is too controversial to ever unite our people, let alone lead them.

Our vote will come on the confirmation of Mr. Rockefeller to be the Vice President of the United States. I am not convinced that his confirmation would accomplish that purpose, nor that he will reduce his international posture to fulfill such position in the best interests of the American people.

Clear-cut conflicts of interest exist between Mr. Rockefeller's wealth and international commitments, and his ability to perform the constitutional responsibilities invested in the Office of Vice President.

Therefore, I am casting my people's vote against his confirmation.

Mr. RIEGLE. Mr. Chairman, in my 8 years of service here in the U.S. House of Representatives, the confirmation vote on Vice-President-designate Nelson Rockefeller has caused me the greatest amount of personal reflection and anguish. I have felt an enormous weight of responsibility in endeavoring to reach a judgment on his confirmation that is honest, painstaking, and right for the country—a vote which squares with my conscience and my instincts. The test I have applied is that of fitness to be President—for that to me is the real issue in this situation.

For countless hours, both day and night, I have wrestled with the real and complex issues associated with the Rockefeller nomination. As I am not personally acquainted with the nominee, as I was earlier acquainted with Gerald Ford when he was the Vice-Presidential-designee, I have keenly felt the absence of first-hand personal awareness and knowledge—and this has troubled me.

Now, like my colleagues, I am to speak for my constituents and for the Ameri-

can people in judging whether Mr. Rockefeller should or should not receive the vote that it is my responsibility to cast.

The issue in my mind comes down to two basic factors: first, the qualities, good and bad, of the man himself and second, this particular crucial moment in time where we find ourselves as a self-governing people.

I find a mix of strengths and weaknesses in the nominee himself.

On the negative side there is for me his inexcusable and near blind support of the Vietnam war and the American bombing policy in Southeast Asia. As bad, was his continued blind support of the Nixon-Agnew administration and its policies—and his failure to see and comprehend the mountain of evidence proving the pervasive corruption of that administration.

My memory does not recall Governor Rockefeller stepping forward to speak out against the "Southern strategy," against former Vice President Agnew's devisive and polarizing political attacks, or the sad Nixon nominees to the Supreme Court which the U.S. Senate wisely rejected.

As the country was staggered by Watergate and the massive criminal law violations of the Nixon administration, Mr. Rockefeller remained essentially silent. The comments I remember him making were to give unqualified support to a discredited President Nixon. On the burning national issues of the past decade, Mr. Rockefeller has not offered the kind of alternative national leadership the country desperately needed. As a potential national leader, he was either unable or unwilling to lead. To me that is a terrible failure. He counted for little, in national leadership terms, when the country needed him most.

Add to this his aloofness and misjudgment in the Attica prison uprising—and the terrible loss of life experienced there. Add further the shoddy campaign tactic of the Goldberg book, and what seems to be a pattern of deliberately evasive answers in regard to this shameful book project.

Add to this the countless loans and gifts to political associates and the continuing conflicts of interest such gifts must necessarily cause to arise. Add further the enormous concentration—in my mind overconcentration—of private economic power he represents and the obvious impossibility of avoiding future conflicts of interest—to me they are inherent in his situation.

Finally I have a sense that Governor Rockefeller was in many respects a political bully—a man who used his executive powers and family resource powers to enforce his own will.

I am also convinced that in 1970 Mr. Rockefeller could have averted the Nixon purge of Senator Goodell. My instincts tell me that despite some Rockefeller financial help to Goodell, Mr. Rockefeller was careful to limit his help—and more importantly to limit his own direct involvement—and the associated political risks to himself—so that in the end Senator Goodell was purged and Senator BUCKLEY elected. That incident to me suggests that self-interest came ahead of any other principle.

I should make one additional point. I have seen nothing that convinces me that Mr. Rockefeller has a deep understanding of the pressures and problems facing the average citizen in this country. It pains me greatly to feel that Mr. Rockefeller has spent a lifetime too removed from auto workers in Flint, Mich.—coal miners in West Virginia—agricultural workers in California—and other rank and file people across the whole of America. Does Mr. Rockefeller know—and feel—the agony and pain facing millions and millions of people across our land? I am sad to say that I see little evidence of this kind of understanding.

Having said the worst, let me now indicate the pluses I see in this nomination.

Mr. Rockefeller seems to me to be genuinely dedicated to public service—and has so invested his working life. Moreover he has shown himself to be a competent chief executive and a man able to govern and win reelection from his constituents. Obviously his unlimited wealth facilitated his campaign efforts, but my confidence in the electorate tells me he was not able to "buy" his reelection victories—although his great wealth did provide him a substantial, and in my judgment, unfair, advantage.

On matters of civil rights generally, Mr. Rockefeller has shown himself a moderate. He has shown a greater concern for urban problems—and the difficulties facing low- and middle-income people, than most of his contemporaries in the Republican Party. His general approach to the problems of State government demonstrated an awareness of the broad public interest that I find encouraging.

As to motivation, I do not believe the assertion advanced by some that Mr. Rockefeller would use a public trust to promote his own private gain.

The evidence examined by the Judiciary Committee does not support that charge—and I do not suspect Mr. Rockefeller of that intent. However, I do feel there is another kind of conflict—an attitude conflict—that probably exists both consciously and unconsciously, that would tend to lead Mr. Rockefeller in directions that would preserve concentrated private power at the possible expense of the broad public interest.

Finally it is my sense that Mr. Rockefeller genuinely wants to do a good job, whether as Vice President or President.

The suitability of confirming Mr. Rockefeller must take into account these factors as well as the unique moment in time where we now find ourselves.

The times cry out for strong, experienced, humane, and sensitive leadership.

Our economic difficulties alone here in America, and in the Western World, suggest to me that we have not a moment to lose in devising and implementing a comprehensive economic recovery program.

Other life and death human issues also cry out for attention and solution. Addressing these urgent national and global issues requires talent and broad experience—it seems to me Mr. Rockefeller could be an important additional element in getting this job done.

The 25th amendment, as imperfect as it is, gives the President the power to name a Vice President, subject to the confirmation of Congress. He has submitted his choice, we have spent considerable time investigating and examining his candidate, and now we ought to properly settle the matter. I think the country would be ill-served to continue indefinitely without a Vice President.

President Ford has named a person he feels he can work with during the next 2 years. I have said on numerous occasions that the interests of America require that President Ford be effective in the discharge of his responsibilities. If he is to do his best, he needs to assemble the talent and resources he feels are necessary—with Congress retaining its proper oversight responsibility. My position has been to give Mr. Ford the essential tools he needs to do his job.

In recent years and months Congress has acted with new vitality to regain its constitutionally assigned powers in relationship to the executive branch of Government. I feel we are on the verge of an era of congressional government—after a long and disillusioning period of executive government.

Whatever potential excesses, then, the present administration might be inclined toward, I am confident that a strong and independent legislative branch will be fully adequate to meet and repel them.

In summary then, America and free world—in fact the whole world—face unprecedented crises on all fronts—and the fate of mankind demands competent and decisive leadership. Despite his shortcomings—and the serious reservations I cited earlier—I believe the times and circumstances argue for the confirmation of Mr. Rockefeller.

There is no joy in my vote, and the struggle in my mind on this issue will not end when I finally cast my vote today. I vote today the way I think will help my country the most and hurt it the least. I hope and pray that the future will show that this Congress, this day, rendered a wise collective judgment that will serve our people well.

Mr. HANLEY. Mr. Chairman, the House is assembled today to elect a Vice President of the United States. Under normal circumstances, this task is reserved for the American people, but we find ourselves today voting in behalf of the approximately 500,000 citizens we represent.

I believe that the 25th amendment provides Congress an equal share of responsibility for the selection of a Vice President under its provisions. The House is called upon to make a judgment regarding the fitness of the nominee, not so much with regard to the Vice Presidency, as to the Presidency itself.

Before proceeding further, I must comment on my disappointment over the urgency with which this issue is being resolved in the House. The 1,400 pages of testimony before the Judiciary Committee were available only for a few days

prior to this vote. I was able to obtain one copy of the Judiciary Committee report this morning. I would have hoped that the decision on the Rockefeller nomination could have been postponed several weeks, until the 94th Congress convenes, so that the 92 new Members of the House would have been able to participate in a debate which will have great implications for them.

I cannot resolve in my mind the pressing misgiving that the 25th amendment ought not to be invoked in this instance. We have, in effect, an appointed President choosing his potential successor. We are far away from the position that the American people at large ought to participate in the selection of their President and Vice President.

I intend to vote against this nomination. It is a decision which has developed in my mind and my heart since the day that President Ford announced that Nelson Rockefeller was his choice for Vice President. I have been a close observer of Mr. Rockefeller for 16 years, and it is on the basis of these 16 years of observation that I am constrained to vote against his nomination.

I have tried hard to generate within myself some degree of confidence that Nelson Rockefeller would be a good President of the United States. From my observations and from my study of the Judiciary Committee report, I must conclude that I cannot generate this basic confidence.

Basically, I have little confidence in Mr. Rockefeller's judgment to the point that it would be the judgment I would like to see a U.S. President possess. The record of the Judiciary Committee investigation is replete with instances of serious bad judgment. I refer to substantial financial loans and gifts to close political allies, the matter of his assent to the authorship of an ugly book against his gubernatorial opponent, his tragic mishandling of the Attica prison revolt, his continuing defense of the Vietnam war, and so on.

My own observations of his stewardship as Governor of New York strengthen my lack of confidence in Mr. Rockefeller's judgment. Taxes paid by the people of New York are much greater than those paid by citizens of other States. During the Rockefeller years, literally thousands of jobs departed from New York as businesses located elsewhere to escape excessive taxation. When it appeared politically feasible for the Governor to create a massive welfare program, he did so, and when it was politically feasible to dismantle that program, he also did so.

With further regard to his leadership capability, I noted during my years of service as a New York Congressman that the Governor had a tendency to dump all of the problems he created in the State into the lap of the Federal Government. Governor Rockefeller devised grandiose plans for raids by the State into the Federal Treasury for funds to pay for programs which the State enacted but could no longer financially support.

I could go on in this vein, but I have made my point. I have little confidence that Nelson Rockefeller possesses that high degree of political and governmental judgment that a President ought to possess.

I would be remiss if I did not also mention my deep concern over the vast financial and political influence of the Rockefeller family. The American people watched with amazement as each announcement of the Governor's wealth grew substantially. The point is not Nelson Rockefeller's personal wealth, whatever it actually is. My concern is the marriage of the power of the American Presidency and the power of the Rockefeller family's enormous economic and financial influence.

Perhaps the most pressing issues facing Americans today are economic and financial issues, and the resolution of those issues may well require major adjustments in the economic and financial structure of this country. I have little confidence that Nelson Rockefeller could lead the United States in a period of economic and financial stress.

Mr. Chairman, I feel certain that Mr. Rockefeller will be confirmed. I wish him the very best in the duties he is about to undertake, and I pledge my cooperation and support to the maximum extent possible.

Mr. DU PONT. Mr. Chairman, when the nomination of Governor Nelson Rockefeller to the Vice Presidency comes before the House of Representatives today, I will vote for confirmation. My decision is based upon Governor Rockefeller's long record of public service—a record that demonstrates the understanding, the concern and the ability to serve the public interest. It is not a record free of controversy, but the negatives are far outweighed by the experience and ability of the nominee.

First, I should restate my preference for a younger person as Vice President. I had hoped that the President would choose someone from a political generation other than his own to fill this position. Governor Rockefeller was not a choice I would have made. He is, however, the only choice on which I will have the opportunity to vote. Under these circumstances, in order to vote negatively, there would have to be substantive factual reasons for doing so.

Three such reasons have been advanced.

First, Mr. Rockefeller's participation in the publishing of the Goldberg book was unfortunate. Publications of this nature, which are written to cast the worst possible interpretations on the actions of an individual, would never have my approval. However, I view statements about the material being libelous, or the tactics being comparable to the Watergate plot to obstruct justice, as an exaggeration of the situation. Taken in perspective, I do not believe that the facts surrounding these actions are either conclusive enough or serious enough to warrant voting against this nomination.

Second, Governor Rockefeller's substantial monetary gifts to public officials raises grave questions of possible conflict of interest. Such gifts—however, well-intentioned—should not have been made. But, a careful review of the testimony before the Senate and House committees reveals no evidence that any action of any public official was improperly influenced by the gifts. Nor can I find any evidence that they were given with this objective in mind. The unanimous vote of approval of the Senate Rules Committee underscores the absence of conclusionary evidence on this point.

Finally, on the issue of Governor Rockefeller's wealth, it is argued that if he were to succeed to the office of the Presidency, his power would be used for the advancement of his, or his families' financial interests, rather than the public interest.

I believe the nominee's record as Governor of New York for 15 years cuts the ground out from under this objection. There is no evidence that he had misused his considerable power as Governor of our largest State for personal or family gain.

Too much of the case against Governor Rockefeller depends upon guessing at his possible past motives and on unknowable future actions. Conversely, the case for the nominee is supported by a long career of able public service.

I think that the Senate committee's action in unanimously approving the nomination, plus the House committee's approval, support these judgments.

For all of these reasons, I will vote in favor of Governor Rockefeller for the office of Vice President of the United States.

Mr. SHUSTER. Mr. Chairman, after carefully considering my duty under the Constitution, studying the findings of the Judiciary Committee, and listening to the floor debates, I have concluded that I shall vote, with reservations, to confirm Nelson A. Rockefeller as Vice President of the United States. My reasons for voting affirmatively are:

First, my duty under the Constitution is to confirm the President's nomination if the nominee is qualified and fit to hold the office, even though I may not agree with some of his political views or actions.

Second, he unquestionably possesses a breadth and depth of experience which, when coupled with his intelligence, energy, and personality, qualifies him for the position.

Third, based on the searching examination into his 35 years of public life I must conclude, on balance, that his judgment, character, and integrity pass any reasonable test of fitness.

Fourth, our Nation needs a Vice President, and unless this nominee is confirmed, the successor shall continue to be the Speaker of the House, who is not a member of the party elected by the American people in the last Presidential election.

Fifth, while I do not condone the nominee's involvement in the publication of the anti-Goldberg book, I reject completely the hypocritical double-standard applied by those members of the majority party who claim it is a basis for disqualification. If they are serious about wanting to clean up political campaigns, then I suggest they start with eliminating the gutter-politics practiced by mem-

bers of their own party in congressional races.

Sixth, those who oppose this nomination based on the nominee's alleged conflict of interest, have failed to make their case. The gentleman from Wisconsin, Mr. KASTENMEIER, the leader of the opposition, stated in his views on page 28 of the Judiciary report:

> In all candor I must admit that I find no specific instance of any conspiracy on Mr. Rockefeller's part to advance his economic position at the expense of those he would publicly serve.

Mr. Chairman, if after exhaustive investigation into 35 years of public service, the Judiciary Committee and the leader of the opposition to the nomination reach the above conclusion, I must conclude that no such disqualifying evidence exists.

Mr. Chairman, my reservations to the nomination are:

First, I do not subscribe to many of the political positions taken by the nominee during his years of public service; indeed I strenuously oppose the massive spending and taxing measures he supported while Governor of New York, as well as his excessive commitment to internationalism.

Second, I acknowledge the inherent potential for conflict of interest which exists due to the pervasive economic interests of the Rockefeller family.

Third, while the nominee's gifts and loans to public people may have been motivated by the highest principles, their pattern casts a shadow which has not been removed.

Fourth, the use of vast economic resources to achieve political power must be of deep concern, even while recognizing that some national leaders of both parties have used their wealth to aid them in achieving positions of political prominence. It is clearly arguable, that political leaders who are economically secure, are not dependent on political jobs and may therefore act more independently in the public interest.

Mr. Chairman, I conclude, on balance, that my constitutional duties dictate that I vote to confirm the nomination of Nelson A. Rockefeller as Vice President of the United States.

Mr. RANGEL. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New York (Mrs. CHISHOLM).

Mrs. CHISHOLM. Mr. Chairman and my fellow colleagues in this House, I have sat in this Chamber practically all day today in order to be able to listen very attentively to the remarks that were being made with respect to the potential nomination of Vice President of these United States in the person of Nelson Rockefeller.

One of the reasons why I felt that it was very important for me to participate in the debate—as I had no intentions originally to do so, except to cast my vote—was due to the fact that in spite of the fact that Nelson Rockefeller served as the Governor of the State of New York for close to 14 years, the indication and the feelings that have been exhibited would lead one to believe that during the years of public service of this man there were very few things that were positive, that there was a lack of sensitivity to the needs of different segments of the people that made up the entire State of New York, that, indeed, there were feelings that were generated around here that Nelson Rockefeller was a terrible ogre, a terrible monster.

Anyone who knows anything about me in terms of my having served in the New York State Legislature knows fully well that Nelson Rockfeller and I crossed swords on many, many occasions, but I could not see myself sitting here in this Chamber and not telling some of my colleagues who do not come from the State of New York and who, therefore, will have to make their decisions on the basis of what many of my colleagues from New York have said, without giving to you a total picture in total perspective.

I could not be silent, and so although the Members have been sitting all day long, I ask you to just bear with me while I read this statement.

Mr. Chairman, I take the floor of the House today because we as a body of colleagues are confronted with the movement of history. We come here this evening or today to confirm a Vice President of this Nation. Much controversy has surrounded this nomination. Charges have been made over the last several weeks about abuses of his wealth; yet none have been actually proven before the Committee on the Judiciary.

Charges have been made relative to his alleged insensitivity to human needs; yet his record as Governor of New York on balance was a veritable demonstration of some progressivism.

I can recall that when President Ford nominated Nelson Rockefeller—now seemingly ages ago—many of us here in this chamber breathed a sigh of relief when he had made the selection of a progressive, seasoned, and 20th century-thinking man. Many in my own party were even pleased. And at that time there was no great hue and cry against this nominee.

Yet today some of our colleagues feel compelled to convey to the American people a totally negative and unjust image of a man who has devoted a large portion of his life to participating in the problem-solving process.

We have all heard about how Nelson Rockefeller supposedly used his wealth for political reasons, but no one has spoken about the constructive uses of Rockefeller money and personal initiative. No one speaks any longer about the establishment of one of the first black colleges in this Nation, Spellman College—we just do not talk about these things nowadays. This college could not stand today had it not been for the Rockefellers. None of my liberal friends talk about or newspapers print in bold headlines the fact that the Rockefeller brothers have contributed—yes, have contributed—over $300,000 to the United Negro College Fund and over one-half million dollars to the NAACP Legal Defense and Special Contribution Funds, some of my friends even got here in the well this afternoon and very casually said that we must not talk about the $50,000 he gave to the Urban League or to the NAACP Defense Fund. Yet if it were not for those dollars in terms of the needs of these organizations a certain segment in this country would not even be now moving into the midstream of this Nation. If the money had not been forthcoming, we would not have been able to provide the benefits that would redound to the benefit of hundreds of minority children in this generation of today.

Yes, I am going to talk about it. Mr. Chairman, I think it is very interesting that some of those in this Nation and in this House who were in the forefront of the movements and causes which were courageously championed by Governor Rockefeller somehow faded into the woodwork and failed to speak up positively and remind the Nation of some of his constructive service in government for the 14 years that he served in New York State.

Where are those very skilled and articulate social workers and community organizers who called on Governor Rockefeller, he who has been alleged to be insensitive to the community needs, who initiated the largest State medicaid program, as he did? Where are those environmentalists who lobbied for stringent environmental controls and expansive State-wide planning? Why have not the many people, particularly from the delegation of the State of New York, come forward to tell us it was Governor Rockefeller who created the State's pure waters program, the largest in the Nation, and a department of environmental conservation?

I only mention these things because of the constant talk about his insensitivity and lack of attunement to what the people need today in this Nation.

The record speaks for itself.

Mr. Chairman, I ask my colleagues, where are the voices of labor today? Why have not they and the American people been made aware of the fact that it was Rockefeller, yes, big bad, and rich Nelson A. Rockefeller who in New York set up the first State-wide minimum wage law and extended the right of collective bargaining to public employees and started in this country the State's first manpower training program?

Now, I am not here to tell the Members by a long shot that Nelson Rockefeller is perfect, because neither is anyone of us in this Chamber perfect, but I resent the fact that in terms of the record of public service that we have not balanced this on both sides of the scale.

It is no wonder that many of the Members here have their constituents writing in and telling them not to support Rockefeller and they do not want the Members to support Rockefeller. I do not blame them, and it is because of the fact that they have heard nothing in proportion to what the gentleman has done in terms of public service as contrasted to the publicity with respect to his wealth and also some errors in judgment which

he has made. Of course, they have to rely on what the papers and the media have told them.

I realize that most of the Members have their minds already made up, but I am saying to them: Let us place everything in proper perspective.

Finally, where are the wonderful women who have spent endless hours in New York—and I worked with many of them—working toward an equitable and intelligent abortion law? Where are their voices now, telling my colleagues that it was Nelson A. Rockefeller who stood in the eye of the storm and in the face of heated controversy pushed through New York's abortion law. Where are these voices today? Well, I guess it is just not fair nor just to a man of great stature, for all of those who have endlessly called on him in the past, when they desired certain things on behalf of humanitarianism, to remain so silent and mute in this hour.

I do not intend to be silent nor do I intend to dispense undeserved praise. I only call on my colleagues to look at the total record and judge this man on the basis of fact and not allegation nor emotion.

The 25th amendment stipulates to us that it is our responsibility to make a determination as to whether or not the man has the qualifications to assume this important office.

Now if, indeed, we feel there is something wrong with the 25th amendment, we need to repeal the amendment and do something else.

Finally, my colleagues, I would just like to say that the fundamental problem with the Rockefeller nomination, of course, is that the Congress has not yet determined precisely what its responsibilities ought to be under the 25th amendment. Those responsibilities are quite different from those of a voter in a Presidential election. A voter is entitled to make his decision on prejudice, qualifications, philosophy, partisanship, or anything else that crosses his mind. Under the 25th amendment, it seems that Congress ought not to vote to reject a nominee unless it can be demonstrated that his judgment is consistently and persistently bad, that his political views are outside the mainstream of American politics and that his knowledge and experience are so limited as to make him unable to grasp the problems a President must face.

Mr. Chairman and my colleagues in the Congress, let us not for even 1 hour more delay the business of this Government. The Nation needs to have a Vice President, a team at 1600 Pennsylvania Avenue that will help get the Nation going forward. Let us overwhelmingly confirm this man, though not perfect, Nelson Aldrich Rockefeller.

Mr. PEYSER. Mr. Chairman, will the gentlewoman yield?

Mrs. CHISHOLM. I yield to the gentleman from New York.

Mr. PEYSER. Mr. Chairman, I just want to say, this has been one of the few times today that the clear, cool wind of fairness and truth has blown through this Chamber and I thank the gentlewoman.

Mr. RANGEL. Mr. Chairman, I yield to the gentleman from Texas (Mr. PICKLE.)

Mr. PICKLE. Mr. Chairman, I rise in support of the nomination of Gov. Nelson A. Rockefeller as Vice President.

Mr. Chairman, Vice President Nelson Rockefeller is a distinguished American from a distinguished family. The President has nominated him to be the Vice President. We need to have a Vice President, and the President is entitled to a man of his choice if he qualifies. I think Mr. Rockefeller qualifies based on his public service. I intend to vote for him.

Mr. RANGEL. Mr. Chairman, I yield to the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Chairman, I do not believe that anything further can be added to this debate. I yield back the balance of time.

Mrs. GREEN of Oregon. Mr. Chairman, today, when Congress again considers the confirmation of a Vice President under the provisions of the 25th amendment—and after having endured the agonizing months of "Watergate"—it seems appropriate to call to the attention of my colleagues an article by one of the most distinguished jurists of our time, Abe Fortas. The title of Mr. Fortas' article is "The Constitution and the Presidency." Inevitably, he also discusses the other branches of Government, the fourth estate or the press, and what he insightfully refers to as the fifth estate—the people, themselves—and the sixth estate—individual freedom of conscience. All these disparate entities—the President, the Congress, the Supreme Court, the press, the people and the individual—have rights, responsibilities and limitations defined in the Constitution. Mr. Fortas comments:

A management consultant, looking at the product of the Founding Fathers, would almost certainly have said that it could not possibly work. A realistic chart of the governmental system they created would look more like a hopeless maze, bound to frustrate the emergence of decision, than an orderly structure. But the remarkable fact is that this system, defying all management principles, has survived for about 200 years. Its longevity is unparalleled. No other nation has been governed for so long a period under a continuous written charter.

As we all know, one of the great strengths of that charter is its adaptability to changing realities. There are presently 26 amendments to the Constitution. Mr. Fortas advocates the repeal of some and the adoption of new ones. He does so only after thoroughly examining the assault on the Constitution which he believes the "Watergate" debacle represents and the weaknesses in the Constitution as now written to adequately meet such a challenge. I may not agree with all of the statements in this article, but I wholeheartedly agree that this time we have been lucky; that we must not presume our survival of the ordeal means we have sufficient constitutional safeguards to meet a similar challenge in the future, and that we now have an obligation, having been forewarned, to provide a more flexible means for removal of a President than the only one now at our disposal—the impeachment process.

Mr. Fortas refers to a constitutional amendment I have proposed which would permit a new election for President and Vice President within 90 days if two-thirds of the Members of the House and two-thirds of the Members of the Senate agree that the incumbent President has either failed to meet certain specific constitutional responsibilities or has exceeded his powers. The legislative branch is as capable of abuse of power as is the executive and in the proposed constitutional amendment which I suggest there are certain built-in restraints to prevent capricious use of power by the Congress. I invite your attention to this legislation and hope hearings will be held in 1975. I think it is a good, sound proposal and I wish to give credit where credit is due. It grew out of a luncheon conversation with Mr. Fortas, himself. I believe his to be one of the most brilliant and incisive minds I have ever encountered. I offer the following article as an example. With wit, eloquence, passion, and logic Mr. Fortas argues powerfully that we must, in his words "revitalize the machinery of government.":

THE CONSTITUTION AND THE PRESIDENCY

(By Abe Fortas)

I

The American Presidency, like slavery, is a peculiar institution. Many of our Chief Executives have sometimes felt that the Presidency is in fact a form of slavery. But they seem to resist emancipation; and most of them exercise considerable ingenuity to avoid being relieved of their splendid misery. Every job has its compensations. Its trappings are regal; its fringe benefits are sumptuous; and the power which is attendant upon it is overwhelming. The President's finger can put vast events in motion—not just the firing of the nuclear bomb.

The Presidency has become the central, dominating factor in our collective lives, and a crucial factor in the world.

The Presidency does not induce humility. The President is coddled, cuddled, and sheltered—even while he is denounced and abused. But he is still just a man: A fallible human being. His exalted position and his vast power constantly remind him that he has a great mission; and the splendid unreality of the White House residence, the airplanes, secret service agents, and body servants—the retinue and trappings of the office—constantly tell him that he is a chosen man—that he is uniquely endowed with wisdom and genius to determine the Nation's course.

His life is sheltered: He is criticized in public, sometimes viciously, but never to his face. In his presence, he is treated with reverence: He is never Harry or Lyndon or Dick. He is always "Mr. President."

To most Presidents, public criticism and the frustrations of our system are healthy reminders of their fallibility; but sometimes, and to some Presidents, they are incitements to use the enormous power of the office to punish in retaliation: They are unbearable interferences with the great mission of the Presidency as he sees it.

The Framers of the Constitution tried to design a modest Presidency. They foresaw the danger of an Imperial Presidency, in Arthur Schlesinger's phrase. They realized that the Presidency was capable of misuse

and abuse: That it could be used to invade the constitutional liberties of private citizens; to weaken and enfeeble opposing political parties by illegal means; to operate secretly; to avoid accountability; and to circumvent and enfeeble the other institutions of government. We know now that their fears were justified.

The group of astonishing young men, whom we call the Founding Fathers, sought to devise a system that would not permit a run-away Presidency. They feared the corruption of power. They distrusted kings and Presidents. They distrusted legislatures and they even distrusted the people themselves. As George Washington phrased it, they wondered whether "mankind when left to themselves are unfit for their own government."

But they had reluctantly concluded that a strong central government was essential. They had learned, from their distressing experience under the Articles of Confederation, that feeble government was no government; and that no government meant chaos. They had learned that people need the restraining hand of government—just as government requires the restraints of the people. They had not abandoned the revolutionists' exalted faith in the divine nature of man; but they had learned that man's divinity was still a seed which needed the help of an effective government.

So it was that in 1787, when the delegates to the constitutional convention met, they tried to create a government in which power would exist, but always in check. They devised a powerful government; but they fragmented its power. They built conflict and tension into the system that they created. No one—no official or branch of government—was given authority independent of the authority of others. No one was given power to decree. Their guiding principle was not efficiency, but advocacy and persuasion. The President could advocate and propose, and he could execute the laws, but he could not legislate. The Congress could legislate, but unless it could persuade the President or override him, it was subject to the President's veto power. And the Supreme Court could checkmate both of them.

Even this was not enough: They did not merely fragment power in three parts. They created not just a tri-partite government, but a pluralistic political system. The checks and balances were not confined to the three estates of the Legislature, Executive and Judiciary. The architects of our Constitution decreed a fourth estate, the press, and a fifth estate, the people; and to both of these, they guaranteed rights to affect and even determine the course of government—rights which were placed beyond the reach of government. And they also carved out of the domain of government, a sixth estate, untouchable by government or by a majority of the people: This was each man's fealty or non-fealty to God and to the institutions of religion. They knew that man's inner commitment and the vastly important establishments of the various faiths are the bedrock of political democracy because they are the ultimate—the irreducible essence—a personal freedom. They knew that no government could achieve absolute authority if the conscience of the people is free.

By the First Amendment, guaranteeing individual liberty and freedom of the press and religion, the Founding Fathers sought to serve more than the cause of personal liberty. The First Amendment is more than a charter of individual freedom; it is a fundamental political principle. It is the fundamental institution of political government in a democracy. A free people—and only a free people—protected in their persons, their conscience, their speech, their rights to act jointly—secure in their homes and offices, can effectively preserve a political democracy.

A management consultant, looking at the product of the Founding Fathers, would almost certainly have said that it could not possibly work. A realistic chart of the governmental system they created would look more like a hopeless maze, bound to frustrate the emergence of the decision, than an orderly structure. But the remarkable fact is that this system, defying all management principles, has survived for about 200 years. Its longevity is unparalleled. No other nation has been governed for so long a period under a continuous written charter.

Our Constitution has survived because it is essentially and realistically a human document. It has survived because of, and not in spite of, its ambiguities and its managerial imperfections—because it is peculiarly adapted to the American character and to our institutions, of which it is both parent and child. A more perfect Constitution—efficiently designed, and free of the ambiguities and conflicts of our charter—would long ago have been shattered by the pressures and demands of the spectacular growth of our Nation and the aggressiveness of its people.

But the very characteristics which made our Constiution viable, were themselves the source of danger. The ambiguities of our Constitution are essential to its vitality; but an ambiguous charter is a temptation to the ambitious. The fragmentation of power in our Constitution is essential to its democratic design; but fragmentation of power carries with it conflict, confrontation, and frustration; and the combination of power and frustration is hard for some leaders to accept. To some men in the Presidential chair, our system is a cage preventing them from accomplishing their herculean task; and the peril that a President may seek to break through the bars of the cage has always been present.

The Founding Fathers realized this danger. They were acutely aware that Presidents might seek to breach the limitation upon their power.

So it was, according to legend, that when Benjamin Franklin returned to his lodging from the constitutional convention, he was asked by his landlady: "Mr. Franklin, what have you given us, a republic or a monarchy?" and he replied, "A republic—if you can keep it."

That is still our challenge, dramatized by the events of the past few years.

II

Despite their misgivings, the drafters of the Constitution concluded—and wisely—that they had no alternative; that a strong Presidential office is essential to effective government.

They resolved that the President was to be the *only* "National Officer," the only chosen official, along with his Vice President, representing the Nation as a whole. As Gouverneur Morris stated it, he was to be the only "National Officer, acting for and equally sympathizing with every part of the United States."

The President was to be the Chief Executive of the government—the sole and ultimate repository of power to carry out the laws of the United States.

He was to be the supreme military commander: Commander-in-Chief of the Armed Forces of the United States.

He was vested with the power to conduct our foreign affairs.

He was given a legislative function: He must report to Congress on the State of the Union, and recommend measures for their consideration. He may veto bills passed by the Congress, in which event they do not become law unless passed over his veto by two-thirds of each House. He may convene Congress and, in certain circumstances, adjourn them.

He was given a vital role with respect to the Judiciary: He appoints Justices of the Supreme Court and judges of the other federal courts, with the advice and consent of the Senate.

These are great powers; but they are incomplete. The President has power to administer, to initiate, to lead, and to advocate. He can shape events which determine the fate of the Nation. As Chief Executive and political leader, he has unique opportunity to summon the people to his support, and to reward those who aid him and to punish his opposition.

But the ultimate power to make the rules, to legislate, is not the President's; it is the Legislature's. Our Constitution creates a President with formidable governmental power; but it does not authorize him to govern. The President is a *part* of the government; he is not the government.

There have been many instances in our history, dating from the earliest days of the Republic, when Presidents have taken action which was not authorized by the Congress, and which was, in greater or less degree, beyond the President's unilateral power. With few exceptions, these instances have been related to armed conflict and foreign affairs. They have stemmed from the premise, which I believe to be erroneous, but which many Presidents have adopted, that the President, particularly as Commander-in-Chief, has implied and virtually unlimited emergency powers.

Even Lincoln and Truman, both of whom were sensitive to the meaning and genius of our Constitution, were guilty of exceeding their constitutional powers. Truman seized the steel mills in order to prevent interruption of production which might jeopardize conduct of the Korean War. Lincoln suspended the writ of *habeas corpus* during the Civil War. Both Presidents rationalized their acts by the claim, as Truman stated, that "The President of the United States has very great powers to meet great national emergencies." The Supreme Court held that both of them had acted unconstitutionally.

In considering the constitutional derelictions of past Presidents, however, it is important to realize that, without exception, their unconstitutional actions have been specific and isolated—taken to meet specific and emergency situations. Their derelictions have not challenged or implicated the basic constitutional structure of our government. They have not been part of a general course of action in the day-to-day conduct of government. They have not been based upon, nor have they constituted an assertion of general Presidential power to override the power of Congress or to disregard the law. Presidents have not sought to prevent examination of their acts, or to avoid responsibility for them. They have not claimed that "executive privilege" confers upon the President total immunity from legal process and absolute, comprehensive and exclusive authority to decide what he will and will not disclose in response to congressional demand or other lawful authority.

Obviously, most Presidents, under the pressure of events, have sometimes wished that our system was different. Every President is certain that he could do better if it were not for the Congress and the press, and sometimes, the Supreme Court. In the past, they have nevertheless endured the frustrations of the system; and within that system, some of them have nevertheless achieved greatness. Strong Presidents have found within the President's constitutional power the potential for powerful, daring, innovative action; but, with relatively few lapses, they have done so by providing leadership and advocacy and by using the office to obtain the consensus that our Constitution requires.

The outstanding exemplar of this was Franklin Roosevelt. During his incumbency, Presidential power expanded to an unprecedented degree; but the expansion occurred despite, and not because of, his abortive

and unfortunate attempt to weaken the institution of the Supreme Court. It was the result of constitutional processes. The explosive increase of Presidential function and prerogative which revolutionized the Presidency was the product of congressional legislation, enacted under Roosevelt's extraordinary leadership. It was not a consequence of unilateral action, of the seizure of power.

Roosevelt deployed the tensions and conflicts built into our Constitution to achieve affirmative action *within* the system. Faced by a catastrophic depression and a World War, he sought and obtained from the Congress great and novel authority for the President to act. But he did not usurp the power of the Congress or invade the rights of the people or the press or even of the opposing political party in order to accomplish the vast programs that he initiated.

III

This has not been the method of the Nixon administration. Like all strong Presidents, President Nixon has sought to have the nation follow his leadership and accept his decisions. But his conception of the Presidency is radically different from that of his predecessors. It represents a sharp break with our history and constitutional tradition. The Nixon administration has challenged our constitutional institutions. It has not merely committed acts in excess of constitutional right and authority. It has boldly confronted us with a new and revolutionary concept of the Presidency.

President Nixon obviously believed that he had authority to impound funds appropriated by the Congress, and he did so. He believed that he could refuse to carry out programs enacted by the Congress, and he did so. He claimed broad and final authority to withhold information from the Congress, and to avoid accountability for his actions. Members of his staff, seeking to accomplish Presidential purposes, have used the powers of the Presidential office to plan or authorize fantastic arts of lawlessness, violating ancient and fundamental rights of the people.

He has presented us with a challenge to our Constitution—to our basic institutions and our way of life. However well-motivated the President may be, or however unaware he may be of the implications of his actions, the net effect of his actions has been an attempted constitutional coup d'etat: A fundamental alteration—a subversion—of our basic constitutional structure.

And so, we have been confronted with a constitutional crisis. The significance of this crisis does not stem from the incredible acts of alleged criminal or quasi-criminal conduct that have been the subject of massive investigation. These are merely the ugly manifestations of a conception of Presidential power and status which has no place in our constitutional system.

The alleged criminal acts are, or course, of great national concern. They include charges to which the administration's former Attorney General vividly referred as "horrors": Alleged complicity in burglary, unlawful electronic espionage, concealment of felonies, obstruction of justice, unlawful suppression and withholding of evidence.

I hope that the President's personal involvement in respect of these charges can be disproved. But the fact remains that if and when substantial allegations of misfeasance are made against a President, our system of government requires that the President must respond to the allegations, like any other person so accused.

Our Constitution does not give a President or his staff authority to participate in or to authorize criminal acts. Certainly it would be preposterous to argue that a President or his staff may engage in unlawful conduct in order that he may be reelected. As a candidate for reelection, he has no more rights than his rivals. But even as to acts related to the conduct of his office, the President and his staff are subject to the law, including the prohibitions of the criminal code. Nor does our Constitution confer immunity upon a President or his staff for the consequences of their acts, or a right to withhold relevant evidence.

A President is accountable for criminal acts, if he has committed them, like any other citizen. He may be removed from office. He may be prosecuted after impeachment and removal from office; and, in theory, nothing in the Constitution itself would bar indictment and prosecution even while he is in office—unwise and infeasible as this may be in practice. There is no *constitutional* difference in this respect between a President or Vice President, a federal judge or any other civil officer of the United States—despite assertions to the contrary.

But we shall be derelict in our duty if our response to the present crisis is merely punishment of the malefactors—if we neglect the underlying meaning and moral of the traumatic experience which we are enduring. The events of the past few years teach a lesson which we will ignore only at our great peril. They teach us the terrible consequences which can result from the exercise of unbridled power: That power exercised without constitutional restraint can destroy not only our democratic political system, but our personal, individual liberty.

Some of the criminal acts in which the Nixon administration was allegedly implicated involved violations of ancient and fundamental rights, enshrined in our constitutional guaranties: The right to privacy, to security of our homes and offices, to freedom from lawless action under cloak of governmental authority. It is not mere coincidence that these spectacular charges of criminal and unconstitutional invasion of the rights of individuals have been lodged against a White House which is also accused of disregarding the limitations of Presidential authority in governmental affairs: Of disregarding congressional commands with respect to Cambodia and Laos; of unlawfully impounding appropriated funds; and of refusing to implement programs enacted by the Congress.

The same inflated conception of Presidential power and immunity which provided the basis for Watergate and the other "horrors," also led to the exercise by the President of governmental power which our Constitution denies to him. All of these acts and events are the product of a conception and theory of the Presidency as an office with power to disregard the law to achieve Presidential objectives; with power to make law, rather than execute it; and with power to refuse to account for Presidential acts.

The history of political institutions warns us that the destruction of restraints upon political power and the destruction of individual liberty go hand in hand. Regimes that seize political power preserve and expand that power by the ruthless and lawless invasion of personal rights. Let us not delude ourselves into believing that we are immune: that we can tolerate the violation of the political restraints which our Constitution places upon the Presidency, and nevertheless remain complacently secure that we retain our cherished freedoms.

We will not solve our problems merely by punishing those guilty of criminal acts. We will not save our nation merely by rebuffing this administration's attempt to exercise unconstitutional authority. We must ponder the fundamental problem of which we are now so dramatically warned: The problem of the adequacy and effectiveness of our machinery to restrain the Presidency.

We have experienced the incredible. The unprecedented, the unthinkable, have happened. They can happen again; and it is not inconceivable that if they occur again—if we fail to take measures to prevent their recurrence—the next time they will succeed. If they succeed, virtually unlimited Presidential power may replace our political democracy and undermine our personal liberty and our freedom from arbitrary, lawless governmental action.

We must, therefore, consider the following questions: Are our constitutional institutions adequate to confine the President's actions to the limits necessary for democratic government and to protect each of us against misuse of Presidential power; is our constitutional machinery adequate to make the President properly accountable for his acts; have the changes wrought by time and events, and the evolution of the power of the President, so enfeebled the checks and balances provided by our Constitution that fundamental revisions are essential?

In short, we must address ourselves to an examination of the adequacy of our machinery to protect the rights of the people and their institutions: The Congress, the press and our political system: To protect these against Presidential usurpation and abuse; to establish proper and workable definitions for Presidential authority; and to create effective machinery to ensure Presidential accountability for the President's actions.

IV

I should like, first, to clear away some of the dust that has recently been kicked up, by stating a few elementary principles:

1. The President is not above the law. He is subject to the Constitution and the laws enacted by the Congress—in all respects, not just some.

2. It is the President's constitutional duty to execute, to apply and administer the laws duly enacted by the Congress, whether they are good, bad or indifferent; whether they will balance the budget or break it.

He cannot constitutionally impound funds which Congress has appropriated and directed him to spend, unless and except to the extent that Congress has authorized him to do so. He cannot refuse to carry out programs which Congress has enacted, whether they relate to minority employment opportunities or to the sewage and water systems of our Nation.

3. The President cannot constitutionally, even for a moment of time, authorize lawless programs of domestic surveillance, wiretapping, electronic espionage, or breaking and entering homes or offices, whether in the interests of internal security or otherwise. He can neither do these things, nor authorize or permit them to be done. It is his duty to prevent any such acts, and to see that the perpetrators are prosecuted.

4. The President and the entire executive establishment must account to the Congress for their actions and, with extremely limited exceptions, must respond to authorized congressional, judicial and grand jury demands for relevant material and information, including memoranda and even tape-recordings.

Our system does not recognize a general, royal or Presidential prerogative incident to Presidential tapes or papers or communications, or to the person occupying the Presidency. "Executive privilege" is nothing more or less than the principle that, in limited situations, the courts will permit the President or a principal executive officer to decline to comply with subpoenas or congressional demands for his physical presence or for the disclosure of certain restricted and reasonably well-identifiable types of documents or communications. This is not because of any explicit provision in the Constitution. The Constitution says nothing about executive privelege; but the courts will recognize such a privilege, where and to the extent that it is a necessary incident to the

performance of official duties, and where the recognition of the privilege is necessary to serve the national interest. In making these judgments, the courts will also take into account the reasons for the demand for disclosure, the purpose which disclosure would serve, and the materiality and importance of disclosure to the issues before Congress or the courts.

Executive privilege will almost always be recognized by the courts where and to the extent that the subpoenaed material contains secret and sensitive defense or foreign affairs information. On the other hand, a claim of privilege by the President will not be sustained if the communication does not directly relate to his official duties, if it is otherwise material to the matter at issue. This is true with respect to verbal as well as written or recorded communications between the President and his staff, or other persons. There is no basis, therefore, for a claim of executive privilege with respect to communications relating to such acts as campaign activities or actions which may violate the criminal laws. Even communications between the President and his personal lawyer are not privileged if they involve a conspiracy to commit a violation of law or to conceal a felony.

Obviously, this doctrine, correctly understood, refutes the claim that the President may, himself, finally decide whether or not he will make the production. The power to decide whether the President must or need not comply is in the courts; the President may claim the right to decline to comply; but only the courts can decide the question. Obivously, the doctrine provides no basis for a claim of privilege by the President with respect to documents or tapes relating to the President's political activities or to any matter except those incident to his lawful, official duties, disclosure of which would be injurious to the Nation or would hamper the President in the performance of his constitutional and lawful functions.

Lawyers will recognize that the doctrine is not essentially different from the principles that govern decisions with respect to private citizens. The basic principles are the same: Disclosure is required only where the communication is material to the issue at hand; but where it is material, claims of privilege must be decided on the basis of the subject matter of the communication—not the status of the participants. The difference between the treatment of the President and a private citizen is merely the consequence of the executive's special constitutional and official duties.

This is fundamental to our democratic, constitutional system. The President of the United States is not above the law. He is subject to the law, like any other person; and he can claim only such immunity, such privilege, as is given to him by express legislation or by the application of universal legal principles to his particular role and responsibilities.

5. Under our constitution, the President has no implied powers which enable him to make or disregard laws, except as specifically authorized by the Congress.

The President has certain emergency powers, derived from his duties as Commander-in-Chief of the Armed Forces, but these powers are extremely limited. They do not authorize him to suspend or disregard laws, or to invade the constitutional rights of citizens, whether or not internal security is involved. The President's powers as Commander-in-Chief are military, not legislative. He is the supreme civilian head of the Armed Forces. He controls their use and deployment, subject, however, like any other commander of military forces, to law and to congressional authorization. Like a field commander, he can take military action to meet an emergency, if such action is limited to the emergency; but it is the right and duty of the Congress, which it has sometimes cravenly avoided performing, to enact legislation, as promptly as possible, to direct that the military action continue or be terminated. The President, whether as Commander-in-Chief or otherwise, has no constitutional authority to use armed forces contrary to law and to congressional direction.

6. With respect to foreign affairs, the drafters of the Constitution understood that the President's role would, of necessity, be primary. The authority to deal with foreign governments had to be vested in an individual, not in the Congress; and they hoped that adequate checks upon Presidential power would be provided by the necessity of obtaining the Senate's advice and consent to treaties and the exclusive power of Congress to declare war. But the tidy, formal world that this arrangement postulated has long vanished. Relations with foreign governments defy the neat constitutional categories. Wars are seldom declared; they develop and exist. International commitments are made without the formality of treaties. These commitments sometimes, in practical effect, inextricably involve the Nation in alliances of vast consequences, even leading to present the Congress and the people with a *fait accompli*. A President can, for example, by diplomatic moves, create a situation of detente with the Soviet Union and China, in which Congress had no participation. Congress can decline to enact the measures to implement Presidential commitments, but often this is a Hobson's choice—more theoretical than real.

As we saw in the Vietnam and Korean conflicts, a President can even commit the Nation to a course of action that, step by step, leads to major armed conflict far from our shores. Presidents Eisenhower and Kennedy began our Vietnam involvement by assigning "military advisers" to South Vietnam. They could perhaps justify this as part of their diplomatic function, as part of foreign intelligence gathering, or as an adjunct to military aid and the supply of weapons, authorized by the Congress. But as we have experienced, it is a dangerous process—simple to commence, difficult to limit, and hard to terminate.

7. As Chief Executive, the President is the head of the entire executive establishment of the United States. The departments are created by law of the Congress; the Congress defines their jurisdiction, duty, power, and, within constitutional limits, their procedures; and they must render an accounting to the Congress for their administration. But Congress has no power to remove an executive officer from his position, even by the indirect means of using its appropriation power, except by the process of impeachment under exactly the same constitutional provision and procedure that applies to the President and Vice President.

Accordingly, the ultimate responsibility for decisions by the vast federal bureaucracy—except as to the quasi-judicial agencies—is in the President. His power, however, is limited. He may instruct an executive department how to exercise the powers that Congress has given it, but only within the terms of the congressional legislation. If the head of the department does not like his direction, he may attempt to circumvent it, as officials sometimes do; or he may resign. If he refuses, the President may remove him from office, and appoint more cooperative personnel. The President may not, however, himself take over the function or transfer it to another department, or create an agency or group to perform the function, because Congress has authorized the department, and not the President to do so. In short, the President may direct the agency because of his constitutional power, but he can do so only within the terms prescribed by the Congress. He cannot take over the powers of an agency without congressional authorization. An illustration of violation of this principle is presented by the White House's creation of the so-called Plumbers and the attempt to invest them with authority which, if it existed anywhere, was in the FBI—certainly not in the White House. The President has authority and flexibility within the discretionary appropriation to him, to create a White House staff, but the functions of that staff are limited by the limitations of Presidential authority. They are to aid him in performance of his duties. They cannot be authorized to perform functions which the Congress has vested in an agency or department of the government.

V

As we consider and evaluate the complexities and problems of the Nation today, it seems beyond dispute that we need, we must have, a strong Presidency. We must have a Presidency that has the power and status to lead the Nation; to speak effectively for us in the complex, difficult and dangerous area of relations with other nations; and effectively to oversee the enormous federal establishment. The President must be equipped with adequate powers to discharge these duties. To the extent that he does not have them by specific constitutional grant or existing legislation, Congress should enact new laws, carefully designed so as to subject the President to appropriate congressional controls. We should neither deny to the President the authority that he needs to do his job, nor should we, by failing to give him that authority, tempt him to exceed his constitutional powers.

But the Presidency must be controlled and restrained. We need restraints upon the President commensurate with the greatness of his powers and the potential of his office for expansion and misuse of these powers. The events of the past few years warn us that we cannot rely merely upon the self-restraint of the man who is President, or upon his sensitivity to the meaning and message of our constitutional system.

The controls that the Founding Fathers adopted are no longer adequate. The balance that the Founding Fathers ingeniously devised no longer exists. It has been destroyed by the complexities of modern life; the vast expansion of governmental function; the decline of Congress due to the growth in the number of its members and, principally, to its failure effectively to reorganize its management and procedures; and the enormous increase in Presidential power and prestige. At the same time, we have permitted the erosion and obsolescence of the checks, the restraints, upon the President in which the drafters of the Constitution placed their ultimate reliance.

The primary check upon the President upon which the Founding Fathers relied was the power of the people to elect and reelect him, if they so decided. They believed that Presidents would seek to conduct themselves so as to win the favor of the people in order to assure reelection. If a President should die, resign or be removed from office prior to expiration of his term, the people's second choice for that great office—the Vice President—would succeed him. But both of these features of our constitutional system have been eroded. A President, in his second term, is no longer influenced by the possibility that he may decide or be called upon to stand for reelection. This change came about in 1951, when, in reaction to FDR's long tenure, we adopted the Twenty-Second Amendment to the Constitution, limiting the President to two terms. To some Presidents, this limitation can be an incitement to extreme action. In his second term, a President is admonished that, by law, this is his last chance to reshape the Nation in

his own image. He sees the end of the road, and to a hard-driving man of vast ambition, the prospect of an incomplete mission may not be endurable. He believes that he knows what should be done; and he is immune from the restraining effect of the possibility that the people may disagree and, if he decides again to submit himself to the electorate, that they may repudiate him at the polls. In our history, every President except Franklin D. Roosevelt, has observed the tradition limiting a President to two terms; but until the adoption of the Twenty-Second Amendment, the possibility, however theoretical, of another term has been a seasoning ingredient in Presidential psychology.

The power of the people has also been diminished by changes in the manner of selecting the Vice President. Initially, the Vice President was the candidate for Presidency who received the second-largest number of electoral votes. In 1804, we adopted the Twelfth Amendment which provided that the Vice President would be separately nominated and elected. Inevitably, this led to the present situation in which Vice Presidents are not, in fact, nominated or elected by the voters, but are designated by the Presidential nominees and elected as an appendage to the successful Presidential candidate. The result is that if a President dies, resigns or is removed from office, he is succeeded by a person who, realistically, is not the selection of the people, but the choice—usually for political or ticket-balancing reasons—of his predecessor. In 1967, we compounded this by ratification of the Twenty-Fifth Amendment which includes a provision authorizing the President to fill a vacancy in the office of Vice President, with the concurrence of a simple majority of each House of the Congress.

Both of these Amendments—the Twenty-Second, limiting the President to two terms in office and those provisions of the Twenty-Fifth providing for Presidential designation of a Vice President to fill a vacancy in that office—have merit. But the fact—the important fact—is that both represent a dilution of a fundamental part of the design of our Constitution: The power of the people, by their vote, to choose their President and the restraint which this reference to the people was designed to exercise upon the behavior of their Chief Executive.

The second and ultimate restraint which the Founding Fathers built into the Constitution was a mechanism for removal of a President prior to the expiration of his term. This mechanism was the theoretically formidable weapon of impeachment. The architects of the Constitution provided that the President, Vice President, and any civil officer of the United States could be removed from office upon impeachment by majority vote of the House of Representatives and conviction by two-thirds of the members of the Senate present. Upon conviction, not only is the President removed from office, but he may not thereafter hold any office of honor, trust or profit under the United States; and he is subject to indictment and prosecution for any criminal offenses he may have committed.

Let me make a preliminary point about the impeachment provisions of the Constitution. A President may be impeached and convicted for treason, bribery, or other high crimes and misdemeanors. The phrase "high misdemeanors" is and was understood to be a term of art, deliberately broad and ambiguous in specific application, but clearly embracing serious violations of public trust by officers of the government, including such acts as failure or refusal faithfully to execute the laws or any type of misconduct in office which constitutes an abuse of its authority or prerogatives.

There is simply no acceptable basis to argue that the impeachment provision of the Constitution restricts impeachment to acts in violation of the criminal laws. There is no support for this contention in the history of English impeachments, the understanding of the makers of the Constitution, or in the precedents in our own history.

In the leisurely days of 1787, when the House of Representatives and the Senate were small bodies with little to do, impeachment may have been a practical procedure for removing a President from office. It is now staggering to contemplate the amount of time that a Senate trial of impeachment charges will require; the inevitable fury that it will provoke; and the divisions, diversions, and hostilities that it will engender. Inescapable as an impeachment trial may be in the present situation, its dimensions—the disruption that it has caused and will cause—are disconcerting; and I submit that we must find a better way to supply the ultimate remedy for removing a President from office.

We must find a method that permits us to terminate a President's tenure which is not so easy and facile that he can be deposed because of political disagreement or policy opposition. We must find a way that preserves our system of conflict, tension, advocacy and consensus between the Congress and the President, and does not destroy it by permitting the Congress to terminate a President's tenure because of disagreement with him. The parliamentary system, in my opinion, is not suitable to our temperament. We do not seek a new constitutional balance. We seek to *restore* our constitutional balance: The balance that the Founding Fathers created and which has served us so well.

At the same time, we cannot, we should not have as our only choices the alternatives of enduring for four long years a President who has violated his trust and who threatens essential national values, or subjecting the Nation to the protracted, complex and destructive ordeal of impeachment proceedings.

I believe, then, that we are in need of some fundamental changes to restore the balance in our system, to protect our political democracy, and to safeguard our individual rights and liberties.

First: While we have no present option except to proceed with the pending impeachment proceedings, unless the President decides to resign, we should provide an alternative method. Representative Edith Green of Oregon has proposed a joint resolution to amend the Constitution which seems to me to be well-designed for this purpose. It provides that a special election shall be called for President and Vice President if the House and the Senate, by two-thirds vote of each, shall enact a resolution that the President has failed or refused faithfully to execute the laws; or has willfully exceeded his powers; or has caused or willfully permitted the rights of citizens to be trespassed upon. The special election would be federally financed and would be held within 90 days; and the incumbent President and Vice President would be eligible to be candidates.

This plan has the following virtues: It avoids the procedural difficulties of impeachment. Its implications are not as devastating: It does not bar the President from reelection, nor does it necessarily imply the devastating moral judgment which is implicit in impeachment, that is, the disqualification of the President from any future position of public honor or trust. It does not require a trial of the President on charges; but it limits the House and Senate by requiring that they find specific and limited grounds for calling the special election. It makes possible a complete change in executive leadership, rather than merely a shift from the President to the Vice President. And finally, it remits the ultimate judgment as to whether the President is to continue in office to the people—which is where it belongs.

The Green resolution does not eliminate the Founding Fathers' idea of a fixed term for the President to assure his independence of the Congress and to carry out the basic constitutional idea that he would act as a check upon the Congress and would balance congressional power. It retains the American principle of fragmented power—of a government by consensus, conflict, advocacy and tension. It does not adopt the unitary parliamentary system. But it would provide a mechanism which would operate in extreme situations; and more importantly, it would provide a constant restraint upon the President, warning him that extreme misconduct may result in his having to submit to a special election.

Second: I believe that we should reconsider the Twenty-second Amendment. It is a good tradition that Presidents should not serve more than two terms; but it is a dubious constitutional prohibition. It is bad psychology; there is a vast difference between the effect upon an incumbent President of a constitutional prohibition and of a voluntary decision that he will not run again. Presidents are people; essentially, they are just people; and the message of the Twenty-second Amendment, that they face the end of the road, and their last chance to achieve their goals, can be an incitement to the extreme and willful use of power.

Third: We should amend the provisions of the Twenty-fifth Amendment relating to filling a vacancy in the office of the Vice President, and we should redefine the office and functions of the Vice President. The twenty-fifth Amendment provides that when the office of Vice President is vacant because of death or resignation, the President nominates his successor who takes office upon approval by a majority of the House of Representatives and the Senate. If a President dies, resigns or is removed early in his term, this means that a person who has not been elected by the people of the Nation becomes President, and it is possible that he may serve as such for more than three years, without having obtained a mandate from the people. It seems obvious to me that this is inconsistent with our basic, democratic principles; and that if the Vice Presidential office becomes vacant, his successor should be elected in a special election.

Fourth: For somewhat the same reasons, I submit that we should revise the provisions of our Constitution with respect to the Vice President. Vice Presidents are not really chosen by the voters. They are selected by the Presidential candidates; and they are elected merely as an appendage to the people's vote for President.

We should amend the Constitution in recognition of this reality, and provide that a Vice President, succeeding to the office of the President, should hold that office only until a President is selected by the voters in a special election to be held within 90 days. This would also go a long way towards reducing the significance of the present, and I think, unavoidable, inadequacies of the methods of the selection of Vice Presidential candidates—which were dramatized so vividly and sadly in the Eagleton incident at the last Democratic Convention.

I would also change the constitutional provisions concerning the duties of the Vice President. He should not preside at the sessions of the Senate, as the Constitution now provides. He should be an executive official, entirely; and he should be available for such full-time executive responsibilities as the

President may delegate to him, including the responsibility of head of a department such as the Department of State. Hopefully, this would permit the President to delegate some of his excessive duties to the Vice President—and it would also make it possible to give the Vice President some useful work to do.

Fifth and finally: It is somewhat unrealistic to expect that Presidents will not invade the province of Congress unless Congress is effectively doing its job. The Congress simply must face up to its responsibilities and must put its house in order. Public confidence in the Congress is at a low ebb—and with some justification. Congress must redefine its mission so as to make it practical and manageable; it must legislate and appropriate in broad terms; it must delegate responsibility for details; it must meticulously require the executive agencies to account for their administration, but it must not intervene in their specific decisions; and it must reorganize its machinery and its procedures so that it can do its job.

A model, in a very difficult area, of constructive congressional action to preserve its authority but at the same time to permit effective government action, is available in the recently enacted War Powers Resolution.

In November 1973, the Congress enacted the "War Powers Resolution," which had been originated by Senator Javits. It enacted this resolution over President Nixon's veto. The operative part of this resolution requires that, in any instance where armed forces are introduced, the President shall report to Congress within forty-eight hours, and that he shall terminate the use of the United States forces in that situation within 60 days unless Congress otherwise provides

This resolution is strong medicine. It warns the President that prolonged secrecy of military operations, and studied exclusion of the Congress from participation in military decisions, such as we experienced in Laos and Cambodia, are not permissible. At the same time, it recognizes the reality that the Nation may be faced with situations where armed intervention is essential, and that only the President is in a position to act speedily; and it carefully preserves the ultimate control of the Congress.

Another kind of example of the restructuring that is essential is presented in some of the impoundment bills presently under consideration by the Congress. Congress has and must exercise the appropriation power. The President may not refuse to expend appropriated funds, unless Congress has so authorized. But situations arise after Congress has acted, in which changed conditions or circumstances require reconsideration of appropriations. Present statutory provisions to permit the President to act in these circumstances are inadequate. Obviously, the Congress should enact an appropriate measure to achieve this result, for example, by enabling the President to suspend the expenditure of appropriated funds for a limited period during which he will request the Congress to reconsider.

VII

In conclusion, I ask you consider my thesis: The fantastic events that we label Watergate have profoundly shocked us. They would have been shocking if they had involved only the President's political party, or only a committee which he authorized to work for his reelection. The participation of the President's White House staff and close associates made them a calamity. And the possibility of the President's personal involvement made the events deeply traumatic—a national disaster.

But Watergate was more than a series of incredible assaults upon our political process; it was more than a series of patently lawless acts of a base, criminal nature. Watergate was the ugly excrescence of a theory of government which asserts the supremacy of the Presidency over the Congress and the law of the land. It makes little difference whether the theory was the President's or his associates'. It makes little difference whether the theory was conscious or articulated, or whether it is merely the unifying principle from which the various acts emerged.

This is an intolerable theory for a democratic society. Some years ago, Richard Nixon was a leader in combating the alleged subversion of our institutions by those who, he said, advocated a foreign ideology; but foreign ideologies are not the only danger—and not the greatest danger—to our Constitution and our political democracy.

Watergate was the ugly, dreadful face of a theory which embraced the idea of a Presidency overriding congressional laws that conflicted with the President's conclusions as to the national interest; a Presidency inducing or tolerating lawlessness to promote its objectives; a Presidency immune from court processes and congressional inquiry.

We must remember this coupling of Watergate and political theory. We must remember that we can be reasonably confident of avoiding Watergate's criminal assaults upon our basic liberties only if we preserve our political democracy. Freedom is indivisible. If we permit a President to override the political restraints of our Constitution, to overrule the Congress, to ride roughshod over the limits upon his powers to govern which are prescribed by our Constitution, we invite a Presidency which may also ride roughshod over the sanctity of our homes and the privacy of our persons.

By the grace of God and good fortune, we have been saved—this time. If we are to avoid these dangers in the future, we must do more than punish those who participated in the current assaults upon us. We must restore the balance that our Constitution designed; and to do that, we must, I submit, revitalize the machinery of our government.

The CHAIRMAN. There being no further requests for time, under the rule the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the resolution (H. Res. 1511) confirming Nelson A. Rockefeller as Vice President of the United States, pursuant to House Resolution 1519, he reported the resolution back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the resolution, House Resolution 1511.

H. RES. 1511

Resolved, That the House of Representatives confirm the nomination of Nelson A. Rockefeller, of the State of New York, to be Vice President of the United States.

Mr. RODINO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 287, nays 128, answered "present" 1, not voting 18, as follows:

[Roll No. 716]

YEAS—287

Abdnor	Beard	Breaux
Addabbo	Bell	Breckinridge
Anderson, Ill.	Bevill	Brooks
Andrews, N.C.	Biester	Broomfield
Andrews, N. Dak.	Blatnik	Brotzman
	Boggs	Brown, Mich.
Annunzio	Boland	Brown, Ohio
Arends	Bolling	Broyhill, N.C.
Armstrong	Brademas	Broyhill, Va.
Ashley	Bray	Buchanan
Burleson, Tex.	Hosmer	Rhodes
Butler	Hudnut	Riegle
Byron	Hungate	Rinaldo
Camp	Hunt	Roberts
Carter	Hutchinson	Robinson, Va.
Casey, Tex.	Johnson, Calif.	Robison, N.Y.
Cederberg	Johnson, Colo.	Rodino
Chamberlain	Johnson, Pa.	Roe
Chisholm	Jones, Ala.	Rogers
Clark	Jones, Okla.	Roncalio, Wyo.
Clausen, Don H.	Jordan	Roncallo, N.Y.
	Kazen	Rooney, N.Y.
Cleveland	Kemp	Rooney, Pa.
Cochran	King	Rostenkowski
Cohen	Kluczynski	Roush
Collins, Tex.	Koch	Ruppe
Conable	Kuykendall	Ruth
Conte	Landrum	St Germain
Cotter	Leggett	Sandman
Coughlin	Lehman	Sarasin
Cronin	Lent	Scherle
Culver	Litton	Schneebeli
Daniel, Robert W., Jr.	Lott	Sebelius
	Lujan	Shoup
Daniels, Dominick V.	McClory	Shriver
	McCloskey	Shuster
Davis, S.C.	McCollister	Sikes
Davis, Wis.	McCormack	Sisk
Delaney	McDade	Skubitz
Dellenback	McEwen	Slack
Dennis	McFall	Smith, N.Y.
Derwinski	McKay	Staggers
Devine	McKinney	Stanton, J. William
Dickinson	McSpadden	
Donohue	Madden	Steed
Dorn	Madigan	Steele
Downing	Mahon	Steelman
Dulski	Mallary	Steiger, Wis.
Duncan	Mann	Stephens
du Pont	Maraziti	Stokes
Eckhardt	Martin, Nebr.	Stubblefield
Edwards, Ala.	Martin, N.C.	Stuckey
Esch	Mathias, Calif.	Studds
Evans, Colo.	Matsunaga	Symington
Fascell	Mayne	Talcott
Findley	Mazzoli	Taylor, Mo.
Fish	Meeds	Taylor, N.C.
Fisher	Michel	Teague
Flood	Milford	Thompson, N.J.
Flowers	Minish	Thomson, Wis.
Foley	Minshall, Ohio	Thone
Forsythe	Mitchell, N.Y.	Thornton
Fountain	Mizell	Towell, Nev.
Fraser	Mollohan	Traxler
Frelinghuysen	Montgomery	Treen
Frenzel	Moorhead, Calif.	Udall
Frey		Ullman
Froehlich	Moorhead, Pa.	Van Deerlin
Fuqua	Morgan	Vander Jagt
Gettys	Mosher	Vander Veen
Gilman	Murphy, Ill.	Veysey
Goodling	Murphy, N.Y.	Vigorito
Grasso	Murtha	Waggonner
Gray	Myers	Walsh
Green, Oreg.	Natcher	Wampler
Green, Pa.	Nelsen	Ware
Grover	Nichols	Whalen
Gubser	Nix	Whitehurst
Gude	O'Brien	Whitten
Hamilton	O'Neill	Widnall
Hammer-schmidt	Parris	Wiggins
	Passman	Williams
Hanrahan	Patten	Wilson, Bob
Hansen, Idaho	Pepper	Wilson, Charles, Tex.
Harrington	Perkins	
Harsha	Pettis	Winn
Hastings	Peyser	Wright
Hawkins	Pickle	Wyatt
Hébert	Poage	Wydler
Heckler, Mass.	Preyer	Wylie
Heinz	Price, Ill.	Yatron
Helstoski	Pritchard	Young, Fla.
Henderson	Quie	Young, Ga.
Hillis	Quillen	Young, Ill.
Hinshaw	Railsback	Young, S.C.
Hogan	Rangel	Young, Tex.
Holifield	Regula	Zion
Holt	Reid	
Horton	Reuss	

NAYS—128

Abzug	Biaggi	Chappell
Alexander	Bingham	Clancy
Anderson, Calif.	Blackburn	Clawson, Del
	Bowen	Clay
Archer	Brinkley	Collins, Ill.
Ashbrook	Brown, Calif.	Conlan
Aspin	Burgener	Conyers
Badillo	Burke, Calif.	Corman
Bafalis	Burke, Fla.	Crane
Baker	Burke, Mass.	Daniel, Dan
Barrett	Burlison, Mo.	Danielson
Bauman	Burton, John	Davis, Ga.
Bennett	Burton, Phillip	de la Garza
Bergland	Carney, Ohio	Dellums

Denholm	Ketchum	Rousselot
Dent	Kyros	Roy
Dingell	Lagomarsino	Roybal
Drinan	Landgrebe	Runnels
Eilberg	Latta	Ryan
Evins, Tenn.	Long, La.	Sarbanes
Flynt	Long, Md.	Satterfield
Ford	Luken	Schroeder
Fulton	Mathis, Ga.	Seiberling
Gaydos	Melcher	Smith, Iowa
Giaimo	Metcalfe	Snyder
Gibbons	Mezvinsky	Spence
Ginn	Miller	Stanton,
Goldwater	Mink	James V.
Gonzalez	Mitchell, Md.	Stark
Griffiths	Moakley	Steiger, Ariz.
Gross	Moss	Stratton
Gunter	Nedzi	Sullivan
Guyer	Obey	Symms
Haley	O'Hara	Tiernan
Hanley	Owens	Vanik
Hechler, W. Va.	Patman	Waldie
Hicks	Pike	White
Holtzman	Powell, Ohio	Wilson,
Huber	Price, Tex.	Charles H.,
Ichord	Randall	Calif.
Jones, N.C.	Rarick	Wolff
Jones, Tenn.	Rees	Yates
Karth	Rose	Young, Alaska
Kastenmeier	Rosenthal	Zablocki

ANSWERED "PRESENT"—1

Diggs

NOT VOTING—18

Adams	Eshleman	Macdonald
Brasco	Hanna	Mills
Carey, N.Y.	Hansen, Wash.	Podell
Collier	Hays	Shipley
Edwards, Calif.	Howard	Wyman
Erlenborn	Jarman	Zwach

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Carey of New York for, with Mr. Hays against.

Mr. Jarman for, with Mr. Macdonald against.

Mr. Shipley for, with Mr. Edwards of California against.

Until further notice:

Mr. Collier with Mr. Mills.

Mr. Erlenborn with Mr. Hanna.

Mrs. Hansen of Washington with Mr. Zwach.

Mr. Howard with Mr. Adams.

Mr. Eshleman with Mr. Wyman.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

COMMUNICATION FROM THE SENATE

The SPEAKER laid before the House the following communication from the Senate:

Resolved, That the Senate did, on December 10, 1974, pursuant to section 2 of the twenty-fifth amendment to the Constitution of the United States, confirm the nomination of the Honorable Nelson A. Rockefeller of New York to be Vice President of the United States.

GENERAL LEAVE

Mr. RODINO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CONFERENCE REPORT ON H.R. 13296, MARITIME AUTHORIZATIONS FOR FISCAL YEAR 1975

Mrs. SULLIVAN submitted the following conference report and statement on the bill (H.R. 13296), maritime authorizations for fiscal year 1975:

CONFERENCE REPORT (H. REPT. NO. 93-1638)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 13296) to authorize appropriations for the fiscal year 1975 for certain maritime programs of the Department of Commerce, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 1.

That the House recede from its disagreement to the amendment of the Senate numbered 2 and agree to the same.

That the amendment of the Senate numbered 3 is reported in disagreement.

That the House recede from its disagreement to the amendment of the Senate to the title of the House bill and agree to the same.

LEONOR K. SULLIVAN,
FRANK M. CLARK,
THOMAS L. ASHLEY,
JOHN D. DINGELL,
THOMAS DOWNING,
JAMES R. GROVER,
CHARLES A. MOSHER,
PAUL N. MCCLOSKEY, Jr.,
Managers on the Part of the House.

WARREN G. MAGNUSON,
VANCE HARTKE,
EDMUND S. MUSKIE,
TED STEVENS,
J. GLENN BEALL, Jr.,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE ON CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 13296) to authorize appropriations for the fiscal year 1975 for certain maritime programs of the Department of Commerce, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

AMENDMENT NO. 1

House bill

No comparable provision.

Senate amendment

The Senate adopted an amendment, adding a new section 3 to the House-passed bill, which amended the Shipping Act, 1916 by adding a definition of "citizen of the United States" which would include a State or a political subdivision of a State, thereby making the provisions of the Ship Mortgage Act applicable to State governments as well as to private lenders and mortgagees.

Conference amendment

Although the conferees rejected the Senate amendment, there was no disagreement about the need for the proposal and the Managers on the Part of the House agreed to act expeditiously in the 94th Congress on similar legislation if it should be approved by the Senate.

AMENDMENT NO. 2

House bill

No comparable provision.

Senate amendment

The Senate adopted an amendment, adding a new Section 4 to the House-passed bill, which would create by statute at least one regional office of the Maritime Administration for each of the four major seacoasts of the United States.

Conference agreement

The conferees agreed to the Senate amendment.

The Merchant Marine Act of 1970 (Public Law 91-469) made comprehensive amendments to the Merchant Marine Act, 1936. One such amendment was to make specific reference to the Great Lakes in section 809 of the Merchant Marine Act, 1936 (46 U.S.C. 1213). This was to give long overdue recognition to the Great Lakes as the fourth major seacoast of the United States. The Maritime Administration of the Department of Commerce implements the Merchant Marine Act, 1936 through its Washington, D.C. office, and a regional office on the Atlantic, Gulf and Pacific coasts of the United States. The conferees agreed to the Senate amendment as it would provide for a Great Lakes regional office as contemplated by the legislative history of the Merchant Marine Act of 1970. It is anticipated that this office will be established and adequately staffed before the end of the current fiscal year.

AMENDMENT NO. 3

House bill

No comparable provision.

Senate amendment

Reported in technical disagreement. The managers on the part of the Senate will offer a motion to recede from its amendment with an amendment changing paragraph (5) of the proposed new subsection (f) to read as follows:

"(5) This subsection shall apply with respect to uncompensated damage to or destruction of any vessel or the gear of such vessel occurring:

"(A) during the period from January 1, 1972, through the date of enactment of this subsection, if an application for a claim for such damage or destruction has been filed with the Federal Government during such period; and

"(B) during the period from the day after the date of enactment of this subsection through March 15, 1976.

Funds authorized under this section shall not be available for compensation under this subsection after March 15, 1976." The managers on the part of the House will move to concur in this amendment.

The Senate adopted an amendment, adding a new section 5 to the House-passed bill, which would establish a special loan program to provide for the payment of compensation to U.S. owners and operators whose vessels or gear are damaged by the actions of foreign vessels on the U.S. Continental Shelf. This amendment would amend section 4 of the Fish and Wildlife Act of 1956 (16 U.S.C. 742c: 70 Stat. 1121) which creates a more general loan program for financing or refinancing the cost of purchasing, constructing. and equipping, maintaining, repairing, or operating commercial fishing vessels or gear.

Conference substitute

The conference substitute is identical to the Senate amendment with two changes. First, the Conferees agreed to incorporate an expiration date of March 15, 1976, on this new program. This will allow the Congress to evaluate the success of this program after a year's experience. Second, the Conferees agreed to restrict the retroactive provision (paragraph 5 of the Senate amendment) to only that damage or destruction for which claims for compensation were filed with the Federal Government between January 1, 1972, and the date this amendment would become law. Those who filed such claims would also file applications for compensation, pursuant to this new program. In addition, the program would be available for compensating damage or destruction to U.S. fishing vessels

or gear occurring between the effective date of this new provision and March 15, 1976. Funds authorized under this section would not be available for compensation after March 15, 1976.

It is the intent of the Conferees that the "fisheries loan fund" provided for in subsection (c) of section 4 of the Fish and Wildlife Act of 1956 be the source of funds for compensation made pursuant to this amendment. Currently, the fund contains approximately $4,000,000. However, because of past administrative difficulties the Administration has imposed a moratorium on the use of these funds, although these difficulties may soon be resolved. Since the purposes of this amendment do not involve past differences with the general loan program and since it is tied to a compensation program which will keep the fund replenished, this moratorium should not apply to the program created by this amendment. The funds to be used are not expected to exceed $250,000 per year.

Paragraph (2) of the amendment outlines the procedures and states the basic conditions of the loan/compensation program. These procedures begin with an application by an owner or operator claiming to have had his vessel or gear either damaged or destroyed by the actions of a foreign vessel or its crew. After receiving the application, but not more than 30 days after it is filed, the Secretary of Commerce determines whether there is reason to believe that damage or destruction did, in fact, occur as a result of actions by vessels of a foreign nation. To establish a *prima facie* case, a fisherman should submit the following: (1) a copy of the vessel's log showing the location of the vessel and the location, quantity, and type of gear alleged to be lost, damaged, or destroyed; (2) a statement by an appropriate Government official (e.g. someone from the U.S. Coast Guard) that foreign vessels were known to be in the area at the approximate time the gear was lost, damaged, or destroyed; and (3) an affidavit of the owner or operator of the vessel that, to the best of his knowledge, the damage or destruction of the gear or vessel was not caused by his negligence or intentional acts, natural causes, or other U.S. fishing vessels, and that he was not operating his vessel or employing his gear in violation of any applicable laws or regulations. To knowingly falsify such statements will subject the applicant to the penalties contained in 18 U.S.C. 1001 relating to false statements.

After being satisfied that any owner or operator has a bona fide case according to the above guidelines, the Secretary is to make a non-interest bearing loan to each such owner or operator from the fisheries loan fund. The loan would essentially cover "out-of-pocket" losses of the vessel owner. It would be made in an amount equal to the replacement value of the damaged or destroyed property and the market value of fish proved to be on-board a damaged or destroyed vessel or within lost, damaged or destroyed fishing gear.

The loan is made subject to the following conditions: (1) assignment to the Secretary of Commerce of any right to recover for damages caused by foreign fishing activities; (2) the other requirements of section 4 relating to loans to the extent they are not consistent with the purpose of this amendment; and (3) any other conditions determined by the Secretary to be necessary.

As soon as an application is received, the Secretary must begin a thorough investigation of the incident alleged to have taken place. Although this investigation may be completed before a loan is made (which is unlikely), it must be completed within six months after the loan compensation application is filed. In this time frame, it is believed an adequate investigation can be efficiently completed. If the Secretary finds that the damage or destruction was indeed caused by the actions of foreign vessels, he is required to cancel repayment of the loan made and to seek recovery from the foreign nation involved. If, however, despite the truthful sworn statement of the owner or operator, the Secretary finds that the damage or destruction was caused by natural events (storms, waves, etc.) the non-interest bearing loan is to be converted into one with interest at a rate determined appropriate by the Secretary. In addition, if the owner or operator is at fault because of negligence or intentional actions, the Secretary is to require the immediate repayment of the loan with interest.

Paragraph (4) directs and authorizes the Secretaries of State and Commerce, with the help of the Attorney-General if need be, to seek recovery of damages from the foreign nation whose vessels are found to be at fault.

LEONOR K. SULLIVAN,
FRANK M. CLARK,
THOMAS L. ASHLEY,
JOHN D. DINGELL,
THOMAS DOWNING,
JAMES R. GROVER,
CHARLES A. MOSHER,
PAUL N. MCCLOSKEY, Jr.
Managers on the Part of the House.

WARREN G. MAGNUSON,
VANCE HARTKE,
EDMUND S. MUSKIE,
TED STEVENS,
J. GLENN BEALL, Jr.,
Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 14449, COMMUNITY SERVICES ACT OF 1974

Mr. PERKINS submitted the following conference report and statement on the bill (H.R. 14449), to provide for the mobilization of community development and assistance services and to establish a Community Action Administration in the Department of Health, Education, and Welfare to administer such programs:

CONFERENCE REPORT (H. REPT. No. 93-1639)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14449) to provide for the mobilization of community development and assistance services and to establish a Community Action Administration in the Department of Health, Education, and Welfare to administer such programs, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Headstart, Economic Opportunity, and Community Partnership Act of 1974".

STATEMENT OF PURPOSE

SEC. 2. It is the purpose of this Act to extend programs under the Economic Opportunity Act of 1964, including Headstart, community action, and community economic development programs; and to provide for increased involvement of State and local governments in antipoverty efforts by authorizing a community partnership program.

SHORT TITLE AND DEFINITIONS

SEC. 3. The Economic Opportunity Act of 1964 is amended by adding after Section 2 the following new sections:

"SHORT TITLE

"SEC. 101. This title and titles II through IX of this Act may be cited as the 'Community Services Act of 1974'.

"DEFINITIONS

"SEC. 102. As used in this Act—

"(1) the term 'State' means a State, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands;

"(2) the term 'United States' when used in a geographical sense includes all those places named in the previous sentence and all other places, continental or insular, subject to the jurisdiction of the United States;

"(3) the term 'financial assistance' when used in title II, part B of title III, and title VIII includes assistance advanced by grant, agreement, or contract, but does not include the procurement of plant or equipment, or goods or services;

"(4) the term 'Secretary' means the Secretary of Health, Education, and Welfare;

"(5) the term 'Administration' means the Community Services Administration; and

"(6) the term 'Director' means the Director of the Community Services Administration."

RESEARCH AND DEMONSTRATION PROGRAMS

SEC. 4. Title I of the Economic Opportunity Act of 1964 is amended to read as follows:

"TITLE I—RESEARCH AND DEMONSTRATIONS

"STATEMENT OF PURPOSE

"SEC. 101. The purpose of the title is to stimulate a better focusing of all available local, State, private, and Federal resources upon the goal of enabling low-income families, and low-income individuals of all ages, including persons of limited English-speaking ability, in rural and urban areas to attain the skills, knowledge, and motivations and secure the opportunities needed for them to become fully self-sufficient.

"RESEARCH, DEMONSTRATION, AND PILOT PROJECTS

"SEC. 102. (a) The Director may provide financial assistance through grants or contracts for research, demonstration, or pilot projects conducted by public or private agencies which are designed to test or assist in the development of new approaches or methods that will aid in overcoming special problems or otherwise furthering the purposes of this title.

"(b) The Director shall establish an overall plan to govern the approval of research, demonstration, and pilot projects and the use of all research authority under this title. Such plan shall set forth specific objectives to be achieved and priorities among such objectives. In formulating the plan, the Director shall consult with other Federal agencies for the purpose of minimizing duplication among similar activities or projects and determining whether the findings resulting from any such projects may be incorporated into one or more programs for which those agencies are responsible.

"(c) No project shall be commenced under this section unless a plan setting forth such proposed project has been submitted to the chief executive officer of the State in which the project is to be located and such plan has not been disapproved by him within thirty days of such submission, or, if so disapproved, has been reconsidered by the Director and found by him to be fully consistent with the provisions and in furtherance of the purposes of this title.

"(d) In making grants or contracts under this title, the Director shall

* * * * *

under this title in any fiscal year shall be made available for programs or projects receiving financial assistance under section 221 or 235 of this Act.

"CONSULTATION

"SEC. 103. In carrying out projects under this title, the Director shall, whenever feasible, arrange to obtain the opinions of program participants about the strengths and weaknesses of programs.

"ANNOUNCEMENT OF RESEARCH, DEMONSTRATION, AND PILOT PROJECTS

"SEC. 104. (a) The Director shall make a public announcement concerning—

"(1) the title, purpose, intended completion date, identity of the grantee or contractor, and proposed cost of any grant or contract with a private or non-Federal public agency or organization for any research, demonstration, or pilot project under this title; and

"(2) the results, findings, data, or recommendations made or reported as a result of such research, demonstration, or pilot project.

"(b) The public announcements required by subsection (a) of this section shall be made within thirty days of making any such grant or contract, and the public announcements required by subsection (b) of this section shall be made within thirty days of the receipt of such results, findings, data, or recommendations.

"(c) The Director shall take necessary action to assure that all studies, proposals, and data produced or developed with Federal funds employed under this title shall become the property of the United States.

"(d) The Director shall publish studies of the results of activities carried out pursuant to this title not later than ninety days after the completion thereof. The Director shall submit to the appropriate committees of the Congress copies of all such studies.

"PROHIBITION OF FEDERAL CONTROL

"SEC. 105. Nothing contained in this title shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system."

COMMUNITY ACTION PROGRAMS

SEC. 5 (a) Section 210 of the Economic Opportunity Act of 1964 is amended—

(1) in subsection (a) thereof, by inserting "or an Indian tribal government," before the word "which" the second place it appears therein; and

(2) by repealing subsection (f) thereof.

(b) Section 210 of such Act is further amended by adding at the end thereof the following new subsection

"(f) In carrying out his responsibilities under this part the Director may delegate functions other than policy-making functions and the final approval of grants and contracts to a State, in accordance with criteria and guidelines established by him, such functions as he deems appropriate, except that no such delegation shall take place unless all the community action agencies within such State formally indicate their approval of such proposed delegation, except that whenever such delegated functions include the authority to approve programs within such State the Director shall make available to the State, in addition to an amount not less than the amount made available to such State for State agency assistance under section 231 in the previous fiscal year, an amount in each fiscal year equal to such State's share (as determined by the formula set forth in the second sentence of section 235(a)) of the aggregate amount made available during the fiscal year ending June 30, 1974, for the operation of regional offices of the Office of Economic Opportunity."

(c)(1) Paragraph (1) of section 222(a) of such Act is repealed.

(2) Paragraph (2) of section 222(a) of such Act is repealed.

(3) Paragraph (6) of section 222(a) of such Act is repealed.

(4) Paragraph (8) of section 222(a) of such Act is repealed.

(5) Paragraph (9) of section 222(a) of such Act is repealed.

(d)(1) Section 222(a) of the Economic Opportunity Act of 1964 is amended by inserting after paragraph (11) the following:

"(12) a program to be known as 'Emergency Energy Conservation Services' designed to enable low-income individuals and families, including the elderly and the near poor, to participate in energy conservation programs designed to lessen the impact of the high cost of energy on such individuals and families and to reduce individual and family energy consumption. The Director is authorized to provide financial and other assistance for programs and activities, including, but not limited to, an energy conservation and education program; winterization of old or substandard dwellings, improved space conditioning, and insulation; emergency loans, grants, and revolving funds to install energy conservation technologies and to deal with increased housing expenses relating to the energy crisis; alternative fuel supplies, special fuel voucher or stamp programs; alternative transportation activities designed to save fuel and assure continued access to training, education, and employment; appropriate outreach efforts; furnishing personnel to act as coordinators, providing legal or technical assistance, or otherwise representing the interests of the poor in efforts relating to the energy crisis; nutrition, health, and other supportive services in emergency cases; and evaluation of programs and activities under this paragraph. Such assistance may be provided as a supplement to any other assistance extended under the provisions of this Act or under other provisions of Federal law. The Director after consultation with the Administrator of the Federal Energy Office and appropriate Federal departments and agencies shall establish procedures and take other appropriate action necessary to insure that the effects of the energy crisis on low-income persons, the elderly, and the near poor are taken into account in the formulation and administration of programs relating to the energy crisis.

"(13) A program to be known as 'Summer Youth Recreation' designed to provide recreational opportunities for low-income children during the summer months. Funds made available for this section shall be allocated by the Director, after consultation with the Secretary of Labor, among prime sponsors and other agencies designated under title I of the Comprehensive Employment and Training Act of 1973 on the basis of (1) the relative number of public assistance recipients in the area served by such prime sponsor or agency, as compared to the Nation; (2) the relative number of unemployed persons in such area as compared with the Nation; and (3) the relative number of related children living with families with incomes below the poverty line in such area, as compared to the Nation. That part of any allotment which the Director determines will not be needed may be reallotted, at such dates during the fiscal year as the Director may fix, to the extent feasible, in proportion to the original allotments. In making allocations under this section, the Director shall insure, to the maximum extent possible, that for the program commencing in the fiscal year ending June 30, 1975, and for the program in each succeeding fiscal year no prime sponsor or other designated agency shall receive an amount less than the amount received for such programs during the fiscal year ending June 30, 1973, or the fiscal year ending June 30, 1974, whichever is higher."

(2) Section 226(d) and section 228(c) are each amended by striking out "shall make whatever arrangements are necessary" and inserting in lieu thereof "is authorized to make whatever arrangements are necessary".

(e)(1) Section 225(a) of the Economic Opportunity Act of 1964 is amended by striking out the third sentence thereof and inserting in lieu thereof the following: "The remainder shall be allotted among the States, in accordance with the latest available data, so that equal proportions are distributed on the basis of (1) the relative number of public assistance recipients in each State as compared to all States, (2) the relative number of unemployed persons in each State as compared to all States, and (3) the relative number of related children living with families with incomes below the poverty line in each State as compared to all States. For purposes of this subsection, the Director shall utilize the criteria of poverty used by the Bureau of the Census in compiling the 1970 decennial census. The Director shall insure that for the fiscal year ending June 30, 1975, and for each succeeding fiscal year, no State shall be allotted for programs under section 221 and section 222(a) an amount which is less than the amount received for use within such State for programs described in such sections during the fiscal year ending June 30, 1974.".

(2) Section 225(c) of such Act is amended by striking out "shall not exceed 90 per centum of the approved cost of the assisted programs or activities and thereafter shall not exceed 80 per centum of such costs" and inserting in lieu thereof the following: "shall not exceed 80 per centum of the approved cost of the assisted programs or activities with respect to fiscal year 1975, and 70 per centum of such costs with respect to fiscal year 1976, and shall not exceed 60 per centum of such costs with respect to fiscal year 1977, except that in the case of community action agencies receiving such financial assistance annually of $300,000 or less, such financial assistance shall not exceed 75 per centum of such costs with respect to fiscal year 1976, and shall not exceed 70 per centum of such costs with respect to fiscal year 1977".

(f) The Economic Opportunity Act of 1964 is further amended by inserting after section 234 thereof the following new sections:

"DEMONSTRATION COMMUNITY PARTNERSHIP AGREEMENTS

"SEC. 235. (a) The Director may provide financial assistance from funds appropriated to carry out this section to community action agencies or public or private nonprofit agencies designated under section 210 for programs authorized under this title, and to State economic opportunity offices for programs and activities authorized under section 231(a). Financial assistance extended to a community action agency or other agency pursuant to this section may be used for new programs or to supplement existing programs and shall not exceed 50 per centum of the cost of such new or supplemental programs.

"(b) Matching local and State funds supplied under this section shall be in cash and shall represent State and local initiatives newly obligated within the previous year to the purposes of the grant-supported activity; and no program shall be approved for assistance under this section unless the Director satisfies himself (1) that the activities to be carried out under such program will be in addition to, and not in substitution for, activities previously carried on without Federal assistance, (2) that funds or other resources devoted to programs designed to meet the

needs of the poor within the community, area, or State will not be diminished in order to provide the contributions required under this section. The requirement imposed by the preceding sentence shall be subject to such regulations as the Secretary may adopt and promulgate establishing objective criteria for determinations covering situations where a strict application of that requirement would result in unnecessary hardship or otherwise be inconsistent with the purposes sought to be achieved.

"(c) The provisions of section 242 of this Act shall not apply to assistance provided under this section.

"INTERGOVERNMENTAL ADVISORY COUNCIL ON COMMUNITY SERVICES

"SEC. 236. (a) There shall be established within the Office of Economic Opportunity or successor authority an Intergovernmental Advisory Council on Community Services (referred to in this section as the 'Council').

"(b) The Council shall be composed of nine members who shall be appointed by the President as follows:

"(i) Three members shall be appointed from among representatives of States and county and municipal governments or organizations which represent such governmental units, selected on an equitable political and geographic basis after considering recommendations made by the National Governors' Conference, the National League of Cities-United States Conference of Mayors, the National Association of Counties and similar organizations representative of State and local government.

"(ii) Three members shall be appointed from among representatives of community action agencies and other grantees under this Act or organizations which represent such agencies and grantees, selected on an equitable political and geographic basis after considering recommendations previously made by the Director of the Office of Economic Opportunity.

"(iii) Three members shall be appointed from among representatives of labor, management, and other sectors which have demonstrated active interest in community action and antipoverty programs.

"(c) The Council shall—

"(1) encourage the formation of community partnership agreements;

"(2) review the substance of such agreements and any regulations, guidelines, or other program criteria with respect thereto and advise the Director thereon prior to final approval thereof;

"(3) evaluate the effectiveness of such agreements in meeting the purposes of this Act;

"(4) conduct a continuing survey throughout the Nation on the extent to which, and terms under which, public and private resources have been and may be available for antipoverty efforts;

"(5) identify and encourage means of increasing resources available for such activities; and

"(6) submit annual reports to the President and to the Congress on or before March 1, 1976, and March 1, 1977, with respect to its activities and findings, together with such recommendations for legislation as it may deem appropriate.

"(d) The Director shall provide the Council with such information as shall be necessary for the Council to discharge its functions under this section and shall furnish the Council with copies of all grant applications within ten days of receipt thereof.

"FUNDS AVAILABLE

"SEC. 237. There is also authorized to be appropriated not to exceed $50,000,000 to carry out section 235 during the fiscal year 1975, and such sums as may be necessary during each of the two succeeding fiscal years, except that in no event may more than 12½ per centum of such additional amounts be used in any one State."

ASSISTANCE FOR MIGRANT AND OTHER SEASONALLY EMPLOYED FARMWORKERS AND THEIR FAMILIES

SEC. 6. (a) Section 312(b)(3) of the Economic Opportunity Act of 1964 is amended by striking out "and training" and inserting in lieu thereof "and developmental programs".

(b) The Economic Opportunity Act of 1964 is further amended by inserting after section 314 thereof the following new section:

"SPECIAL RESPONSIBILITIES

"SEC. 315. The Director shall be responsible for coordinating programs under this part with other Federal programs designed to assist or serve migrant and seasonal farmworkers, and for reviewing and monitoring such programs."

(c) In providing financial assistance under the provisions of part B of title III of the Economic Opportunity Act of 1964, the Director shall give special consideration to any public or private nonprofit agency which has previously received financial assistance thereunder for the provision of services for migrant and other seasonally employed farmworkers and their families, taking into account financial assistance provided to any such agency under section 303 of the Comprehensive Employment and Training Act of 1973.

COMPREHENSIVE HEALTH SERVICES

SEC. 7. Title IV of the Economic Opportunity Act of 1964 is amended to read as follows:

"TITLE IV—COMPREHENSIVE HEALTH SERVICES

"COMPREHENSIVE HEALTH SERVICES

"SEC. 401. (a) The Secretary shall establish within the Department of Health, Education, and Welfare a 'Comprehensive Health Services' program which shall include—

"(1) programs to aid in developing and carrying out comprehensive health services projects focused upon the needs of urban and rural areas having high concentrations or proportions of poverty and marked inadequacy of health services for the poor. These projects shall be designed—

"(A) to make possible, with maximum feasible use of existing agencies and resources, the provision of comprehensive health services, such as preventive medical, diagnostic, treatment, rehabilitation, family planning, narcotic addiction and alcoholism prevention and rehabilitation, mental health, dental, and followup services, together with necessary related facilities and services, except in rural areas where the lack of even elemental health services and personnel may require simpler, less comprehensive services to be established first; and

"(B) to assure that these services are made readily accessible to low-income residents of such areas, are furnished in a manner most responsive to their needs and with their participation and wherever possible are combined with, or included within, arrangements for providing employment, education, social, or other assistance needed by the families and individuals served, except that pursuant to such regulations as the Secretary of Health, Education, and Welfare may prescribe, persons provided assistance through programs assisted under this paragraph who are not members of low-income families may be required to make payment, or have payment made in their behalf, in whole or in part for such assistance; and

"(2) programs to provide financial assistance to public or private agencies to projects designed to develop knowledge or enhance skills in the field of health services for the poor. Such projects shall encourage both prospective and practicing health professionals to direct their talents and energies toward providing health services for the poor. Funds for financial assistance under paragraph (1) of this subsection shall be allotted according to need, and capacity of applicants to make rapid and effective use of that assistance, and may be used as necessary, to pay the full costs of projects. Before approving any project, the Secretary shall solicit and consider the comments and recommendations of the local medical associations in the area and shall consult with appropriate Federal, State, and local health agencies and take such steps as may be required to assure that the program will be carried on under competent professional supervision and that existing agencies providing related services are furnished all assistance needed to permit them to plan for participation in the program and for the necessary continuation of those related services. In carrying out the provisions of paragraph (2) of this subsection, the Secretary is authorized to provide or arrange for training and study in the field of health services for the poor.

"(c) Pursuant to regulations prescribed by him, the Secretary may arrange for the payment of stipends and allowances (including travel and subsistence expenses) for persons undergoing such training and study and for their dependents.

"(d) The Secretary shall achieve effective coordination of programs and projects authorized under this section with other related activities.

"DRUG REHABILITATION AND ALCOHOLIC COUNSELING AND RECOVERY PROGRAMS

"SEC. 402. In addition to the authority conferred under section 401 of this title the Secretary is authorized, as part of the Comprehensive Health Services programs, to carry out the following programs:

"(1) An 'Alcoholic Counseling and Recovery' program designed to discover and treat the disease of alcoholism. Such program should be community based, serve the objective of the maintenance of the family structure as well as the recovery of the individual alcoholic, encourage the use of neighborhood facilities and the services of recovered alcoholics as counselors, and emphasize the reentry of the alcoholic into society rather than the institutionalization of the alcoholic.

"(2) A 'Drug Rehabilitation' program designed to discover the causes of drug abuse and addiction, to treat narcotics and drug addiction and the dependence associated with drug abuse, and to rehabilitate the drug abuser and drug addict. Such program should deal with the abuse or addiction resulting from the use of narcotic drugs such as heroin, opium, and cocaine, stimulants such as amphetamines, depressants, marihuana, hallucinogens, and tranquilizers. Such program should be community based, serve the objective of the maintenance of the family structure as well as the recovery of the individual drug abuser or addict, encourage the use of neighborhood facilities and the services of recovered drug abusers and addicts as counselors, and emphasize the reentry of the drug abuser and addict into society rather than his institutionalization. The Director is authorized to undertake special programs aimed at promoting employment opportunities for rehabilitated addicts or addicts enrolled and participating in methadone maintenance treatment or therapeutic programs, and assisting employers in dealing with addiction and drug abuse and dependency problems among

formerly hardcore unemployed so that they can be maintained in employment. In undertaking such programs, the Director shall give special priority to veterans and employers of significant numbers of veterans, with priority to those areas within the States having the highest percentages of addicts. The Director is further authorized to establish procedures and policies which will allow clients to complete a full course of rehabilitation even though they become non-low-income by virtue of becoming employed as a part of the rehabilitation process but there shall be no change in income eligibility criteria for initial admission to treatment and rehabilitation programs under this Act."

HEADSTART AND FOLLOW THROUGH

SEC. 8. (a) Title V of the Economic Opportunity Act of 1964 is amended by striking out the heading thereof and all of such title preceding part B thereof (which is hereby redesignated as part D) and inserting in lieu thereof the following:

"TITLE V—HEADSTART AND FOLLOW THROUGH

SHORT TITLE

"SEC. 501. This title may be cited as the 'Headstart-Follow Through Act' (hereinafter in this title referred to as the 'Act').

"STATEMENT OF PURPOSE

"SEC. 502. In recognition of the role which Project Headstart has played in the effective delivery of comprehensive health, educational, nutritional, social, and other services to economically disadvantaged children and their families, the Act extends the authority for appropriation of funds for that program.

"POLICY WITH RESPECT TO INDIAN AND MIGRANT CHILDREN

"SEC. 503. In carrying out the purposes of Part A the Secretary shall continue the administrative arrangement responsible for meeting the needs of migrant and Indian children and shall assure that appropriate funding is provided to meet such needs.

"PART A—HEADSTART PROGRAMS

"FINANCIAL ASSISTANCE FOR HEADSTART PROGRAMS

"SEC. 511. The Secretary may upon application by an agency which is eligible for designation as a Headstart agency pursuant to section 514, provide financial assistance to such agency for the planning, conduct, administration, and evaluation of a Headstart program focused primarily upon children from low-income families who have not reached the age of compulsory school attendance which (1) will provide such comprehensive health, nutritional, educational, social, and other services as will aid the children to attain their full potential, and (2) will provide for direct participation of the parents of such children in the development, conduct, and overall program direction at the local level.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 512. There are authorized to be appropriated for carrying out the purposes of this part such sums as may be necessary for fiscal years 1975 through 1977.

"ALLOTMENT OF FUNDS; LIMITATIONS ON ASSISTANCE

"SEC. 513. (a) Of the sums appropriated pursuant to section 512 for any fiscal year beginning after June 30, 1975, the Secretary shall allot not more than 2 per centum among Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands, according to their respective needs. In addition, the Secretary shall reserve not more than 20 per centum of the sums so appropriated for use in accordance with such criteria and procedures as he may prescribe. The remainder shall be allotted among the States, in accordance with the latest satisfactory available data, so that equal proportions are distributed on the basis of (1) the relative number of public assistance recipients in each State as compared to all States, and (2) the relative number of related children living with families with incomes below the poverty line in each State as compared to all States; but there shall be made available, for use by Headstart programs within each State, no less funds for any fiscal year than were obligated for use by Headstart programs within such State with respect to fiscal year 1975. Allocation of such increases within each State shall, to the extent feasible, be made in such manner as to reflect the proportionate increases in program costs incurred by grantees, in accordance with regulations which the Secretary shall prescribe for this purpose. For the purpose of this subsection, the Secretary shall utilize the criteria of poverty used by the Bureau of the Census in compiling the 1970 decennial census.

"(b) Financial assistance extended under this part for a Headstart program shall not exceed 80 per centum of the approved costs of the assisted program or activities, except that the Secretary may approve assistance in excess of such percentage if he determines, in accordance with regulations establishing objective criteria, that such action is required in furtherance of the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, or services. The Secretary shall not require non-Federal contributions in excess of 20 per centum of the approved costs of programs or activities assisted under this part.

"(c) No program shall be approved for assistance under this part unless the Secretary is satisfied that the services to be provided under such program will be in addition to, and not in substitution for, comparable services previously provided without Federal assistance. The requirement imposed by the preceding sentence shall be subject to such regulations as the Secretary may prescribe.

"(d) The Secretary shall establish policies and procedures designed to assure that for fiscal year 1975 not less than 10 per centum of the total number of enrollment opportunities in Headstart programs in the Nation shall be available for handicapped children and that for fiscal year 1976 and thereafter no less than 10 percentum of the total number of enrollment opportunities in Head Start programs in each State shall be available for handicapped children (as defined in paragraph (1) of section 602 of the Education of the Handicapped Act) and that services shall be provided to meet their special needs. The Secretary shall report to the Congress at least annually on the status of handicapped children in Headstart programs, including the number of children being served, their handicapping conditions, and the services being provided such children.

"(e) The Secretary shall adopt appropriate administrative measures to assure that the benefits of this part will be distributed equitably between residents of rural and urban areas.

"DESIGNATION OF HEADSTART AGENCIES

"SEC. 514. (a) The Secretary is authorized to designate as a Headstart agency any local public or private nonprofit agency which (1) has the power and authority to carry out the purposes of this part and perform the functions set forth in section 515 within a community, and (2) is determined by the Secretary to be capable of planning, conducting, administering, and evaluating, either directly or by other arrangements, a Headstart program.

"(b) For the purposes of this title, a community may be a city, county, multicity, or multicounty unit within a State, an Indian reservation, or a neighborhood or other area (irrespective of boundaries or political subdivisions) which provides a suitable organization base and possesses the commonality of interest needed to operate a Headstart program.

"(c) In the administration of the provisions of this section, the Secretary shall give priority in the designation of Headstart agencies to any local public or private nonprofit agency which is receiving funds under any Headstart program on the date of the enactment of this Act, except that the Secretary shall, before giving such priority, determine that the agency involved meets program and fiscal requirements established by the Secretary.

"POWERS AND FUNCTIONS OF HEADSTART AGENCIES

"SEC. 515. (a) In order to be designated as a Headstart agency under this part, an agency must have authority under its charter or applicable law to receive and administer funds under this part, funds and contributions from private or local public sources which may be used in support of a Headstart program, and funds under any Federal or State assistance program pursuant to which a public or private nonprofit agency (as the case may be) organized in accordance with this part, could act as grantee, contractor, or sponsor of projects appropriate for inclusion in a Headstart program. Such an agency must also be empowered to transfer funds so received, and to delegate powers to other agencies, subject to the powers of its governing board and its overall program responsibilities. This power to transfer funds and delegate powers must include the power to make transfers and delegations covering component projects in all cases where this will contribute to efficiency and effectiveness or otherwise further program objectives.

"(b) In order to be so designated, a Headstart agency must also (1) establish effective procedures by which parents and area residents concerned will be enabled to influence the character of programs affecting their interests, (2) provide for their regular participation in the implementation of such programs, and (3) provide technical and other support needed to enable parents and area residents to secure on their own behalf available assistance from public and private sources.

"SUBMISSION OF PLANS TO GOVERNORS

"SEC. 516. In carrying out the provisions of this part, no contract, agreement, grant, or other assistance shall be made for the purpose of carrying out a Headstart program within a State unless a plan setting forth such proposed contract, agreement, grant, or other assistance has been submitted to the Governor of the State, and such plan has not been disapproved by the Governor within thirty days of such submission, or, if so disapproved, has been reconsidered by the Secretary and found by him to be fully consistent with the provisions and in furtherance of the purposes of this part. Funds to cover the costs of the proposed contract, agreement, grant, or other assistance shall be obligated from the appropriation which is current at the time the plan is submitted to the Governor. This section shall not, however, apply to contracts, agreements, grants, loans, or other assistance to any institution of higher education in existence on the date of enactment of this Act.

"ADMINISTRATIVE REQUIREMENTS AND STANDARDS

"SEC. 517. (a) Each Headstart agency shall observe standards of organization, manage-

ment, and administration which will assure, so far as reasonably possible, that all program activities are conducted in a manner consistent with the purposes of this part and the objective of providing assistance effectively, efficiently, and free of any taint of partisan political bias or personal or family favoritism. Each such agency shall establish or adopt rules to carry out this section, which shall include rules to assure full staff accountability in matters governed by law, regulations, or agency policy. Each agency shall also provide for reasonable public access to information, including but not limited to public hearings at the request of appropriate community groups and reasonable public access to books and records of the agency or other agencies engaged in program activities or operations involving the use of authority or funds for which it is responsible. Each such agency shall adopt for itself and other agencies using funds or exercising authority for which it is responsible, rules designed to establish specific standards governing salaries, salary increases, travel and per diem allowances, and other employee benefits; to assure that only persons capable of discharging their duties with competence and integrity are employed and that employees are promoted or advanced under impartial procedures calculated to improve agency performance and effectiveness; to guard against personal or financial conflicts of interests; and to define employee duties in an appropriate manner which will in any case preclude employees from participating, in connection with the performance of their duties, in any form of picketing, protest, or other direct action which is in violation of law.

"(b) No financial assistance shall be extended under the Act in any case in which the Secretary determines that the costs of developing and administering a program assisted under the Act exceed 15 per centum of the total costs, including non-Federal contributions to such costs, of such program. The Secretary shall establish by regulation, criteria for determining (i) the costs of developing and administering such program and (ii) the total costs of such program. In any case in which the Secretary determines that the cost of administering such program does not exceed 15 per centum and such total costs but is, in his judgment, excessive, he shall forthwith require the recipient of such financial assistance to take such steps prescribed by him as will eliminate such excessive administrative cost, including the sharing by one or more Headstart agencies of a common director and other administrative personnel. The Secretary may waive the limitation prescribed by this paragraph for specific periods of time not to exceed six months whenever he determines that such a waiver is necessary in order to carry out the purposes of the Act.

"(c) The Secretary shall prescribe rules or regulations to supplement subsection (a) of this section, which shall be binding on all agencies carrying on Headstart program activities with financial assistance under this part. He may, where appropriate, establish, special or simplified requirements for smaller agencies or agencies operating in rural areas. Policies and procedures shall be established to insure that indirect costs attributable to the common or joint use of facilities and services by programs assisted under this part and other programs shall be fairly allocated among the various programs which utilize such facilities and services.

"(d) At least thirty days prior to their effective date, all rules, regulations, guidelines, instructions and application forms shall be published in the Federal Register and shall be sent to each grantee with the notification that each such grantee has the right to submit comments pertaining thereto to the Secretary prior to the final adoption thereof.

"PARTICIPATION IN HEADSTART PROGRAMS

"SEC. 518. (a) The Secretary shall by regulation prescribe eligibility for the participation of persons in Headstart programs assisted under this part. Such criteria may provide (1) that children from low-income families shall be eligible for participation in programs assisted under this part if their families are below the poverty line, or if their families are eligible or in the absence of child care would potentially be eligible for public assistance; and (2) pursuant to such regulations as the Secretary shall prescribe that programs assisted under this part may include, to a reasonable extent, participation of children in the area served who would benefit from such programs but whose families do not meet the low-income criteria prescribed pursuant to clause (1).

"(b) The Secretary shall not prescribe any fee schedule or otherwise provide for the charging of any fees for participation in Headstart programs, unless such fees are authorized by legislation hereafter enacted. Nothing in this subsection shall be construed to prevent the families of children who participate in Headstart programs and who are willing and able to pay the full cost of such participation from doing so.

"APPEALS, NOTICE, AND HEARING

"SEC. 519. The Secretary shall prescribe procedures to assure that—

"(1) special notice of and an opportunity for a timely and expeditious appeal to the Secretary will be provided for an agency or organization which desires to serve as a delegate agency under this part and whose application to the Headstart agency has been wholly or substantially rejected or has not been acted upon within a period of time deemed reasonable by the Secretary, in accordance with regulations which he shall prescribe;

"(2) financial assistance under this part shall not be suspended, except in emergency situations, unless the recipient agency has been given reasonable notice and opportunity to show cause why such action should not be taken; and

"(3) financial assistance under this part shall not be terminated, an application for refunding shall not be denied, and a suspension of financial assistance shall not be continued for longer than thirty days, unless the recipient has been afforded reasonable notice and opportunity for a full and fair hearing.

"RECORDS AND AUDITS

"SEC. 520. (a) Each recipient of financial assistance under this part shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such financial assistance, the total cost of the project or undertaking in connection with which such financial assistance is given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients that are pertinent to the financial assistance received under this part.

"TECHNICAL ASSISTANCE AND TRAINING

"SEC. 521. The Secretary may provide, directly or through grants or other arrangements, (1) technical assistance to communities in developing, conducting, and administering programs under this part, and (2) training for specialized or other personnel needed in connection with Headstart programs.

"RESEARCH, DEMONSTRATION, AND PILOT PROJECTS

"SEC. 522. (a) The Secretary may provide financial assistance through grants or contracts for research, demonstration, or pilot projects conducted by public or private agencies which are designed to test or assist in the development of new approaches or methods that will aid in overcoming special problems or otherwise in furthering the purposes of this part.

"(b) The Secretary shall establish an overall plan to govern the approval of research, demonstration, or pilot projects and the use of all research authority under this part. Such plan shall set forth specific objectives to be achieved and priorities among such objectives.

"ANNOUNCEMENT OF RESEARCH, DEMONSTRATION, AND PILOT PROJECTS CONTRACTS

"SEC. 523. (a) The Secretary shall make a public announcement concerning—

"(1) the title, purpose, intended completion date, identity of the grantee or contractor, and proposed cost of any grant or contract with a private or non-Federal public agency or organization for any research, demonstration, or pilot project under this title; and

"(2) the results, findings, data, or recommendations made or reported as a result of such activities.

"(b) The public announcements required by subsection (a) of this section shall be made within thirty days of making such grants or contracts, and the public announcements required by subsection (b) of this section shall be made within thirty days of the receipt of such results.

"(c) The Director shall take necessary action to assure that all studies, proposals, and data produced or developed with Federal funds employed under this title shall become the property of the United States.

"(d) The Director shall publish studies of the results of activities carried out pursuant to this title not later than ninety days after the completion thereof. The Director shall submit to the appropriate committees of the Congress copies of all such studies.

"EVALUATION

"SEC. 524. (a) The Secretary shall provide, directly or through grants or contracts, for the continuing evaluation of programs under this part, including evaluations that measure and evaluate the impact of programs authorized by this part, in order to determine their effectiveness in achieving stated goals, their impact on related programs, and their structure and mechanisms for delivery of services, including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such programs. Evaluations shall be conducted by persons not directly involved in the administration of the program or project evaluation.

"(b) Prior to obligating funds for the programs and projects covered by this part with respect to fiscal year 1976, the Secretary shall develop and publish general standards for evaluation of program and project effectiveness in achieving the objectives of this part. The extent to which such standards have been met shall be considered in deciding whether to renew or supplement financial assistance authorized under this part.

"(c) In carrying out evaluations under this part, the Secretary may require Headstart agencies to provide for independent evaluations.

"(d) In carrying out evaluations under this part, the Secretary shall, whenever feasible, arrange to obtain the specific views of persons participating in and served by programs and projects assisted under this part about such programs and projects.

"(e) The Secretary shall publish the results of evaluative research and summaries of evaluations of program and project impact and effectiveness not later than ninety days after the completion thereof. The Secretary shall submit to the appropriate committees of the Congress copies of all such research studies and evaluation summaries.

"(f) The Secretary shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with assistance under this part shall become the property of the United States.

"POVERTY LINE

"SEC. 525. (a) The Secretary shall revise annually (or at any shorter interval he deems feasible and desirable) a poverty line which, except as provided in section 711, shall be used as a criterion of eligibility for participation in Headstart programs.

(b) The revision required by subsection (a) of this section shall be accomplished by multiplying the official poverty line (as defined by the Office of Management and Budget) by the percentage change in the Consumer Price Index during the annual or other interval immediately preceding the time at which the revision is made.

(c) Revisions required by subsection (a) of this section shall be made and issued not more than thirty days after the date on which the necessary Consumer Price Index data becomes available.

"PART B—FOLLOW THROUGH PROGRAMS

"FINANCIAL ASSISTANCE FOR FOLLOW THROUGH PROGRAMS

"SEC. 551. (a) (1) The Secretary is authorized to provide financial assistance in the form of grants to local educational agencies, combinations of such agencies, and, as provided in paragraph (2) of this subsection, any other public or appropriate nonprofit private agencies, organizations, and institutions for the purpose of carrying out Follow Through programs focused primarily on children from low-income families in kindergarten and primary grades, including such children enrolled in private nonprofit elementary schools, who were previously enrolled in Headstart or similar programs.

"(2) Whenever the Secretary determines (A) that a local educational agency receiving assistance under paragraph (1) is unable or unwilling to include in a Follow Through program children enrolled in nonprofit private schools who would otherwise be eligible to participate therein, or (B) that it is otherwise necessary in order to accomplish the purposes of this section, he may provide financial assistance for the purpose of carrying out a Follow Through program to any other public or appropriate nonprofit private agency, organization, or institution.

"(3) Programs to be assisted under this section shall provide such comprehensive services as the Secretary determines will aid in the continued development of children described in paragraph (1) to their full potential. Such projects shall provide for the direct participation of the parents of such children in the development, conduct, and overall direction of the program at the local level. If the Secretary determines that participation in the project of children who are not from low-income families will serve to carry out the purposes of this section, he may provide for the inclusion of such children from non-low-income families, but only to the extent that their participation will not dilute the effectiveness of the services designed for children described in paragraph (1) of this subsection.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 552. (a) There are authorized to be appropriated for carrying out the purposes of this part $60,000,000 for the fiscal year 1975, and for each of the two succeeding fiscal years. Funds so appropriated shall remain available for obligation and expenditure during the fiscal year succeeding the fiscal year for which they are appropriated.

"(b) Financial assistance extended under this part for a Follow Through program shall not exceed 80 per centum of the approved costs of the assisted program or activities, except that the Secretary may approve assistance in excess of such percentage if he determines, in accordance with regulations establishing objective criteria, that such action is required in furtherance of the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, or services. The Secretary shall not require non-Federal contributions in excess of 20 per centum of the approved costs of programs or activities assisted under this part.

"(c) No project shall be approved for assistance under this part unless the Secretary is satisfied that the services to be provided under such project will be in addition to, and not in substitution for, services previously provided without Federal assistance. The requirement imposed by the preceding sentence shall be subject to such regulations as the Secretary may adopt.

"RESEARCH, DEMONSTRATION, AND PILOT PROJECTS; EVALUATION; AND TECHNICAL ASSISTANCE ACTIVITIES

"SEC. 553. (a) In conjunction with other activities authorized by this part, the Secretary may—

"(1) provide financial assistance, by contract or otherwise, for research, demonstration, or pilot projects conducted by public or private agencies which are designed to test or assist in the development of new approaches or methods that will aid in overcoming special problems or otherwise in furthering the purposes of this part;

"(2) provide, directly or through grants or contracts, for the continuing evaluation of projects assisted under this part, including evaluations that describe and measure the impact of such projects, their effectiveness in achieving stated goals, their impact on related programs, and their structure and mechanisms for delivery of services, including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such projects, which evaluations shall be conducted by persons not directly involved in the administration of the project evaluated; and

"(3) provide, directly or through grants or other appropriate arrangements, (A) technical assistance to Follow Through programs in developing, conducting, and administering programs under this part, and (B) training for specialized or other personnel which is needed in connection with Follow Through programs.

"SPECIAL CONDITIONS

"SEC. 554. (a) Recipients of financial assistance under this part shall provide maximum employment opportunities for residents of the area to be served, and to parents of children who are participating in projects assisted under this part.

"(b) Financial assistance under this part shall not be suspended for failure to comply with applicable terms and conditions, except in emergency situations, nor shall an application for refunding be denied, unless the recipient agency has been given reasonable notice and opportunity to show cause why such action should not be taken.

"(c) Financial assistance under this part shall not be terminated for failure to comply with applicable terms and conditions unless the recipient has been afforded reasonable notice and opportunity for a full and fair hearing.

"PART C—GENERAL PROVISIONS

"DEFINITIONS

"SEC. 571. As used in this title, the term—

"(1) 'Secretary' means the Secretary of Health, Educatiton, and Welfare;

"(2) 'State' means a State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands; except that when used in section 513 (a) of this title, this term means only a State, Puerto Rico, or the District of Columbia; and

"(3) 'financial assistance' includes assistance provided by grant, agreement, or contract, and payments may be made in installments and in advance or by way of reimbursement with necessary adjustments on account of overpayments or underpayments.

"LABOR STANDARDS

"SEC. 572. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration, or repair, including painting and decorating of projects, buildings, and works which are federally assisted under this title shall be paid wages at rates not less 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 Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133—133z–15), and section 2 of the Act of June 1, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(C)).

"COMPARABILITY OF WAGES

"SEC. 573. (a) The Secretary shall take such action as may be necessary to assure that persons employed in carrying out programs financed under this title shall not receive compensation at a rate which is (1) in excess of the average rate of compensation paid in the area where the program is carried out to a substantial number of the persons providing substantially comparable services, or in excess of the average rate of compensation paid to a substantial number of the persons providing substantially comparable services in the area of the person's immediately preceding employment, whichever is higher, or (2) less than the minimum wage rate prescribed in section 6(a)(1) of the Fair Labor Standards Act of 1938.

"NONDISCRIMINATION PROVISIONS

"SEC. 574. (a) The Secretary shall not provide financial assistance for any program, project, or activity under this title unless the grant or contract with respect thereto specifically provides that no person with responsibilities in the operation thereof will discriminate with respect to any such program, project, or activity because of race, creed, color, national origin, sex, political affiliation, or beliefs.

"(b) No person in the United States shall on the ground of sex be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with any program or activity receiving assistance under this title. The Director shall enforce the provisions of the preceding sentence in accordance with section 602 of the Civil Rights Act of 1964. Section 603 of such Act shall apply with respect to any action taken by the Secretary to enforce such sentence. This section shall not be construed as affecting any other legal remedy that a person may have if that person is excluded from participation in, denied the benefits of, subjected to dis-

crimination under, or denied employment in connection with, any program, project, or activity receiving assistance under this title.

"LIMITATION WITH RESPECT TO CERTAIN UNLAWFUL ACTIVITIES

"SEC. 575. No individual employed or assigned by any Headstart agency or other agency assisted under this title shall, pursuant to or during the performance of services rendered in connection with any program or activity conducted or assisted under this part by such Headstart agency or such other agency, plan, initiate, participate in, or otherwise aid or assist in the conduct of any unlawful demonstration, rioting, or civil disturbance.

"POLITICAL ACTIVITIES

"SEC. 576. (a) For purposes of chapter 15 of title 5 of the United States Code any agency which assumes responsibility for planning, developing, any coordinating Headstart programs and receives assistance under this title shall be deemed to be a State or local agency; and for purposes of clauses (1) and (2) of section 1502(a) of such title any agency receiving assistance under this part shall be deemed to be a State or local agency.

"(b) Programs assisted under this title shall not be carried on in a manner involving the use of program funds, the provision of services, or the employment or assignment of personnel in a manner supporting or resulting in the identification of such programs with (1) any partisan or nonpartisan political activity or any other political activity associated with a candidate, or contending faction or group, in an election for public or party office, (2) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election, or (3) any voter registration activity. The Secretary, after consultation with the Civil Service Commission, shall issue rules and regulations to provide for the enforcement of this section, which shall include provisions for summary suspension of assistance or other action necessary to permit enforcement on an emergency basis.

"ADVANCE FUNDING

"SEC. 577. For the purpose of affording adequate notice of funding available under this title, appropriations for carrying out this part are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation."

(b) The Economic Opportunity Act of 1964 is further amended by striking out "Director" each place it appears in sections 522 and 523 and inserting in lieu thereof "Secretary", by striking out "and the Secretary of Health, Education, and Welfare" in section 522(d), and by striking out "their jurisdictions" in section 522(d) and inserting in lieu thereof "his jurisdiction".

(c) Sections 521 through 523 of the Economic Opportunity Act of 1964 are redesignated as sections 581 through 583, respectively.

(d)(1) Section 2 of the Child Abuse Prevention and Treatment Act is amended by adding at the end thereof the following new subsection:

"(c) The Secretary may carry out his functions under subsection (b) of this section either directly or by way of grant or contract.".

(2) Section 4 of such Act is amended by adding at the end thereof the following new subsection:

"(e) For the purpose of this section, the term 'State' includes each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, Guam and the Trust Territories of the Pacific.".

ADMINISTRATION

SEC. 9. (a) Section 601 of the Economic Opportunity Act of 1964 is amended to read as follows:

"COMMUNITY SERVICES ADMINISTRATION

"SEC. 601. (a) Upon the date of enactment of the Headstart, Economic Opportunity, and Community Partnership Act of 1974, there is established within the executive branch an agency known as the 'Community Services Administration' which shall be headed by a Director and which shall be, in all respects and for all purposes, the successor authority to the Office of Economic Opportunity. The Director of the Administration shall be appointed by the President by and with the advice and consent of the Senate. The Director shall be compensated at a rate equal to the rate in effect for the compensation of the Director of the Office of Economic Opportunity on the date of the enactment of such Act.

"(b) There shall also be in the Administration one Deputy Director and Assistant Directors, who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director and the Assistant Directors shall perform such functions as the Director may prescribe. The Deputy Director and the Assistant Directors shall be compensated at a rate equal to the rate in effect for the Deputy Director and the Assistant Directors, respectively, of the Office of Economic Opportunity on the date of enactment of the Headstart, Economic Opportunity, and Community Partnership Act of 1974.

"(c) Subject to the provisions of subsection (e) of this section, the Administration shall be an independent agency. The Director shall have the responsibility for carrying out titles I, II, III–B, VI, VII, and IX of this Act. The functions of the Director with respect to carrying out titles I, II (except section 232), III–B, VI, VII, and IX of this Act shall not be delegated to any other officer not directly responsible, both with respect to program operation and administration, to the Director. Beginning after June 15, 1975, the policy-making functions, including the final approval of grants and contracts, of the Director, shall not be delegated to any regional office or official.

"(d)(1) All official actions taken by the Director of the Office of Economic Opportunity, his designee, or any other person under the authority of the Economic Opportunity Act of 1964 which are in force on the date of the enactment of the Headstart, Economic Opportunity, and Community Partnership Act of 1974, and for which there is continuing authority under the provisions of this Act, shall continue in full force and effect until modified, superseded, or revoked by the Director.

"(2) All references to the Office of Economic Opportunity, or to the Director of the Office of Economic Opportunity, in any statute, reorganization plan, executive order, regulation, or other official document or proceeding shall, on and after such date, be deemed to refer to the Administration, or to the Director, as the case may be.

"(3) No suit, action, or other proceeding, and no cause of action, by or against the Office of Economic Opportunity, or any action by any officer thereof acting in his official capacity, shall abate by reason of the enactment of the Headstart, Economic Opportunity, and Community Partnership Act of 1974.

"(4) Persons appointed by the President, by and with the advice and consent of the Senate, to positions in the Office of Economic Opportunity, requiring appointment by and with such advice and consent, may, if the President so desires, continue to serve in comparable positions in the Administration; but the President may submit to the Senate nominations for appointment to any or all positions in the Administration, requiring the advice and consent of the Senate.

"(e)(1) After March 15, 1975, the President may submit to the Congress a reorganization plan which, subject to the provisions of paragraph (2) of this subsection, shall take effect if such reorganization plan is not disapproved by enactment of a joint resolution which shall be considered in Congress in accordance with the provisions of paragraph (3) of this subsection and the procedures established with respect to reorganization plans by chapter 9 of title 5, United States Code, except to the extent otherwise provided in this Act.

"(2) A reorganization plan submitted in accordance with the provisions of paragraph (1) shall provide—

"(A) for establishing in the Department of Health, Education, and Welfare a community * * * Administration

"(i) which shall be headed by a Director,

"(ii) which shall be the principal agency, and the Director of which shall be the principal officer, for carrying out titles I, II, III–B, VI, and IX of this Act, and which, with respect to such provisions, shall be the successor authority to the Community Services Administration established by subsection (a) of this section,

"(iii) the Director of which shall be, in the performance of his functions, directly responsible to the Secretary, and

"(iv) in which no policy-making functions, including the final approval of grants or contracts, of the Director shall be delegated to any regional office or official.

"(B) for establishing in the Department of Commerce a Community Economic Development Administration—

"(i) which shall be headed by a Director,

"(ii) which shall be the principal agency, and the Director of which shall be the principal officer, for carrying out title VII of this Act, and which, with respect to such provisions, shall be the successor authority to the Community Services Administration established by subsection (a) of this section,

"(iii) the Director of which shall be, in the performance of his functions, directly responsible to the Secretary, and

"(iv) in which no policy-making functions, including the final approval of grants or contracts, of the Director shall be delegated to any regional office or official.

"(3) For the purpose of this subsection and chapter 9, title 5, United States Code, to the event incorporated by this subsection, the following provisions apply:

"(A) The term 'resolution' means a joint resolution the matter after the resolving clause of which is: 'That the Congress of the United States disapproves the Community Services Administration Reorganization Plan transmitted to the Congress by the President on ————, 19——.' The blank spaces therein are to be appropriately filled.

"(B) If, prior to the passage by one House of the joint resolution of that House with respect to the reorganization plan, such House receives from the other House a joint resolution with respect to the same plan, then the following procedures applies;

"(i) If no resolution of the first House with respect to such plan has been referred to committee, no other resolution with respect to the same plan may be reported or (despite the provisions of section 912(a) of title 5, United State Code), be made the subject of a motion to discharge.

"(ii) If a resolution of the first House with respect to such plan has been referred to committee—

"(I) the procedure with respect to that or other resolutions of such House with respect to such plan which have been referred to

committee shall be the same as if no resolution from the other House with respect to such plan had been received; but

"(II) on any vote on final passage of a resolution of the first House with respect to such plan the resolution from the other House with respect to such plan shall be automatically substituted for the resolution of the first House."

"(4) The transfers authorized under subparagraphs (A) and (B) of paragraph (3) of this subsection shall be effective 30 days after the last date on which such reorganization plan could be disapproved under this subsection.

"(f) In the event that the reorganization plan pursuant to subsection (e) takes effect, the Director of the Community Services Administration and the Director of the Community Economic Development Administration shall each be appointed by the President, by and with the advice and consent of the Senate, except that the person serving as Director of the independent Community Services Administration pursuant to the advice and consent of the Senate may, if the President notifies the Congress accordingly, continue to serve as Director of the Community Services Administration within the Department of Health, Education, and Welfare; but the President may in such event submit to the Senate a nomination for such position.

"(g) In the event that the reorganization plan pursuant to subsection (e) of this section takes effect, on the effective date thereof the property, records, and unexpended balances of appropriations, allocations, and other funds employed, used, held, available, or to be made available in connection with the functions of the Director of the independent Community Services Administration, established by subsection (a) of this section, shall be transferred to the Director of the Community Services Administration, within the Department of Health, Education, and Welfare and the Director of the Economic Development Administration within the Department of Commerce, as appropriate. All grants, applications for grants, contracts, and other agreements awarded or entered into by the Director of the independent Community Services Administration shall continue to be recognized so that there is no disruption of ongoing activities for which there is continuing authority.

"(h)(1) In the event that the reorganization plan pursuant to subsection (e) of this section takes effect, on the effective date thereof all Federal personnel employed by the independent Community Services Administration under the authorization and appropriations for the Economic Opportunity Act of 1964, transferred to the Community Services Administration within the Department of Health, Education, and Welfare or to the Community Economic Development Administration within the Department of Commerce shall, to the extent feasible, be assigned to related functions and organizational units in the appropriate Administration, without loss of salary, rank, or other benefits, including the right to representation and to the existing basic collective-bargaining agreement.

"(2) In the event that the reorganization plan pursuant to subsection (e) of this section takes effect, on the effective date thereof all official actions taken by the Director of the independent Community Services Administration, his designee, or any other person under the authority of the Economic Opportunity Act of 1964 which are in force on such date, and for which there is continuing authority under the provisions of this Act, shall continue in full force and effect until modified, superseded, or revoked by the Director of the Community Services Administration within the Department of Health, Education and Welfare or the Director of the Community Economic Development Administration within the Department of Commerce, as appropriate.

(3) In the event that the reorganization plan submitted pursuant to subsection (e) of this section takes effect, on the effective date thereof all references to the independent Community Services Administration or to the Director of that Administration in any statute, reorganization plan, executive order, regulation, or other official document or proceeding shall, on and after such date, be deemed to refer to the Community Services Administration within the Department of Health, Education and Welfare, or the Director of the Community Economic Development Administration, in the Department of Commerce as appropriate, or to the Director of either such Administration, as the case may be.

(4) In the event that the reorganization plan submitted pursuant to subsection (e) of this section takes effect, on the effective date thereof no suit, action, or other proceeding, and no cause of action, by or against the independent Community Services Administration, or any action by any officer thereof acting in his official capacity, shall abate by reason of the taking effect of such plan."

(b) Section 28 of the Economic Opportunity Amendments of 1972 (86 Stat. 705, September 19, 1972) is repealed effective on the date on which a reorganization plan is effective under subsection (c) of this section.

(c) The Economic Opportunity Act of 1964 is further amended by—

(1) striking out "Office of Economic Opportunity" and "Office" each time that they appear in section 602(d) and inserting in lieu thereof "Community Services Administration";

(2) striking out "Office of Economic Opportunity" in section 603(c) and inserting in lieu thereof "Community Services Administration";

(3) striking out "in the Office" in section 605(a) and inserting in lieu thereof "in the Community Services Administration";

(4) striking out "Office of Economic Opportunity" in section 632(2) and inserting in lieu thereof "Community Services Administration";

(5) striking out "of the Office of Economic Opportunity" in section 637(b)(2), and inserting in lieu thereof "of the Community Services Administration"; and

(6) repealing section 609 of such Act.

(d) Section 625 of the Economic Opportunity Act of 1964 is amended to read as follows:

"CRITERIA FOR DETERMINING ELIGIBILITY

"SEC. 625. (a) Every agency administering programs authorized by this Act in which the poverty line is a criterion of eligibility shall revise the poverty line at annual intervals, or at any shorter interval it deems feasible and desirable.

"(b) The revision required by subsection (a) of this section shall be accomplished by multiplying the official poverty line (as defined by the Office of Management and Budget) by the percentage change in the Consumer Price Index during the annual or other interval immediately preceding the time at which the revision is made.

"(c) Revisions required by subsection (a) of this section shall be made and issued not more than thirty days after the date on which the necessary consumer price index data becomes available."

"(e) The Economic Opportunity Act of 1964 is further amended by inserting after section 625 the following new sections:

"CRIMINAL PROVISIONS

"SEC. 626. (a) Whoever, being an officer, director, agent, or employee of, or connected in any capacity with, any agency receiving financial assistance under this Act embezzles, willfully misapplies, steals, or obtains by fraud any of the moneys, funds, assets, or property which are the subject of a grant or contract of assistance pursuant to this Act, shall be fined not more than $10,000 or imprisoned for not more than two years, or both; but if the amount so embezzled, misapplied, stolen, or obtained by fraud does not exceed $100, he shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"(b) Whoever, by threat of procuring dismissal of any person from employment or of refusal to employ or refusal to renew a contract of employment in connection with a grant or contract of assistance under this Act induces any person to give up any money or thing of any value to any person (including such grantee agency), shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"WITHHOLDING CERTAIN FEDERAL TAXES BY ANTIPOVERTY AGENCIES

"SEC. 627. Upon notice from the Secretary of the Treasury or his delegate that any person otherwise entitled to receive a payment made pursuant to a grant, contract, agreement, loan or other assistance made or entered into under this Act is delinquent in paying or depositing (1) the taxes imposed on such person under chapters 21 and 23 of the Internal Revenue Code of 1954, or (2) the taxes deducted and withheld by such person under chapters 21 and 24 of such Code, the Director shall suspend such portion of such payment due to such person, which, if possible, is sufficient to satisfy such delinquency, and shall not make or enter into any new grant, contract, agreement, loan or other assistance under this Act with such person until the Secretary of the Treasury or his delegate has notified him that such person is no longer delinquent in paying or depositing such tax or the Director determines that adequate provision has been made for such payment. In order to effectuate the purpose of this section on a reasonable basis the Secretary of the Treasury and the Director shall consult on a quarterly basis."

COMMUNITY ECONOMIC DEVELOPMENT

SEC. 10. (a) Title VII of the Economic Opportunity Act of 1964 is amended to read as follows:

"TITLE VII—COMMUNITY ECONOMIC DEVELOPMENT

"STATEMENT OF PURPOSE

"SEC. 701. The purpose of this title is to encourage the development of special programs by which the residents of urban and rural low-income areas may, through self-help and mobilization of the community at large, with appropriate Federal assistance, improve the quality of their economic and social participation in community life in such a way as to contribute to the elimination of poverty and the establishment of permanent economic and social benefits.

"DEFINITION

"SEC. 702. As used in this title the term 'community development corporation' means a nonprofit organization responsible to residents of the area it serves which is receiving financial assistance under part A of this title and any organization more than 50 per centum of which is owned by such an organization, or otherwise controlled by such an organization, or designated by such an organization for the purpose of this title.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 703. For the purpose of carrying out this title, there are authorized to be appropriated $39,000,000 and such additional sums as may be necessary for fiscal year 1975 and such sums as may be necessary for each of the two succeeding fiscal years.

"PART A—URBAN AND RURAL SPECIAL IMPACT PROGRAMS

"STATEMENT OF PURPOSE

"SEC. 711. The purpose of this part is to establish special programs of assistance to nonprofit private locally initiated community development corporations which (1) are directed to the solution of the critical problems existing in particular communities or neighborhoods (defined without regard to political or other subdivisions or boundaries) within those urban and rural areas having concentrations or substantial numbers of low-income persons; (2) are of sufficient size, scope, and duration to have an appreciable impact in such communities, neighborhoods, and rural areas in arresting tendencies toward dependency, chronic unemployment, and community deterioration; (3) hold forth the prospect of continuing to have such impact after the termination of financial assistance under this part, and (4) provide financial and other assistance to start, expand, or locate enterprises in or near the area to be served so as to provide employment and ownership opportunities for residents of such areas, including those who are disadvantaged in the labor market because of their limited speaking, reading, and writing abilities in the English language.

"ESTABLISHMENT AND SCOPE OF PROGRAMS

"SEC. 712. (a) The Director is authorized to provide financial assistance in the form of grants to nonprofit and for profit community development corporations and other affiliated and supportive agencies and organizations associated with qualifying community development corporations for the payment of all or part of the cost of programs which are designed to carry out the purposes of this part. Financial assistance shall be provided so that each community economic development program is of sufficient size, scope, and duration to have an appreciable impact on the area served. Such programs may include—

"(1) community economic and business development programs, including but not limited to: (A) programs which provide financial and other assistance (including equity capital) to start, expand, or locate businesses in or near the area served so as to provide employment and ownership opportunities for residents of such areas, and (B) programs for small businesses located in or owned by residents of such areas;

"(2) community development including industrial parks and housing activities which contribute to an improved environment and which create new training, employment, and ownership opportunities for residents of such area;

"(3) training and public service employment programs and related services for unemployed or low-income persons which support and complement community development programs financed under this part, including, without limitation, activities such as those described in the Comprehensive Employment and Training Act of 1973; and

"(4) social service programs which support and complement community economic development programs financed under this part, including but not limited to child care, educational services, health services, credit counseling, energy conservation, and programs for the maintenance of housing facilities.

"(b) The Director shall conduct programs assisted under this part so as to contribute, on an equitable basis between urban and rural areas, to the elimination of poverty and the establishment of permanent economic and social benefits in such areas.

"FINANCIAL ASSISTANCE REQUIREMENTS

"SEC. 713. (a) The Director, under such regulations as he may establish, shall not provide financial assistance for any community economic development program under this part unless he determines that—

"(1) such community development corporation is responsible to residents of the area served (i) through a governing body not less than 50 per centum of the members of which are area residents and (ii) in accordance with such other guidelines as may be established by the Director, except that the composition of the governing bodies of organizations owned or controlled by the community development corporation need not be subject to such residency requirement;

"(2) the program will be appropriately coordinated with local planning under this title, with housing and community development programs, with employment and training programs, and with other relevant planning for physical and human resources in the areas served;

"(3) adequate technical assistance is made available and committed to the programs being supported;

"(4) such financial assistance will materially further the purposes of this part;

"(5) the applicant is fulfilling or will fulfill a need for services, supplies, or facilities which is otherwise not being met;

"(6) all projects and related facilities will, to the maximum feasible extent, be located in the areas served;

"(7) projects will, where feasible, promote the development of entrepreneurial and management skills and the ownership or participation in ownership of assisted businesses and housing, cooperatively or otherwise, by residents of the area served;

"(8) projects will be planned and carried out with the fullest possible participation of resident or local businessmen and representatives of financial institutions, including participation through contract, joint venture, partnership, stock ownership or membership on the governing boards or advisory councils of such projects consistent with the self-help purposes of this title;

"(9) no participant will be employed on projects involving political parties, or the construction, operation, or maintenance of so much of any facility as is used or to be used for sectarian instruction or as a place for religious worship;

"(10) the program will not result in the displacement of employed workers or impair existing contracts for services, or result in the substitution of Federal or other funds in connection with work that would otherwise be performed;

"(11) the rates of pay for time spent in work-training and education, and other conditions of employment, will be appropriate and reasonable in the light of such factors as the type of work, geographical region, and proficiency of the participant;

"(12) the program will, to the maximum extent feasible, contribute to the occupational development or upward mobility of individual participants;

"(13) preference will be given to low-income or economically disadvantaged residents of the areas served in filling jobs and training opportunities; and

"(14) training programs carried out in connection with projects financed under this part shall be designed wherever feasible to provide those persons who successfully complete such training with skills which are also in demand in communities, neighborhoods, or rural areas other than those for which programs are established under this part.

"(b) Financial assistance under this section shall not be extended to assist in the relocation of establishments from one location to another if such relocation would result in an increase in unemployment in the area of original location.

"(c) The level of financial assistance for related purposes under this Act, or any other program for Federal financial assistance, to the area served by a special impact program shall not be diminished in order to substitute funds authorized by this part.

"FEDERAL SHARE OF PROGRAM COSTS

"SEC. 714. Federal assistance to any program carried out pursuant to this part, including grants used by community development corporations for capital improvements, shall (1) not exceed 90 per centum of the cost of such program including costs of administration unless the Director determines that the assistance in excess of such percentage is required in furtherance of the purposes of this part, and (2) be made available for deposit to the order of the grantee, under conditions which the Director deems appropriate, within thirty days following approval of the grant agreement by the Director and such grantee of the grant agreement. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services. Capital investments made with funds granted as a result of the Federal share of the costs of programs carried out under this title, and the proceeds from such capital investments, shall not be considered Federal property. Upon investment, title rights vest in the community development corporation. The Federal Government retains the right to direct that on severance of the grant relationship the assets purchased continue to be used for the original purpose for which they were granted.

"PART B—SPECIAL RURAL PROGRAMS

"STATEMENT OF PURPOSE

"SEC. 721. It is the purpose of this part to meet the special economic needs of rural communities or areas with concentrations or substantial numbers of low-income persons by providing support to self-help programs which promote economic development and independence, as a supplement to existing similar programs conducted by other departments and agencies of the Federal Government. Such programs should encourage low-income families to pool their talents and resources so as to create and expand rural economic enterprise.

"FINANCIAL ASSISTANCE

"SEC. 722. (a) The Director is authorized to provide financial assistance, including loans having a maximum maturity of 15 years and in amounts not resulting in an aggregate principal indebtedness of more than $3,500 at any one time, to any low-income rural family where, in the judgment of the Director, such financial assistance has a reasonable possibility of effecting a permanent increase in the income of such families, or will contribute to the improvement of their living or housing conditions, by assisting or permitting them to—

"(1) acquire or improve real estate or reduce encumbrances or erect improvements thereon;

"(2) operate or improve the operation of farms not larger than family sized, including but not limited to the purchase of feed, seed, fertilizer, livestock, poultry, and equipment; or

"(3) participate in cooperative associations, or to finance nonagricultural enterprises which will enable such families to supplement their income.

"(b) The Director is authorized to provide financial assistance to local cooperative associations in rural areas containing concentrations or substantial numbers of low-income persons for the purpose of defraying all or part of the costs of establishing and operating cooperative programs for farming, purchasing, marketing, processing, and to improve their income as producers and

their purchasing power as consumers, and to provide such essentials as credit and health services. Costs which may be defrayed shall include but not be limited to—

"(1) administrative costs of staff and overhead;

"(2) costs of planning and developing new enterprises;

"(3) costs of acquiring technical assistance; and

"(4) initial capital where it is determined by the Director that the poverty of the families participating in the program and the social conditions of the rural area require such assistance.

"LIMITATION ON ASSISTANCE

"SEC. 723. (a) No financial assistance shall be provided under this part unless the Director determines that—

"(1) any cooperative association receiving assistance has a minimum of fifteen active members, a majority of which are low-income rural persons;

"(2) adequate technical assistance is made available and committed to the programs being supported;

"(3) such financial assistance will materially further the purposes of this part; and

"(4) the applicant is fulfilling or will fulfill a need for services, supplies, or facilities which is otherwise not being met.

"(b) The level of financial assistance for related purposes under this Act to the area served by a program under this part shall not be diminished in order to substitute funds authorized by this part.

"PART C—DEVELOPMENT LOANS TO COMMUNITY ECONOMIC DEVELOPMENT PROGRAMS

"DEVELOPMENT LOAN FUND

"SEC. 731. (a) The Director is authorized to make or guarantee loans (either directly or in cooperation with banks or other organizations through agreements to participate on an immediate or deferred basis) to community development corporations, and families and local cooperatives eligible for financial assistance under this title, for business, housing, and community development projects which the Director determines will carry out the purposes of this part. No loans, guarantees, or other financial assistance shall be provided under this section unless the Director determines that—

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

"(2) the loan is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs; and

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

Loans made by the Director pursuant to this section shall bear the interest at a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus such additional charge if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes, except that, for the five years following the date in which funds are initially available to the borrower, the rate of interest shall be set at a rate considered appropriate by the Director in light of the particular needs of the borrower which rate shall not be lower than 1 per centum. All such loans shall be repayable within a period of not more than thirty years.

"(b) The Director is authorized to adjust interest rates, grant moratoriums on repayment of principal and interest, collect or compromise any obligations held by him, and to take such other actions in respect to such loans as he shall determine to be necessary or appropriate, consistent with the purposes of this section.

"(c)(1) To carry out the lending and guaranty functions authorized under this part, there shall be established a Development Loan Fund consisting of two separate accounts, one of which shall be a revolving fund called the Rural Development Loan Fund and the other of which shall be a revolving fund called the Community Development Loan Fund. The capital of each such revolving fund shall remain available until expended.

"(2) The Rural Development Loan Fund shall consist of the remaining funds provided for in part A of title III of this Act and such amounts as may be deposited in such Fund by the Director out of funds made available from appropriations for the purposes of carrying out this part. The Director shall utilize the services of the Farmers Home Administration in administering the Fund.

"(3) The Community Development Loan Fund shall consist of such amounts as may be deposited in such fund by the Secretary out of funds made available from appropriations for the purpose of carrying out this subchapter. The Secretary may make deposits in the Community Development Loan Fund in any fiscal year in which he has made available for grants to community development corporations under part B of this title not less than $60,000,000 out of funds made available from appropriations for the purpose of carrying out this title.

"ESTABLISHMENT OF MODEL COMMUNITY ECONOMIC DEVELOPMENT FINANCE CORPORATION

"SEC. 732. (a) To the extent he deems appropriate, the Director shall utilize funds available under this part to prepare a plan of action for the establishment of a Model Community Economic Development Finance Corporation to provide a user-controlled independent and professionally operated long-term financing vehicle with the principal purpose of providing financial support for community economic development corporations, cooperatives, other affiliated and supportive agencies and organizations associated with community economic development corporations, and other entities eligible for assistance under this title.

"(b) Not later than June 1, 1975, the Director shall submit to the appropriate committees of the Congress the plan required by this section.

"PART D—SUPPORTIVE PROGRAMS AND ACTIVITIES

"TRAINING AND TECHNICAL ASSISTANCE

"SEC. 741. (a) The Director shall provide, directly or through grants, contracts, or other arrangements, such technical assistance and training of personnel as may be required to effectively implement the purposes of this title. No financial assistance shall be provided to any public or private organization under this section unless the Director provides the beneficiaries of these services with opportunity to participate in the selection of and to review the quality and utility of the services furnished them by such organization.

"(b) Technical assistance to community development corporations and both urban and rural cooperatives may include planning, management, legal preparation of feasibility studies, product development, marketing, and the provision of stipends to encourage skilled professionals to engage in full-time activities under the direction of a community organization financially assisted under this title.

"(c) Training for employees of community development corporations and for employees and members of urban and rural cooperatives shall include, but not be limited to, on-the-job training, classroom instruction, and scholarships to assist them in development, managerial, entrepreneurial, planning, and other technical and organizational skills which will contribute to the effectiveness of programs assisted under this subchapter.

"APPLICATIONS OF OTHER FEDERAL RESOURCES—SMALL BUSINESS ADMINISTRATION PROGRAMS

"SEC. 742. (a)(1) Funds granted under this part which are invested, directly or indirectly, in a small business investment company or a local development company, * * * small business investment company shall be included as 'private paid-in capital and paid-in surplus,' combined paid-in capital and paid-in surplus,' and 'paid-in capital' for purposes of sections 302, 303, and 502, respectively, of the Small Business Investment Act of 1958.

"(2) Within ninety days of the enactment of this title, the Administrator of the Small Business Administration, after consultation with the Secretary, shall prescribe such regulations as may be necessary and appropriate to insure the availability to community development corporations of such programs as shall further the purposes of this part.

"(b)(1) Areas selected for assistance under this title shall be deemed 'redevelopment areas' within the meaning of section 401 of the Public Works and Economic Development Act of 1965, shall qualify for assistance under the provisions of title I and title II of that Act, and shall be deemed to have met the overall economic development program requirements of section 202(b)(10) of such Act.

"(2) Within ninety days of the enactment of this title, the Secretary shall prescribe regulations which will insure that community development corporations and cooperatives shall qualify for assistance and shall be eligible to receive such assistance under all such programs of the Economic Development Administration as shall further the purposes of this title.

"DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PROGRAMS

"SEC. 743. The Secretary of Housing and Urban Development, after consultation with the Director, shall take all necessary steps to assist community development corporations and local cooperative associations to qualify for and receive (1) such assistance in connection with technical assistance, counseling to tenants and homeowners, and loans to sponsors of low- and moderate-income housing under section 106 of the Housing and Urban Development Act of 1968 as amended by section 811 of the Housing and Community Development Act of 1974, (2) such land for housing and business location and expansion under title I of the Housing and Community Development Act of 1974, and (3) such funds for comprehensive planning under section 701 of the Housing Act of 1954 as amended by section 401 of the Housing and Community Development Act of 1974, as shall further the purposes of this Act.

"DEPARTMENT OF AGRICULTURE AND FARMERS HOME ADMINISTRATION PROGRAMS

"SEC. 744 (a). The Secretary of Agriculture or, where appropriate, the Administrator of the Farmers Home Administration, after consultation with the Director, shall take all necessary steps to insure that community development corporations and local cooperative associations shall qualify for and shall receive (1) such assistance in connection with housing development under the Housing Act of 1949, (2) such assistance in connection with housing, business, industrial, and community development under the Consolidated Farmers Home Administration Act of 1961 and the Rural Development Act of

1972, and (3) such further assistance under all such programs of the United States Department of Agriculture, as shall further the purposes of this title.

"(b) On or before six months after the enactment of this title, and annually thereafter, the Secretary shall submit to the Congress a detailed report setting forth a description of all Federal agency programs which he finds relevant to achieving the purposes of this part and the extent to which such programs have been made available to community development corporations receiving financial assistance under this part including specifically the availability and effectiveness of programs referred to in subsection (a) of this section. Where appropriate, the report required under this subsection also shall contain recommendations for the more effective utilization of Federal agency programs for carrying out the purposes of this title.

"COORDINATION AND ELIGIBILITY

"SEC. 745. (a) The Director shall take all necessary and appropriate steps to encourage Federal departments and agencies and State and local governments to make grants, provide technical assistance, enter into contracts, and generally support and cooperate with community development corporations and local cooperative associations.

"(b) Eligibility for assistance under other Federal programs shall not be denied to any applicant on the ground that it is a community development corporation or any other entity assisted under this title.

"EVALUATION AND RESEARCH

"SEC. 746. (a) Each program for which grants are made under this title shall provide for a thorough evaluation of the effectiveness of the program in achieving its purposes, which evaluation shall be conducted by such public or private organizations as the Director, in consultation with existing grantees familiar with programs carried out under this Act, may designate, and all or part of the costs of evaluation may be paid from funds appropriated to carry out this part. In evaluating the performance of any community development corporation funded under part A of this title, the criteria for evaluation shall be based upon such program objectives, goals, and priorities as are consistent with the purposes of this title and were set forth by such community development corporation in its proposal for funding as approved and agreed upon by the Director or as subsequently modified from time to time by mutual agreement between the Director and such community development corporation.

"(b) The Director shall conduct, either directly or through grants or other arrangements, research designed to suggest new programs and policies to achieve the purposes of this title in such ways as to provide opportunities for employment, ownership, and a better quality of life for low-income residents.

"PLANNING GRANTS

"SEC. 747. In order to facilitate the purposes of this title, the Director is authorized to provide financial assistance to any public or private nonprofit agency or organization for planning of community economic development programs and cooperative programs under this title.

"NONDISCRIMINATION PROVISIONS

"SEC. 748. (a) The Director shall not provide financial assistance for any program, project, or activity under this title unless the grant or contract with respect thereto specifically provides that no person with responsibilities in the operation thereof will discriminate with respect to any such program, project, or activity because of race, creed, color, national origin, sex, political affiliation, or beliefs.

"(b) No person in the United States shall on the ground of sex be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with any program or activity receiving assistance under this title. The Director shall enforce the provisions of the preceding sentence in accordance with section 602 of the Civil Rights Act of 1964. Section 603 of such Act shall apply with respect to any action taken by the Secretary to enforce such sentence. This section shall not be construed as affecting any other legal remedy that a person may have if that person is excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in connection with, any program, project, or activity receiving assistance under this title."

NATIVE AMERICAN PROGRAMS

SEC. 11. The Economic Opportunity Act of 1964 is further amended by inserting after title VII thereof the following new title VIII:

"TITLE VIII—NATIVE AMERICAN PROGRAMS

"SHORT TITLE

"SEC. 801. This title may be cited as the 'Native American Programs Act of 1974'.

"STATEMENT OF PURPOSE

"SEC. 802. The purpose of this title is to promote the goal of economic and social self-sufficiency for American Indians, Hawaiian Natives, and Alaskan Natives.

"FINANCIAL ASSISTANCE FOR NATIVE AMERICAN PROJECTS

"SEC. 803. (a) The Secretary is authorized to provide financial assistance to public and nonprofit private agencies, including but not limited to, governing bodies of Indian tribes on Federal and State reservations, Alaskan Native villages and regional corporations established by the Alaska Native Claims Settlement Act, and such public and nonprofit private agencies serving Hawaiian Natives, and Indian organizations in urban or rural nonreservation areas, for projects pertaining to the purposes of this title. In determining the projects to be assisted under this title, the Secretary shall consult with other Federal agencies for the purpose of eliminating duplication or conflict among similar activities or projects and for the purpose of determining whether the findings resulting from those projects may be incorporated into one or more programs for which those agencies are responsible.

"(b) Financial assistance extended to an agency under this title shall not exceed 80 per centum of the approved costs of the assisted project, except that the Secretary may approve assistance in excess of such percentage if he determines, in accordance with regulations establishing objective criteria, that such action is required in furtherance of the purposes of this title. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plan, equipment, and services. The Secretary shall not require non-Federal contributions in excess of 20 per centum of the approved costs of programs or activities assisted under this title.

"(c) No project shall be approved for assistance under this title unless the Secretary is satisfied that the activities to be carried out under such project will be in addition to, and not in substitution for, comparable activities previously carried out without Federal assistance, except that the Secretary may waive this requirement in any case in which he determines, in accordance with regulations establishing objective criteria, that application of the requirement would result in unnecessary hardship or otherwise be inconsistent with the purposes of this title.

"TECHNICAL ASSISTANCE AND TRAINING

"SEC. 804. The Secretary may provide, directly or through other arrangements, (1) technical assistance to public and private agencies in developing, conducting, and administering projects under this title, and (2) short-term in-service training for specialized or other personnel which is needed in connection with projects receiving financial assistance under this title.

"RESEARCH, DEMONSTRATION, AND PILOT PROJECTS

"SEC. 805. (a) The Secretary may provide financial assistance through grants or contracts for research, demonstration, or pilot projects conducted by public or private agencies which are designed to test or assist in the development of new approaches or methods that will aid in overcoming special problems or otherwise furthering the purposes of this title.

"(b) The Secretary shall establish an overall plan to govern the approval of research, demonstration, and pilot projects and the use of all research authority under this title. The plan shall set forth specific objectives to be achieved and priorities among such objectives.

"ANNOUNCEMENT OF RESEARCH, DEMONSTRATION, OR PILOT PROJECTS

"SEC. 806. (a) The Secretary shall make a public announcement concerning—

"(1) the title, purpose, intended completion date, identity of the grantee or contractor, and proposed cost of any grant or contract with a private or non-Federal public agency for a research, demonstration, or pilot project; and

"(2) except in cases in which the Secretary determines that it would not be consistent with the purposes of this title, the results, findings, data, or recommendations made or reported as a result of such activities.

"(b) The public announcements required by subsection (a) shall be made within thirty days of making such grants or contracts, and the public announcements required by subsection (b) of this section shall be made within thirty days of the receipt of such results.

"SUBMISSION OF PLANS TO STATE AND LOCAL OFFICIALS

"SEC. 807. (a) No financial assistance may be provided to any project under section 803 of this title or any research, demonstration, or pilot project under section 805 of this title, which is to be carried out on or in an Indian reservation or Alaskan Native village, unless a plan setting forth the project has been submitted to the governing body of that reservation or village and the plan has not been disapproved by the governing body within thirty days of its submission.

"(b) No financial assistance may be provided to any project under section 803 of this title or any research, demonstration, or pilot project under section 805 of this title, which is to be carried out in a State other than on or in an Indian reservation or Alaskan Native village or Hawaiian Homestead, unless the Secretary has notified the chief executive officer of the State of his decision to provide that assistance.

"(c) No financial assistance may be provided to any project under section 803 of this title or any research, demonstration, or pilot project under section 805 of this title, which is to be carried out in a city, county, or other major political subdivision of a State, other than on or in an Indian reservation or Alaskan Native village, or Hawaiian Homestead, unless the Secretary has notified the local governing officials of the political subdivision of his decision to provide that assistance.

"RECORDS AND AUDITS

"SEC. 808. (a) Each agency which receives financial assistance under this title shall keep such records as the Secretary may prescribe, including records which fully disclose the amount and disposition by that agency of such financial assistance, the total cost of the

project in connection with which such financial assistance is given or used, the amount of that portion of the cost of the project supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Secretary and the Comptroller General of the United States, or any of their authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of any agency which receives financial assistance under this title that are pertinent to the financial assistance received under this title.

"APPEALS, NOTICE, AND HEARING

"SEC. 809. The Secretary shall prescribe procedures to assure that—

"(1) financial assistance under this title shall not be suspended, except in emergency situations, unless the assisted agency has been given reasonable notice and opportunity to show cause why such action should not be taken; and

"(2) financial assistance under this title shall not be terminated, and application for refunding shall not be denied, and a suspension of financial assistance shall not be continued for longer than thirty days, unless the assisted agency has been afforded reasonable notice and opportunity for a full and fair hearing.

"EVALUATION

"SEC. 810. (a) The Secretary shall provide, directly or through grants or contracts, for the evaluation of projects assisted under this title, including evaluations that describe and measure the impact of such projects, their effectiveness in achieving stated goals, their impact on related programs, and their structure and mechanisms for delivery of services, including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such projects. Evaluations shall be conducted by persons not directly involved in the administration of the program or project evaluated.

"(b) Prior to obligating funds for the programs and projects covered by this title with respect to fiscal year 1976, the Secretary shall develop and publish general standards for evaluation of program and project effectiveness in achieving the objectives of this title. The extent to which such standards have been met shall be considered in deciding whether to renew or supplement financial assistance authorized under this title.

"(c) In carrying out evaluations under this title, the Secretary may require agencies which receive assistance under this title to provide for independent evaluations.

"(d) In carrying out evaluations under this title, the Secretary shall, whenever feasible, arrange to obtain the specific views of persons participating in and served by programs and projects assisted under this title about such programs and projects.

"(e) The Secretary shall publish the results of evaluative research and summaries of evaluations of program and project impact and effectiveness not later than ninety days after the completion thereof. The Secretary shall submit to the appropriate committees of the Congress copies of all such research studies and evaluation summaries.

"(f) The Secretary shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with assistance under this title shall become the property of the United States.

"LABOR STANDARDS

"SEC. 811. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration, or repair, including painting or decorating, of buildings or other facilities in connection with projects assisted under this title, 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. The Secretary of Labor shall have, with regard to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950, and section 2 of the Act of June 1, 1934.

"DELEGATION OF AUTHORITY

"SEC. 812. (a) The Secretary is authorized to delegate to the heads of other departments and agencies of the Federal Government any of his functions, powers, and duties under this title, as he may deem appropriate, and to authorize the redelegation of such functions, powers, and duties by the heads of such departments and agencies.

"(b) Departments and agencies of the Federal Government shall exercise their powers, duties, and functions in such manner as will assist in carrying out the objectives of this title.

"(c) Funds appropriated for the purpose of carrying out this title may be transferred between departments and agencies of the Government, if such funds are used for the purposes for which they are authorized and appropriated.

"DEFINITIONS

"SEC. 813. As used in this title, the term—

"(1) 'financial assistance' includes assistance advanced by grant, agreement, or contract, but does not include the procurement of plant or equipment, or goods or service;

"(2) 'Indian reservation or Alaskan Native village' includes the reservation of any federally or State recognized Indian tribe, including any band, nation, pueblo, or rancheria, any former reservation in Oklahoma, any community under the jurisdiction of an Indian tribe, including a band, nation, pueblo, or rancheria, with allotted lands or lands subject to a restriction against alienation imposed by the United States or a State, and any lands of or under the jurisdiction of an Alaskan Native village or group, including any lands selected by Alaskan Natives or Alaskan Native organizations under the Alaska Native Claims Settlement Act;

"(3) 'Native Hawaiian' means any individual any of whose ancestors were natives of the area which consists of the Hawaiian Islands prior to 1778.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 814. There are authorized to be appropriated for the purpose of carrying out the provisions of this title, such sums as may be necessary for fiscal years 1975 through 1977."

EVALUATION

SEC. 12. Title IX of the Economic Opportunity Act of 1964 is amended to read as follows:

"TITLE IX—EVALUATION

"PROGRAM AND PROJECT EVALUATION

"SEC. 901. (a)(1) The Director shall, directly or through grants or contracts, measure and evaluate the impact of all programs authorized by this Act and of poverty-related programs authorized by other Acts, in order to determine their effectiveness in achieving stated goals, their impact on related programs, and their structure and mechanisms for delivery of services, including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such programs. Evaluations shall be conducted by persons not directly involved in the administration of the program or project evaluated.

"(2) In carrying out his responsibilities under this section, the Director, in the case of research, demonstrations, and related activities carried out under title II of this Act, shall, after taking into consideration the views of State agencies and community action agencies designated pursuant to section 210 of this Act, on an annual basis—

"(A) reassess priorities to which such activities should be directed; and

"(B) review present research demonstration, and related activities to determine, in terms of the purpose specified for such activities in section 102(a) of this Act, whether and on what basis such activities should be continued, revised, or terminated.

"(3) The Director shall, within 12 months after the date of enactment of this Act, and on each April 1 thereafter, prepare and furnish to the appropriate committees of the Congress a complete report on the determination and review carried out under paragraph (2) of this subsection, together with such recommendations, including any recommendations for additional legislation, as he deems appropriate.

"(b) Prior to obligating funds for the programs and projects covered by this Act with respect to fiscal year 1976, the Director shall develop and publish general standards for evaluation of program and project effectiveness in achieving the objectives of this Act. The extent to which such standards have been met shall be considered in deciding whether to renew or supplement financial assistance authorized under any section of this Act submitted pursuant to section 608 of this Act shall describe the actions taken as a result of these evaluations.

"(c) In carrying out evaluations under this title, the Director shall, whenever feasible, arrange to obtain the specific views of persons participating in and served by programs and projects assisted under this Act about such programs and projects, and shall consult, when appropriate, with State agencies and community action agencies designated pursuant to section 210, in order to provide for jointly sponsored objective evaluation studies on a State or areawide basis.

"(d) The Director shall publish the results of evaluative research and summaries of evaluations of program and project impact and effectiveness not later than ninety days after the completion thereof. The Director shall submit to the appropriate committees of the Congress copies of all such research studies and evaluation summaries.

"(e) The Director shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with assistance under this Act shall become the property of the United States.

"COOPERATION OF, AND CONSULTATION WITH, OTHER FEDERAL AGENCIES

"SEC. 902. (a) Such information and cooperation as the Director may deem necessary for purposes of the evaluations conducted under this title shall be made available to him, upon request, by the agencies of the executive branch.

"(b) In carrying out evaluations under this title, the Director shall consult with the heads of other Federal agencies carrying out activities related to the subject matter of those evaluations.

"EVALUATION BY OTHER ADMINISTERING AGENCIES

"SEC. 903. The head of any agency admintering a program authorized under this Act may, with respect to such program, conduct evaluations and take other actions authorized under this title to the same extent and in the same manner as the Director under this part. Nothing in this section shall preclude the Director from conducting such evaluations or taking such actions otherwise authorized under this title with respect to such programs."

CONGRESSIONAL REVIEW

SEC. 13. (a) The Senate Committee on Labor and Public Welfare and the House Committee on Education and Labor shall conduct joint study which shall include—

(1) a consideration of an appropriate administrative agency for the conduct of program after July 1, 1975, under title VII of the Economic Opportunity Act,

(2) review the extent to which programs and activities conducted under title VII of

the Economic Opportunity Act meet the overall need in the Nation for community economic development programs and the resources available from public and private funds in meeting those needs, and

(3) the extent to which there is maximum utilization of the resources of all Federal agencies having responsibilities under title VII of the Economic Opportunity Act, and other public and private agencies and organizations.

(b) The Senate Committee on Labor and Public Welfare and the House Committee on Education and Labor shall submit such reports as they deem appropriate on their findings, together with any recommendations for further legislation, not later than one year after enactment of this title.

EXTENSION OF PROGRAM AUTHORITY

SEC. 14. (a) Sections 245, 321, and 615 of the Economic Opportunity Act of 1964, are each amended by striking out "eight succeeding fiscal years" and inserting in lieu thereof "eleven succeeding fiscal years".

(b) Section 523 of such Act (redesignated as section 583 by section 3(c) of this Act) is amended by striking out "seven succeeding fiscal years" and inserting in lieu thereof "ten succeeding fiscal years".

AUTHORIZATION OF APPROPRIATIONS

SEC. 15. (a) (1) For the purpose of carrying out title I, title II, title III, title IV, title V, title VI, title VII, title VIII, and title IX of the Economic Opportunity Act of 1964, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1975 through 1977.

(2) For the purpose of carrying out the programs authorized under section 221 there is authorized to be appropriated $330,000,000 for the fiscal year 1975 and such sums as may be necessary for each of the two succeeding fiscal years.

(b) Unless the Congress has passed or formally rejected legislation extending the authorizations of appropriations for carrying out any title of the Economic Opportunity Act of 1964 specified in subsection (a) of this section, or adopts a concurrent resolution providing that the provisions of this subsection shall not apply, the authorizations of appropriations specified in subsection (a) are hereby automatically extended for one additional fiscal year beyond the terminal year specified in the Economic Opportunity Act of 1964 or in this section.

REPEALER

SEC. 16. (a) Section 115 of the Economic Opportunity Amendments of 1969 is repealed.

(b) Section 301 of the Economic Opportunity Amendments of 1967 is repealed.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

CARL D. PERKINS,
AUGUSTUS F. HAWKINS,
ALBERT H. QUIE,
Managers on the Part of the House.

GAYLORD NELSON,
HARRISON A. WILLIAMS,
JENNINGS RANDOLPH,
EDWARD KENNEDY,
WALTER F. MONDALE,
ALAN CRANSTON,
HAROLD E. HUGHES,
W. D. HATHAWAY,
J. JAVITS,
RICHARD S. SCHWEIKER,
ROBERT TAFT, JR.,
J. GLENN BEALL, JR.,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14440) to provide for the mobilization of community development and assistance services and to establish a Community Action Administration in the Department of Health, Education, and Welfare to administer such programs, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House bill provided new statutory authority for programs formerly under the Economic Opportunity Act of 1964 entitled the "Community Services Act of 1974". The Senate amendment extended the Economic Opportunity Act through the "Headstart, Economic Opportunity and Community Partnership Act of 1974".

The conference agreement amends the Economic Opportunity Act by citing the first nine Titles of the Act as the "Community Services Act of 1974". The conference agreement contains a substantial number of technical and conforming amendments to reflect this decision on the part of the conferees.

The House bill established within the Department of Health, Education, and Welfare the Community Action Administration. The Senate bill retained the Office of Economic Opportunity until October 1, 1975, at which time the Community Services Administration is established as an independent agency in the Executive Branch.

The conference agreement establishes the Community Services Administration as an independent agency in the Executive Branch effective upon the enactment of the conferernce report and provides that that administration will remain in existence unless and until a reorganization plan submitted by the President pursuant to a prescribed administrative structure takes effect.

SEC. 2. The Senate amendment retained the statement of findings and declaration of purpose in the Economic Opportunity Act of 1964. The House bill deleted this section.

The House recedes.

The House bill designated Indian tribal governments as a political subdivision of a state and therefore eligible to be a Community Action Agency. The Senate amendment repealed this provision and specified the eligibility of Indian tribal governments for designation as a Community Action Agency.

The House recedes.

The House bill permitted the Director to delegate functions directly to a State so long as all Community Action Agencies within the State approve the delegation. The House bill also required that, in the event of such a delegation, the State shall have funds equal to the State's share of the operation of regional offices. There was no comparable Senate provision.

The conference agreement provides that the Director may delegate to a state only the functions that the Director is authorized to delegate to regional offices or officials if all of the Community Action Agencies within such state approve of the delegation. If such delegation is approved, the Director is required to allot to each approved state an amount of funds equal to the state's share of the regional office operation.

The House bill authorized Comprehensive Health Services Program in a new title. The Senate amendment included Comprehensive Health Services under special programs. The House bill established this program within the Department of Health, Education, and Welfare. The Senate amendment administered the program through the Director of the Office of Economic Opportunity/Community Services Administration.

The Senate recedes.

The House bill designated this program as the "Community Food and Nutrition Program"; the Senate amendment named it "The Emergency Food and Medical Services" program.

The Senate recedes.

The Senate amendment authorized the provision of medical supplies and services. There was no comparable House provision.

The Senate recedes.

The Senate amendment authorized a family planning program. There was no comparable House provision.

The Senate recedes.

The House bill administered the Senior Opportunities and Services program through the Administration on Aging in the Department of Health, Education, and Welfare. The Senate amendment administered the program by the Director of the Office of Economic Opportunity-Community Services Administration.

The House recedes.

The Senate amendment required the Director to utilize the services of the Administration on Aging. There was no comparable House provision.

The House recedes.

The Senate amendment authorized a new grant program to train paraprofessionals in counseling, referral and other services for the elderly. There was no comparable program in the House bill.

The Senate recedes.

The Senate amendment authorized an Alcoholic Counseling and Recovery program and a Drug Rehabilitation program. There were no comparable House provisions.

The conference agreement provides that the Alcoholic Counseling and Recovery program as well as the Drug Rehabilitation program are included in the new title IV and grants the authority to administer these programs to the Secretary of Health, Education, and Welfare.

The Senate amendment established an Emergency Energy Conservation program to lessen the impact of the high cost of energy in low-income individuals and reduce energy consumption. There was no comparable House provision.

The conference agreement retains most of the Senate amendment but requires the Director to consult with the Administrator of the Federal Energy Office and other appropriate departments and agencies prior to establishing procedures to carry out the purposes of this program.

The Senate amendment authorized a Summer Youth Recreation program for low income children to be conducted through prime sponsors and other agencies designated by Title I of the Comprehensive Employment and Training Act of 1973. There was no comparable House provision.

The House recedes.

The Senate amendment authorized an Urban Housing Demonstration program to maintain and upgrade housing in deteriorating neighborhoods. There was no comparable House provision.

The Senate recedes.

The Senate amendment authorized related training research and technical assistance for special programs under Section 221. There was no comparable House provision.

The House recedes.

The House bill provided that no State's share shall be reduced by more than ½ percent of the percent of the total allotment to all States for the fiscal year ending June 30, 1974. The Senate amendment insured that no State will receive less than the amount received during the fiscal year ending June 30, 1974.

The conference agreement provides that no state's share shall be less than the amount received for the fiscal year ending June 30, 1974, but does not hold each Community Action Agency to that 1974 level.

The House bill reduced the percentage of federal financial assistance to 70% in fiscal year 1976 and 60% thereafter. The Senate amendment maintained the percentage of financial assistance at the level of 80%. The House bill further provided that the local match may be met on a state-wide basis. There was no comparable Senate provision.

The conference agreement provides that the Federal share for Community Action Agencies, each of whose total allocation under Sec. 221 and Sec. 222(a) is $300,000 or less shall not exceed 75% for fiscal year 1976. For all other Community Action Agencies the Federal share for fiscal year 1976 cannot exceed 70%. For fiscal year 1977 the Federal share for Community Action Agencies each of whose total allocation under Sec. 221 and Sec. 222(a) is $300,000 or less shall not exceed 70%. All other Community Action Agencies' Federal share shall not exceed 60%. The conference agreement further provides that the Director may approve assistance in excess of these percentages if he determines, in accordance with regulations establishing objective criteria, that such action requires the furtherance of the purposes of this title. The conference agreement also provides that the local matching share may be met on a statewide basis by allowing the Community Action Agencies within a state to meet the non-Federal share in the aggregate.

The Senate amendment required the Director to continue funding Design and Planning Assistance Programs funded under Section 232 of the Economic Opportunity Act during fiscal year 1971. There was no comparable House provision.

The conference agreement provides that the Director is authorized to make whatever arrangements are necessary to continue pilot or demonstration projects of demonstrated effectiveness that were authorized under Sec. 232 during the fiscal year ending June 30, 1971.

The House bill designated the recreation program for disadvantaged youth the "Youth Recreation and Sports Program". The Senate bill designated the program the "National Summer Youth Sports Program".

The Senate recedes.

The Senate amendment required the Director to continue funding Consumer Action and Cooperative Programs funded under Section 232 of the Economic Opportunity Act during fiscal years 1971 and 1972. There was no comparable House provision.

The conference agreement provides that the Director is authorized to make agreements to carry out consumer action and cooperative programs authorized under Sec. 232 during the fiscal years ending June 30, 1971, or June 30, 1972.

The House bill established a supplemental "incentive grant" program with 50% Federal funding. The Senate amendment established "Demonstration Community Partnership Agreements" between CAA's and State or local public agencies. The Federal share is 80%. Both bills required the non-Federal share to be in cash. The Senate bill allowed the Director's discretion in approving assistance in excess of 80%. There was no comparable discretionary provision in the House bill.

The conference agreement provides for the establishment of "demonstration community partnership agreements" between community action agencies and State or local public agencies. This incentive grant program includes a 50–50 matching provision with all of the non-Federal share required to be in cash.

Both bills required such assistance to be supplemental to previous programs. The Senate amendment allocated funds for this program among the States on the basis of (1) public assistance recipients; (2) unemployment; and (3) children in families below the poverty line. There was no comparable House provision.

The Senate recedes.

The Senate amendment exempted community partnership agreements from the Governor's veto under Section 242. There was no comparable House exemption.

House recedes.

The Senate amendment established an Intergovernmental Advisory Council on Community Services with nine members to be appointed by the President. There was no comparable House provision.

The conference agreement provides for the establishment of an Intergovernmental Advisory Council on Community Services but prohibits the Director from providing any funds to support the activities or staff for such council.

The House bill authorized the appropriation of $50,000,000 for incentive grants for fiscal year 1975 and such sums as may be necessary for the 2 succeeding fiscal years. The Senate amendment authorized the Director to transfer out of funds appropriated under Section 221 50% of the excess of $330,000,000 under $450,000,000.

The Senate recedes.

The House bill prohibited financial assistance for medical assistance and supplies in cases of abortion. There was no comparable Senate provision.

The House recedes.

The House bill authorized the migrant programs under this part to be administered by the Department of Labor; the Senate amendment authorized the Director of the Community Services Administration to administer the program.

The House recedes.

The House bill included "training" as an eligible activity; the Senate amendment deleted "training" and substitutes "developmental programs".

The House recedes.

The Senate amendment established a National Office for Migrant and Seasonal Farmworkers within the Community Services Administration for administering migrant programs under this part and for coordinating programs with other Federal migrant programs. There was no comparable House provision.

The conference agreement provides that the Director shall coordinate programs for migrant and seasonal farm workers with other federal programs designed to assist or serve such farm workers.

The Senate amendment required the Director to give priority for funding migrant programs to those agencies which have been previously funded for such programs. There was no comparable House provision.

The conference agreement requires the Director to give special consideration to any public or private nonprofit agency which has previously received assistance for the provision of services for migrant and other seasonally employed farm workers and their families.

The House bill statement of purpose emphasized the extension of authorization of appropriations; the Senate amendment stated the purpose to be to provide the legislative basis for administering the Headstart and Follow Through programs in the Department of Health, Education and Welfare.

The Senate recedes.

The Senate amendment authorized the administration of the Headstart program through the Office of Child Development in HEW. There was no comparable House provision.

The Senate recedes. It is the intention of the conferees that the Headstart Program continue to be operated through the Office of Child Development in the Office of the Secretary of the Department of Health, Education and Welfare.

The Senate amendment established a Division of Migrant Programs and a Division of Indian Programs and authorized annual appropriations of $10,000,000 for each Division. There was no comparable House provision.

The conference agreement provides that the Secretary in carrying out the provisions of this part shall continue the administrative arrangement responsible for meeting the needs of migrant and Indian children and shall assure that appropriate funding is provided to meet such needs.

The House bill authorized appropriations of $500,000,000 for fiscal year 1975, $525,000,000 for fiscal year 1976 and $550,000,000 for fiscal year 1977. The Senate amendment authorized such sums as may be necessary for fiscal years 1975 through 1977.

The House recedes.

The Senate amendment stipulated that the allocation formula will take after June 30, 1975. There was no comparable House provision.

The House recedes.

The House bill allotted funds according to the number of children 0–5 living in poverty in each State. The Senate amendment allotted funds on the basis of 1) welfare recipients, 2) unemployment and 3) number of related children in families below the poverty line.

The conference agreement provides for the allotment of funds to each State on the basis of (1) the relative number of public assistance recipients in each State as compared to all States and (2) the relative number of related children living with families with incomes below the poverty line in each State as compared to all States.

The Senate amendment held the States harmless to fiscal year 1975; the House bill held harmless to fiscal 1974.

The House recedes. It is the intention of the conferees that, if the Administration's budget proposal for fiscal year 1975 is enacted, the $22,000,000 increase for Headstart contained therein will be distributed equally among the States so as to provide a 6 percent cost-of-living increase for each State as the Administration proposed.

The Senate amendment provided for an annual cost-of-living adjustment in the allocation of funds. There was no comparable House provision.

The Senate recedes.

The Senate bill stipulated that the criteria of poverty used by the Census in compiling the 1970 census will apply to the formula allocation.

The House recedes.

The House bill required that not less than 10 percent of the Headstart enrollment opportunities be available in each state for handicapped children; the Senate amendment required that 10 percent of such enrollment opportunities be available in the nation as a whole for handicapped children.

The conference agreement continues for fiscal year 1975 the existing requirement be 10 percent of enrollment opportunities be available for handicapped children in the nation and provides that beginning in fiscal year 1976 not less than 10 percent of the total enrollment opportunities in the Headstart program in each state shall be available for handicapped children. The conferees reaffirm the intention that only handicapped children otherwise eligible for these programs are intended to be enrolled.

The House bill required the Secretary to establish criteria for determining the costs of developing and administering and total costs for programs under Headstart. There was no comparable Senate provision.

The conference agreement provides that the Secretary shall establish by regulation criteria for determining the costs of developing and administering a program and the total cost of such program.

The Senate amendment required regulations to allocate costs among programs where there is joint use of facilities and services. There was no comparable House provision.

The House recedes.

The Senate amendment required that grantees be notified of rules, regulations and guidelines at least thirty days before their effective date. The House bill required publication of such rules, regulations and guidelines, etc., 30 days before effective date, but there was no requirement for notifying grantees.

The House recedes.

The House bill specified the calculations of the poverty line. There was no comparable specific provision for Headstart or Follow Through in the Senate Amendment, but a comparable provision based on percentage change was contained in title VI and the Senate amendment. The conference agreement requires the revision of the criteria of eligibility for participation to be revised by the percentage change in the Consumer Price Index during the annual or other interval immediately preceding the time at which the revision is made.

The Senate amendment set forth three criteria for eligibility: (1) families below poverty line, eligible for public assistance, or who may be eligible for public assistance in the absence of child care; (2) limited English-speaking ability; or (3) children in area could be served who did not meet low-income criteria. The House bill did not specify eligibility on the basis of public assistance or English-speaking ability.

The conference agreement provides that such criteria may provide that families below the poverty line, eligible for public assistance, or who may be eligible for public assistance in the absence of child care may be permitted to receive services in projects assisted under this Title. Pursuant to regulations prescribed by the Secretary programs may include children able to benefit but who may be ineligible under income limitations. The conferees intend that children who are poor and have limited English-speaking ability shall be given special consideration for participation in Headstart programs.

The Senate bill prohibited the imposition of any fee schedules unless authorized by subsequent legislation. There was no comparable House provision.

The conference agreement prohibits the imposition of any fee schedules unless authorized by subsequent legislation. The conferees wish to make clear, however, that it is their intention that children from families willing and able to pay the full cost of participation in a program should be given every opportunity where feasible to participate in that program if they pay that full cost.

The Senate amendment prohibited termination of funding or denial of refunding for more than 30 days without giving the recipient agency the opportunity for a full and fair hearing. The House bill did not include a time limitation nor did it provide for a hearing if financial assistance had been suspended.

The House recedes.

The Senate amendment provided for bilingual research. The House bill contained no comparable provision.

The Senate recedes. The conferees intend that the Secretary administering the Headstart and Follow Through programs shall take into consideration the special needs of children with limited English-speaking ability in order to enhance the effectiveness of the Headstart and Follow Through programs carried out under this title.

The Senate amendment provided assurances that studies and data would become public property; and required that such studies be published within 30 days of completion and submitted to Congress. The House bill contained no comparable provision.

The House recedes.

The House bill provided that the Secretary could make independent evaluations; the Senate amendment required evaluations to be conducted by persons not directly involved in program evaluated.

The House recedes.

The Senate amendment required the Secretary to publish evaluation standards prior to obligating Headstart funds for FY 1976. The House bill contained no comparable provision.

The House recedes.

The Senate amendment provided for obtaining the views of program participants in evaluations; publication of evaluations within 90 days of completion and submission of such evaluations to Congress; and required that such studies and evaluations become public property. The House bill contained no comparable provision.

The House recedes.

The Senate amendment authorized to be appropriated such sums as necessary for FY 1975 through 1977. The House bill authorized $60 million for each fiscal year 1975 through 1977. The House bill also provided that funds remain available in the fiscal year succeeding the year for which they were appropriated. The Senate amendment contained no comparable provision.

The Senate recedes.

The Senate amendment stipulated that no more than 20% nonfederal contributions could be required. The House bill contained no comparable provision.

The House recedes.

The Senate amendment provided that evaluations be conducted by persons not directly involved in the program. The House bill contained no comparable provision.

The House recedes.

The Senate amendment authorized bilingual programs for Headstart and Follow Through. The House bill contained no comparable provision.

The Senate recedes.

The House bill provided for administering the day care program through the Director of Community Services Administration. The Senate amendment provided for administering the program through the Secretary of Health, Education, and Welfare.

The House recedes.

The Senate Amendment set October 1, 1975, as the effective date for the establishment of the Community Services Administration. The House provision became effective upon enactment.

The conference agreement provides for the establishment of the Community Services Administration upon enactment of this Act.

The Senate amendment established a Community Services Administration as an agency within the Executive Branch; the House bill established a Community Action Administration in the Department of Health, Education, and Welfare.

The House recedes.

The Senate amendment provided for a Director, Deputy Director and Assistant Director to be appointed by the President and confirmed by the Senate. The House bill provided for the Presidential appointment and Senate confirmation of the Director.

The House recedes.

The Senate amendment prohibited the Director of the independent agency from delegating functions relating to local initiative, Community Partnership, migrant programs, administration, Community Economic Development, native Americans, Evaluation and Research and Demonstration. The House bill prohibited the delegation of any functions to any officer not directly responsible to the Director.

The House recedes.

The Senate amendment allowed the President to submit a reorganization plan to Congress after June 30, 1975, and before October 1, 1975, which would take effect unless disapproved by a simple resolution of either House of Congress within 60 days of submission. There is no comparable House provision.

The conference agreement provides that after March 15, 1975, the President may submit a reorganization plan to the Congress which, unless disapproved by enactment of a joint resolution within 60 days, takes effect on the 30th day following the expiration of such 60 day period. If such reorganization plan is disapproved, the independent Community Services Administration will continue in the Executive Branch.

The Senate amendment reorganization plan provision specified that the basic responsibilities of the Office of Economic Opportunity shall be placed in an independent Community Services Administration within the Department of Health, Education, and Welfare. The House bill contained no comparable provision.

The conference agreement provides that any reorganization plan proposed by the President pursuant to the provisions of the preceding paragraph must establish in the Department of Health, Education, and Welfare an independent Community Services Administration which shall be the principal agency, and the Director of which shall be the principal officer for carrying out the Community Services and Community Partnership Act of 1974. In the performance of his functions the Director shall be directly responsible to the Secretary. The reorganization plan submitted by the President must include a provision prohibiting the Director from delegating any policy-making function (including the approval of any grant or contract) to any Regional Office or official. The conferees intend that the President include in the reorganization plan submitted the Executive Schedule level at which the Director will be compensated.

The Senate amendment specified that the permitted reorganization plan shall provide for the transfer of the Community Economic Development Program to a Community Economic Development Administration within the Department of Commerce to be headed by an Assistant Secretary for Community Economic Development. The House bill transferred the program immediately and directly to the Secretary of Commerce.

The conference agreement provides that any reorganization plan proposed by the President pursuant to the provisions of the preceding paragraph must establish in the Department of Commerce a Community Economic Development Administration headed by a Director for Community Economic Development. The Director shall be the principal officer for carrying out the Community Economic Development program. In the performance of his functions the Director shall be directly responsible to the Secretary. The reorganization plan submitted by the President must include a provision prohibiting the Director from delegating any policy-making function (including the approval of any grant or contract) to any Regional Office or official. The conferees intend that the President include in the reorganization plan submitted the Executive Schedule level at which the Director will be compensated.

The Senate amendment provided that the Director not be subject to the supervision or control of any officer or employer other than the Secretary or Under Secretary of Health, Education, and Welfare. The House bill stipulated that the Director be responsible directly to the Secretary.

The conference agreement provides that the Director shall be in the performance of his duties directly responsible to the Secretary.

The effective date of transfers set forth in the reorganization plan in the Senate amendment would have been 30 days after the 60 days had run to allow Congressional disapproval of the reorganization plan. The House bill contained no comparable provision.

The House recedes.

The Senate amendment provided that regional directors of the Community Services Administration serve on Federal Regional Councils. The House bill contained no comparable provision.

The Senate recedes.

The Senate amendment transferred all Office of Economic Opportunity employees to the Community Services Administration effective October 1, 1975. The House bill transferred upon enactment those employees necessary to carry out the functions of the Administration.

The conference agreement provides that in the event a reorganization plan submitted by the President becomes effective on June 15, 1975, or thereafter, all Federal personnel employed by the Office of Economic Opportunity under the authorization and appropriations for the Economic Opportunity Act who are transferred to the Community Services Administration within the Department of Health, Education, and Welfare shall, to the extent feasible, be assigned to related functions and organizational units in the Community Services Administration, without loss of salary, rank, or other benefits, including the right to representation and to the existing basic collective-bargaining agreement.

The House bill required that the Director's annual report include a detailed statement relating to programs administered by other federal agencies. The Senate amendment contained no comparable provision.

The Senate recedes.

The House bill authorized a study on the Federal, State and local benefit programs for the elderly. The Senate amendment contained no comparable provision.

The Senate recedes.

The Senate amendment further excluded the income of 18-year-olds and older not heads of family in calculating family income. The House bill contained no comparable provision.

The Senate recedes. In deleting this provision the conferees intend that in applying the poverty line to families as a criterion for eligibility for programs authorized by this Act the family unit shall not be defined so as to include income earned by individuals who are 18 years of age or older other than parents heading the household.

The Senate amendment required those with limited English ability to be included among the disadvantaged to be served by programs under this Act. The House bill contained no comparable provision.

The conferees intend that the Director of the Administration shall include among the disadvantaged those persons who suffer in the labor market because of their limited speaking, reading and writing abilities in the English language.

(a) The Senate amendment listed definitions of terms under the Community Economic Development Program. The House bill contained no comparable provisions.

Senate receeds.

The Senate amendment authorized the appropriation for Community Economic Development of $84 million for FY 1975 and such sums as necessary for FY 1976 and FY 1977. The House bill authorized such sums as necessary for each of the three fiscal years.

The conference agreement provides that for fiscal year 1975 there is authorized to be appropriated for the Community Economic Development Program $39 million plus such additional sums as may be necessary. For fiscal years 1976 and 1977 there is authorized to be appropriated such sums as may be necessary.

The House bill contained a separate statement of purpose and Congressional findings. The Senate amendment contained no comparable provision.

House recedes.

The House bill authorized a Minority Business Assistance Program in the Department of Commerce to provide grants for technical and management assistance to minority business enterprises. The Senate amendment contained no comparable provision.

The House recedes.

The statement of purpose in the Senate amendment included providing financial assistance to provide employment and ownership opportunities for residents including those with limited English ability. The House bill contained no comparable provision.

The House recedes.

The Senate amendment included "industrial parks" in programs eligible for funding. The House bill contained no comparable provision.

The House recedes.

The Senate amendment authorized social service programs in Community Economic Development programs. The House bill contained no comparable provision.

The House recedes.

The Senate amendment provided for coordination with local planning and with other programs. The House bill contained no comparable provision.

The House recedes.

The Senate amendment provided that Community Economic Development programs must assure adequate technical assistance and must fulfill a need not presently being met. The House bill contained no comparable provisions.

The House recedes.

The House bill prohibited financial assistance to relocate businesses if such relocation resulted in higher unemployment in original location. The Senate amendment contained no comparable provision.

The House recedes.

The House bill provided that the Rural Development Loan Fund consist of amounts deposited in such fund by the Secretary. The Senate amendment provided that remaining title III–A funds also be deposited in the fund. In addition, the Senate amendment provided that the Director utilize the services of the Farmers Home Administration in administering the fund.

The House recedes.

The House bill required a minimum of $60 million available for grants to Community Development Corporations in order to deposit funds in the Community Development Loan Fund. The Senate amendment contained no comparable provision.

The Senate recedes.

The Senate amendment required the Director to prepare a plan for a Model Community Economic Development Finance Corporation for long-term financing and required the Director to submit to the Congress a plan for such Finance Corporation by July 1, 1975. The House bill provided for a study on the feasibility of establishing development banks.

The conference agreement provides that the Director may prepare a plan of action for the establishment of a Model Community Economic Development Finance Corporation. The agreement deletes the specific statutory requirements that were contained in the Senate amendment. It is the intention of the conferees that the Director in developing such a plan for the establishment of the Corporation take into consideration the requirements that were included in the Senate amendment. Such plan shall be submitted to the appropriate Committees of the Congress not later than June 1, 1975.

The House bill required the administrators of the Small Business Administration within 90 days of enactment to issue regulations on the availability of small business programs to CDCs. The Senate amendment contained no comparable provision.

The Senate recedes with an amendment including limited small business investment companies in the list of entities to be included for the purposes of Sections 302, 303 and 502 of the Small Business Investment Act of 1958.

The House bill required, within 90 days of enactment, regulations insuring availability of assistance to CDCs under the Economic Development Administration. The Senate amendment contained no comparable provision.

The Senate recedes.

The Senate amendment required steps to encourage financial and technical assistance and support by State and local governments. The House bill contained no comparable provision.

The Senate recedes.

The House bill required an annual report on federal programs relevant to Community Economic Development. The Senate amendment contained no comparable provision.

The Senate recedes.

The Senate amendment required coordination with other federal agencies insure placement of federal funds to further purposes of the Community Economic Development Program. The House bill contained no such requirement.

The conference agreement adds the requirement that the Director take all necessary and appropriate steps to encourage federal departments and agencies as well as State and local governments to cooperate with community development corporations and other entities receiving financial assistance under this Title. The conference agreement further provides that eligibility for assistance under other federal programs shall not be denied to any applicant on the ground that it is a community development corporation or other entity funded under this title.

The Senate amendment allowed grants and assets to be considered non-federal for purposes of meeting program requirements for non-federal contributions. The House bill contained no comparable provision.

The Senate recedes.

The Senate amendment authorized planning grants for Community Economic Development programs. The House bill contained no comparable provision.

The House recedes.

The Senate amendment established a Community Economic Development Resources Committee to develop plans and procedures for cooperation between various federal agencies. The House bill contained no comparable provision.

The Senate recedes with an amendment adding to the list of items that shall be included in the joint study the development of methods to assure maximum utilization of the resources of all federal agencies having responsibilities under this title, as well as other public and private agencies and organizations.

The Senate amendment created a National Commission on Community Economic Development including two Members each from the House and Senate plus nine other members familiar with the Community Economic Development programs, to report on the appropriate administrative agency for the Community Economic Development Program. The House bill authorized a joint study by the appropriate House and Senate Committees to determine the appropriate administrative agency.

The Senate recedes.

The Senate amendment required a final report by June 30, 1975; the House bill one year after enactment.

The Senate recedes.

The Senate amendment entitled the Native American Program the "Native American Economic Opportunity Programs Act". The House bill named the program the "Native Amrican Program the "Native Ameri-1974".

The conference agreement provides that the title of this program be "Native American Programs Act of 1974".

The Senate amendment provided for administering the program through the Community Services Administration. The House bill administered the program through the Secretary of Health, Education, and Welfare.

The Senate recedes.

The Senate amendment required the Director to develop evaluation standards prior to obligating funds under the program. The House bill contained no comparable requirement.

The House recedes.

The Senate amendment provided for obtaining the views of program participants

for program evaluations. It further required the Director to publish evaluation summaries within 90 days of completion and required assurances that such evaluations become public property. The House bill contained no comparable requirements.

The House recedes.

The House bill defined the term State to include the District of Columbia. The Senate amendment did not include this definition.

The Senate recedes.

The Senate amendment defined "Native Hawaiian"; the House bill did not.

The House recedes.

The Senate amendment required the evaluation by persons not directly involved in program evaluated. The House bill contained no comparable requirement.

The House recedes.

The Senate amendment required the Director to reassess priorities and determines the future of research demonstration activities. It also required the Director to report his determination to the appropriate Committees of Congress within twelve months of the date of enactment. The House bill contained no comparable provisions.

The House recedes.

The Senate amendment required publication of standards of evaluation prior to obligating funds for FY 1976. The House bill contained no comparable provision.

The House recedes.

The House bill required publication of evaluations within 60 days of completion. The Senate amendment stipulated 90 days and required submission of such reports to the appropriate Congressional Committees.

The House recedes.

The House amendment provided for the evaluation of programs by heads of other agencies in addition to the Director. The Senate amendment contained no comparable provision.

The Senate recedes.

The Senate amendment authorized the administration of the Research and Demonstration Program through the Community Services Administration. The House bill authorized the administration of a Human Services Policy Research Program through the Secretary of Health, Education, and Welfare.

The House recedes.

The Senate amendment required at least 25% of research funds under this title for programs authorized under local incentive and community partnership sections. The House bill contained no comparable provision.

The conference agreement provides that in making grants or contracts under this title the Director shall give due consideration to requests for funds by applicants receiving financial assistance under Section 221 or 235 of the Act.

The House bill required the Secretary to consult with State and other federal agency heads on evaluations under this title. The Senate amendment contained no comparable provision.

The Senate recedes.

The House bill specified that unless expressly limited funds appropriated remain available until expended. The Senate amendment contained no comparable provision.

The Senate recedes.

The Senate amendment extended authorization for appropriations automatically for one additional fiscal year in absence of Congressional action on authorizations of appropriations. The House bill contained no comparable provision.

The House recedes.

The Senate amendment provided that officers of OEO who had been confirmed by the Senate continue to serve in an acting capacity in comparable positions in the Community Services Administration but the President must submit nominations for positions in the Community Services Administration within 90 days of its establishment. The House bill contained no comparable provision.

The Senate recedes.

The Senate amendment amended the Child Abuse Prevention and Treatment Act to authorize grants or contracts through the National Center on Child Abuse and Neglect. The House bill contained no comparable provision.

The House recedes.

The Senate amendment amended the Child Abuse Prevention and Treatment Act to define the term State. The House bill contained no comparable provision.

The House recedes.

CARL D. PERKINS,
AUGUSTUS F. HAWKINS,
ALBERT H. QUIE,
Managers on the Part of the House.

GAYLORD NELSON,
HARRISON A. WILLIAMS,
JENNINGS RANDOLPH,
EDWARD KENNEDY,
WALTER F. MONDALE,
ALAN CRANSTON,
HAROLD E. HUGHES,
W. D. HATHAWAY,
J. JAVITS,
RICHARD S. SCHWEIKER,
ROBERT TAFT, JR.,
J. GLENN BEALL, JR.
Managers on the Part of the Senate.

CONFERENCE REPORT ON S. 2994, TO AMEND THE PUBLIC HEALTH SERVICES ACT

Mr. ROGERS filed the following conference report and statement on the bill (S. 2994) to amend the Public Health Services Act:

CONFERENCE REPORT (H. REPT. NO. 93-1640)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2994) to amend the Public Health Service Act to assure the development of a national health policy and of effective State and area health planning and resources development programs, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. This Act may be cited as the "National Health Planning and Resources Development Act of 1974".

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Sec. 7. Agency reports.
Sec. 8. Technical amendment

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress makes the following findings:

(1) The achievement of equal access to quality health care at a reasonable cost is a priority of the Federal Government.

(2) The massive infusion of Federal funds into the existing health care system has contributed to inflationary increases in the cost of health care and failed to produce an adequate supply or distribution of health resources, and consequently has not made pos-

sible equal access for everyone to such resources.

(3) The many and increasing responses to these problems by the public sector (Federal, State, and local) and the private sector have not resulted in a comprehensive, rational approach to the present—

(A) lack of uniformly effective methods of delivering health care;

(B) maldistribution of health care facilities and manpower; and

(C) increasing cost of health care.

(4) Increases in the cost of health care, particularly of hospital stays, have been uncontrollable and inflationary, and there are presently inadequate incentives for the use of appropriate alternative levels of health care, and for the substitution of ambulatory and intermediate care for inpatient hospital care.

(5) Since the health care provider is one of the most important participants in any health care delivery system, health policy must address the legitimate needs and concerns of the provider if it is to achieve meaningful results; and, thus, it is imperative that the provider be encouraged to play an active role in developing health policy at all levels.

(6) Large segments of the public are lacking in basic knowledge regarding proper personal health care and methods for effective use of available health services.

(b) In recognition of the magnitude of the problems described in subsection (a) and the urgency placed on their solution, it is the purpose of this Act to facilitate the development of recommendations for a national health planning policy, to augment areawide and State planning for health services, manpower, and facilities, and to authorize financial assistance for the development of resources to further that policy.

REVISION OF HEALTH PLANNING PROGRAMS UNDER THE PUBLIC HEALTH SERVICE ACT

SEC. 3. The Public Health Service Act is amended by adding at the end the following new title:

"TITLE XV—NATIONAL HEALTH PLANNING AND DEVELOPMENT

"PART A—NATIONAL GUIDELINES FOR HEALTH PLANNING

"NATIONAL GUIDELINES FOR HEALTH PLANNING

"SEC. 1501. (a) The Secretary shall, within eighteen months after the date of the enactment of this title, by regulation issue guidelines concerning national health planning policy and shall, as he deems appropriate, by regulation revise such guidelines. Regulations under this subsection shall be promulgated in accordance with section 553 of title 5, United States Code.

"(b) The Secretary shall include in the guidelines issued under subsection (a) the following:

"(1) Standards respecting the appropriate supply, distribution, and organization of health resources.

"(2) A statement of national health planning goals developed after consideration of the priorities, set forth in section 1502, which goals, to the maximum extent practicable, shall be expressed in quantitative terms.

"(c) In issuing guidelines under subsection (a) the Secretary shall consult with and solicit recommendations and comments from the health systems agencies designated under part B, the State health planning and development agencies designated under part C, the Statewide Health Coordinating Councils established under part C, associations and specialty societies representing medical and other health care providers, and the National Council on Health Planning and Development established by section 1503.

"NATIONAL HEALTH PRIORITIES

"SEC. 1502. The Congress finds that the following deserve priority consideration in the formulation of national health planning goals and in the development and operation of Federal, State, and area health planning and resources development programs:

"(1) The provision of primary care services for medically underserved populations, especially those which are located in rural or economically depressed areas.

"(2) The development of multi-institutional systems for coordination or consolidation of institutional health services (including obstetric, pediatric, emergency medical, intensive and coronary care, and radiation therapy services).

"(3) The development of medical group practices (especially those whose services are appropriately coordinated or integrated with institutional health services), health maintenance organizations, and other organized systems for the provision of health care.

"(4) The training and increased utilization of physician assistants, especially nurse clinicians.

"(5) The development of multiinstitutional arrangements for the sharing of support services necessary to all health service institutions.

"(6) The promotion of activities to achieve needed improvements in the quality of health services, including needs identified by the review activities of Professional Standards Review Organizations under part B of title XI of the Social Security Act.

"(7) The development by health service institutions of the capacity to provide various levels of care (including intensive care, acute general care, and extended care) on a geographically integrated basis.

"(8) The promotion of activities for the prevention of disease, including studies of nutritional and environmental factors affecting health and the provision of preventive health care services.

"(9) The adoption of uniform cost accounting, simplified reimbursement, and utilization reporting systems and improved management procedures for health service institutions.

"(10) The development of effective methods of educating the general public concerning proper personal (including preventive health care and methods for effective use of available health services).

"NATIONAL COUNCIL ON HEALTH PLANNING AND DEVELOPMENT

"SEC. 1503. (a) There is established in the Department of Health, Education, and Welfare an advisory council to be known as the National Council on Health Planning and Development (hereinafter in this section referred to as the 'Council'). The Council shall advise, consult with, and make recommendations to, the Secretary with respect to (1) the development of national guidelines under section 1501, (2) the implementation and administration of this title and title XVI, and (3) an evaluation of the implications of new medical technology for the organization, delivery, and equitable distribution of health care services.

"(b)(1) The Council shall be composed of fifteen members. The Chief Medical Director of the Veterans' Administration, the Assistant Secretary for Health and Environment of the Department of Defense, and the Assistant Secretary for Health of the Department of Health, Education, and Welfare shall be nonvoting ex officio members of the Council. The remaining members shall be appointed by the Secretary and shall be persons who, as a result of their training, experience, or attainments, are exceptionally well qualified to assist in carrying out the functions of the Council. Of the voting members, not less than five shall be persons who are not providers of health services, not more than three shall be officers or employees of the Federal Government, not less than three shall be members of governing bodies of health systems agencies designated under part B, and not less than three shall be members of Statewide Health Coordinating Councils under section 1524. The two major political parties shall have equal representation among the voting members on the Council.

"(2) The term of office of voting members of the Council shall be six years, except that—

"(A) of the members first appointed to the Council four shall be appointed for terms of two years and four shall be appointed for terms of four years, as designated by the Secretary at the time of appointment; and

"(B) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term.

A member may serve after the expiration of his term until his successor has taken office.

"(3) The chairman of the Council shall be selected by the voting members from among their number. The term of office of the chairman of the Council shall be the lesser of three years or the period remaining in his term of office as a member of the Council.

"(c)(1) Except as provided in paragraph (2), the members of the Council shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Council.

"(2) Members of the Council who are full-time officers or employees of the United States shall receive no additional pay on account of their service on the Council.

"(3) While away from their homes or regular places of business in the performance of services for the Council, members of the Council shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, United States Code.

"(d) The Council may appoint, fix the pay of, and prescribe the functions of such personnel as are necessary to carry out its functions. In addition, the Council may procure the services of experts and consultants as authorized by section 3109 of title 5, United States Code, but without regard to the last sentence of such section.

"(e) The provisions of section 14(a) of the Federal Advisory Committee Act shall not apply with respect to the Council.

"PART B—HEALTH SYSTEMS AGENCIES

"HEALTH SERVICE AREAS

"SEC. 1511. (a) There shall be established, in accordance with this section, health service areas throughout the United States with respect to which health systems agencies shall be designated under section 1515. Each health service area shall meet the following requirements:

"(1) The area shall be a geographic region appropriate for the effective planning and development of health services, determined on the basis of factors including population and the availability of resources to provide all necessary health services for residents of the area.

"(2) To the extent practicable, the area shall include at least one center for the provision of highly specialized health services.

"(3) The area, upon its establishment, shall have a population of not less than five hundred thousand or more than three million; except that—

"(A) the population of an area may be more than three million if the area includes a standard metropolitan statistical area (as determined by the Office of Management and Budget) with a population of more than three million, and

"(B) the population of an area may—

"(i) be less then five hundred thousand if the area comprises an entire State which has a population of less than five hundred thousand, or

"(ii) be less than—

"(I) five hundred thousand (but not less than two hundred thousand) in unusual circumstances (as determined by the Secretary) or

"(II) two hundred thousand in highly unusual circumstances (as determined by the Secretary),

if the Governor of each State in which the area is located determines, with the approval of the Secretary, that the area meets the other requirements of this subsection.

"(4) To the maximum extent feasible, the boundaries of the area shall be appropriately coordinated with the boundaries of areas designated under section 1152 of the Social Security Act for Professional Standards Review Organizations, existing regional planning areas, and State planning and administrative areas.

The boundaries of a health service area shall be established so that, in the planning and development of health services to be offered within the health service area, any economic or geographic barrier to the receipt of such services in nonmetropolitan areas is taken into account. The boundaries of health service areas shall be established so as to recognize the differences in health planning and health services development needs between nonmetropolitan and metropolitan areas. Each standard metropolitan statistical area shall be entirely within the boundaries of one health service area, except that if the Governor of each State in which a standard metropolitan statistical area is located determines, with the approval of the Secretary, that in order to meet the other requirements of this subsection a health service area should contain only part of the standard metropolitan statistical area, then such statistical area shall not be required to be entirely within the boundaries of such health service area.

"(b)(1) Within thirty days following the date of the enactment of this title, the Secretary shall simultaneously give the Governor of each State written notice of the initiation of proceedings to establish health service areas throughout the United States. Each notice shall contain the following:

"(A) A statement of the requirement (in subsection (a)) of the establishment of health service areas throughout the United States.

"(B) A statement of the criteria prescribed by subsection (a) for health service areas and the procedures prescribed by this subsection for the designation of health service area boundaries.

"(C) A request that the Governor receiving the notice (i) designate the boundaries of health service areas within his State, and, where appropriate and in cooperation with the Governors of adjoining States, designate the boundaries within his State of health service areas located both in his State and in adjoining States, and (ii) submit (in such form and manner as the Secretary shall specify) to the Secretary within one hundred and twenty days of the date of enactment of this title, such boundary designations together with comments, submitted by the entities referred to in paragraph (2), with respect to such designations.

At the time such notice is given under this paragraph to each Governor, the Secretary shall publish as a notice in the Federal Register a statement of the giving of his notice to the Governor, and the criteria and procedures contained in such notice.

"(2) Each State's Governor shall in the development of boundaries for health service areas consult with and solicit the views of the chief executive officer or agency of the political subsidivisions within the State, the State agency which administers or supervises the administration of the State's health planning functions under a State plan approved under section 314(a), each entity within the State which has developed a comprehensive regional, metropolitan, or other local area plan or plans referred to in section 314(b), and each regional medical program established in the State under title IX.

"(3)(A) Within two hundred and ten days after the date of enactment of this title, the Secretary shall publish as a notice in the Federal Register the health service area boundary designations. The boundaries for health service areas submitted by the Governors shall, except as otherwise provided in subparagraph (B), constitute upon their publication in the Federal Register the boundaries for such health service areas.

"(B)(i) If the Secretary determines that a boundary submitted to him for a health service area does not meet the requirements of subsection (a), he shall, after consultation with the Governor who submitted such boundary, make such revision in the boundary for such area (and as necessary, in the boundaries for adjoining health service areas) as may be necessary to meet such requirements and publish such revised boundary (or boundaries); and the revised boundary (or boundaries) shall upon publication in the Federal Register constitute the boundary (or boundaries) for such health service area (or areas). The Secretary shall notify the Governor of each State in which is located a health service area whose boundary is revised under this clause of the boundary revision and the reasons for such revision.

"(ii) In the case of areas of the United States not included within the boundaries for health service areas submitted to the Secretary as requested under the notice under paragraph (1), the Secretary shall establish and publish in the Federal Register health service area boundaries which include such areas. The Secretary shall notify the Governor of each State in which is located a health service area the boundary for which is established under this clause of the boundaries established. In carrying out the requirement of this clause, the Secretary may make such revisions in boundaries submitted under subparagraph (A) as he determines are necessary to meet the requirement of subsection (a) for the establishment of health service areas throughout the United States.

"(4) The Secretary shall review on a continuing basis and at the request of any Governor or designated health systems agency the appropriateness of the boundaries of the health service areas established under paragraph (3) and, if he determines that a boundary for a health service area no longer meets the requirements of subsection (a), he may revise the boundaries in accordance with the procedures prescribed by paragraph (3)(B)(ii) for the establishment of boundaries of health service areas which include areas not included in boundaries submitted by the Governors. If the Secretary acts on his own initiative to revise the boundaries of any health service area, he shall consult with the Governor of the appropriate State or States, the entities referred to in paragraph (2), the appropriate health systems agency or agencies designated under part B and the appropriate Statewide Health Coordinating Council established under part C. A request for boundary revision shall be made only after consultation with the Governor of the appropriate State or States, the entities referred to in paragraph (2), the appropriate designated health systems agencies, and the appropriate established Statewide Health Coordinating Council and shall include the comments concerning the revision made by the entities consulted in requesting the revision.

"(5) Within one year after the date of the enactment of this title the Secretary shall complete the procedures for the initial establishment of the boundaries of health service areas which (except as provided in section 1535) include the geographic area of all the States.

"(c) Notwithstanding any other requirement of this section, an area—

"(1) for which has been developed a comprehensive regional, metropolitan area, or other local area plan referred to in section 314(b), and

"(2) which otherwise meets the requirements of subsection (a), shall be designated by the Secretary as a health service area unless the Governor of any State in which such area is located, upon a finding that another area is a more appropriate region for the effective planning and development of health resources, waives such requirement.

"HEALTH SYSTEMS AGENCIES

"SEC. 1512. (a) DEFINITION.—For purposes of this title, the term 'health systems agency' means an entity which is organized and operated in the manner described in subsection (b) and which is capable, as determined by the Secretary, of performing each of the functions described in section 1513. The Secretary shall by regulation establish standards and criteria for the requirements of subsection (b) and section 1513.

"(b)(1) Legal Structure.—A health systems agency for a health service area shall be—

"(A) a nonprofit private corporation (or similar legal mechanism such as a public benefit corporation) which is incorporated in the State in which the largest part of the population of the health service area resides, which is not a subsidiary of, or otherwise controlled by, any other private or public corporation or other legal entity, and which only engages in health planning and development functions;

"(B) a public regional planning body if (i) it has a governing board composed of a majority of elected officials of units of general local government or it is authorized by State law (in effect before the date of enactment of this subsection) to carry out health planning and review functions such as those described in section 1513, and (ii) its planning area is identical to the health service area; or

"(C) a single unit of general local government if the area of the jurisdiction of that unit is identical to the health service area.

A health systems agency may not be an educational institution or operate such an institution.

"(2) STAFF.—

"(A) EXPERTISE.—A health systems agency shall have a staff which provides the agency with expertise in at least the following: (i) Administration, (ii) the gathering and analysis of data, (iii) health planning, and (iv) development and use of health resources. The functions of planning and of development of health resources shall be conducted by staffs with skills appropriate to each function.

"(B) SIZE AND EMPLOYMENT.—The size of the professional staff of any health systems agency shall be not less than five, except that if the quotient of the population (rounded to the next highest one hundred thousand) of the health service area which the agency serves divided by one hundred thousand is greater than five, the minimum size of the professional staff shall be the lesser of (i) such quotient, or (ii) twenty-

five. The members of the staff shall be selected, paid, promoted, and discharged in accordance with such system as the agency may establish, except that the rate of pay for any position shall not be less than the rate of pay prevailing in the health service area for similar positions in other public or private health service entities.

If necessary for the performance of its functions, a health systems agency may employ consultants and may contract with individuals and entities for the provision of services. Compensation for consultants and for contracted services shall be established in accordance with standards established by regulation by the Secretary.

"(3) Governing Body.—

"(A) In general.—A health systems agency which is a public regional planning body or unit of general local government shall, in addition to any other governing body, have a governing body for health planning, which is established in accordance with subparagraph (C), which shall have the responsibilities prescribed by subparagraph (B), and which has exclusive authority to perform for the agency the functions described in section 1513. Any other health systems agency shall have a governing body composed, in accordance with subparagraph (C), of not less than ten members and of not more than thirty members, except that the number of members may exceed thirty if the governing body has established another unit (referred to in this paragraph as an 'executive committee') composed, in accordance with subparagraph (C), of not more than twenty-five members of the governing body and has delegated to that unit the authority to take such action (other than the establishment and revision of the plans referred to in subparagraph (B)(ii)) as the governing body is authorized to take.

"(B) Responsibilities.—The governing body—

"(i) shall be responsible for the internal affairs of the health systems agency, including matters relating to the staff of the agency, the agency's budget, and procedures and criteria (developed and published pursuant to section 1532) applicable to its functions under subsections (e), (f), and (g) of section 1513;

"(ii) shall be responsible for the establishment of the health systems plan and annual implementation plan required by section 1513(b);

"(iii) shall be responsible for the approval of grants and contracts made and entered into under section 1513(c)(3);

"(iv) shall be responsible for the approval of all actions taken pursuant to subsections (e), (f), (g), and (h), of section 1513;

"(v) shall (I) issue an annual report concerning the activities of the agency, (II) include in that report the health systems plan and annual implementation plan developed by the agency, and a listing of the agency's income, expenditures, assets, and liabilities, and (III) make the report readily available to the residents of the health service area and the various communications media serving such area;

"(vi) shall reimburse its members for their reasonable costs incurred in attending meetings of the governing body;

"(vii) shall meet at least once in each calendar quarter of a year and shall meet at least two additional times in a year unless its executive committee meets at least twice in that year; and

"(viii) shall (I) conduct its business meetings in public, (II) give adequate notice to the public of such meetings, and (III) make its records and data available, upon request, to the public.

The governing body (and executive committee (if any)) of a health systems agency shall act only by vote of a majority of its members present and voting at a meeting called upon adequate notice to all of its members and at which a quorum is in attendance. A quorum for a governing body and executive committee shall be not less than one-half of its members.

"(C) Composition.—The membership of the governing body and the executive committee (if any) of an agency shall meet the following requirements:

"(i) A majority (but not more than 60 per centum of the members) shall be residents of the health service area served by the entity who are consumers of health care and who are not (nor within the twelve months preceding appointment been) providers of health care and who are broadly representative of the social, economic, linguistic and racial populations, geographic areas of the health service area, and major purchasers of health care.

"(ii) The remainder of the members shall be residents of the health service area served by the agency who are providers of health care and who represent (I) physicians (particularly practicing physicians), dentists, nurses, and other health professionals, (II) health care institutions (particularly hospitals, long-term care facilities, and health maintenance organizations), (III) health care insurers, (IV) health professional schools, and (V) the allied health professions. Not less than one-third of the providers of health care who are members of the governing body or executive committee of a health systems agency shall be direct providers of health care (as described in section 1531(3)).

"(iii) The membership shall—

"(I) include (either through consumer or provider members) public elected officials and other representatives of governmental authorities in the agency's health service area and representatives of public and private agencies in the area concerned with health.

"(II) include a percentage of individuals who reside in nonmetropolitan areas within the health service area which percentage is equal to the percentage of residents of the area who reside in nonmetropolitan areas, and

"(III) if the health systems agency serves an area in which there is located one or more hospitals or other health care facilities of the Veterans' Administration, include, as an ex officio member, an individual whom the Chief Medical Director of the Veterans' Administration shall have designated for such purpose, and if the agency serves an area in which there is located one or more qualified health maintenance organizations (within the meaning of section 1310), include at least one member who is representative of such organizations.

"(iv) If, in the exercise of its functions, a governing body or executive committee appoints a subcommittee of its members or an advisory group, it shall, to the extent practicable, make its appointments to any such subcommittee or group in such a manner as to provide the representation on such subcommittee or group described in this subparagraph.

"(4) Individual Liability.—No individual who, as a member or employee of a health systems agency, shall, by reason of his performance of any duty, function, or activity required of, or authorized to be undertaken by, the agency under this title, be liable for the payment of damages under any law of the United States or any State (or political subdivision thereof) if he has acted within the scope of such duty, function, or activity, has exercised due care, and has acted, with respect to that performance, without malice toward any person affected by it.

"(5) Private Contributions.—No health systems agency may accept any funds or contributions of services or facilities from any individual or private entity which has a financial fiduciary, or other direct interest in the development, expansion, or support of health resources unless, in the case of an entity, it is an organization described in section 509(a) of the Internal Revenue Code of 1954 and is not directly engaged in the provision of health care in the health service area of the agency. For purposes of this paragraph, an entity shall not be considered to have such an interest solely on the basis of its providing (directly or indirectly) health care for its employees.

"(6) Other Requirements.—Each health system agency shall—

"(A) make such reports, in such form and containing such information, concerning its structure, operations, performance of functions, and other matters as the Secretary may from time to time require, and keep such records and afford such access thereto as the Secretary may find necessary to verify such reports;

"(B) provide for such fiscal control and fund accounting procedures as the Secretary may require to assure proper disbursement of, and accounting for, amounts received from the Secretary under this title and section 1640; and

"(C) permit the Secretary and the Comptroller General of the United States, or their representatives, to have access for the purpose of audit and examination to any books, documents, papers, and records pertinent to the disposition of amounts received from the Secretary under this title and section 1640.

"(c) Subarea Councils.—A health systems agency may establish subarea advisory councils representing parts of the agencies' health service area to advice the governing body of the agency on the performance of its functions. The composition of a subarea advisory council shall conform to the requirements of subsection (b)(3)(C).

"Functions of Health Systems Agencies

"Sec. 1513. (a) For the purpose of—

"(1) improving the health of residents of a health service area,

"(2) increasing the accessibility (including overcoming geographic, architectural, and transportation barriers), acceptability, continuity, and quality of the health services provided them,

"(3) restraining increases in the cost of providing them health services, and

"(4) preventing unnecessary duplication of health resources,

each health systems agency shall have as its primary responsibility the provision of effective health planning for its health service area and the promotion of the development within the area of health services, manpower, and facilities which meet identified needs, reduce documented inefficiencies, and implement the health plans of the agency. To meet its primary responsibility, a health systems agency shall carry out the functions described in subsections (b) through (g) of this section.

"(b) In providing health planning and resources development for its health service area, a health systems agency shall perform the following functions:

"(1) The agency shall assemble and analyze data concerning—

(A) the status (and its determinants) of the health of the residents of its health service area,

"(B) the status of the health care delivery system in the area and the use of that system by the residents of the area,

"(C) the effect the area's health care delivery system has on the health of the residents of the area,

"(D) the number, type, and location of

the area's health resources, including health services, manpower, and facilities,

"(E) the patterns of utilization of the area's health resources, and

"(F) the environmental and occupational exposure factors affecting immediate and long-term health conditions.

In carrying out this paragraph, the agency shall to the maximum extent practicable use existing data (including data developed under Federal health programs) and coordinate its activities with the cooperative system provided for under section 306(e).

"(2) The agency shall, after appropriate consideration of the recommended national guidelines for health planning policy issued by the Secretary under section 1501, the priorities set forth in section 1502, and the data developed pursuant to paragraph (1), establish, annually review, and amend as necessary a health systems plan (hereinafter in this title referred to as the 'HSP') which shall be a detailed statement of goals (A) describing a healthful environment and health systems in the area which, when developed, will assure that quality health services will be available and accessible in a manner which assures continuity of care, at reasonable cost, for all residents of the area; (B) which are responsive to the unique needs and resources of the area; and (C) which take into account and is consistent with the national guidelines for health planning policy issued by the Secretary under section 1501 respecting supply, distribution, and organization of health resources and services. Before establishing an HSP, a health systems agency shall conduct a public hearing on the proposed HSP and shall give interested persons an opportunity to submit their views orally and in writing. Not less than thirty days prior to such hearing, the agency shall publish in at least two newspapers of general circulation throughout its health service area a notice of its consideration of the proposed HSP, the time and place of the hearing, the place at which interested persons may consult the HSP in advance of the hearing, and the place and period during which to submit written comments to the agency on the HSP.

"(3) The agency shall establish, annually review, and amend as necessary an annual implementation plan (hereinafter in this title referred to as the 'AIP') which describes objectives which will achieve the goals of the HSP and priorities among the objectives. In establishing the AIP, the agency shall give priority to those objectives which will maximally improve the health of the residents of the area, as determined on the basis of the relation of the cost of attaining such objectives to their benefits, and which are fitted to the special needs of the area.

"(4) The agency shall develop and publish specific plans and projects for achieving the objectives established in the AIP.

"(c) A health system agency shall implement its HSP and AIP, and in implementing the plans it shall perform at least the following functions:

"(1) The agency shall seek, to the extent practicable, to implement its HSP and AIP with the assistance of individuals and public and private entities in its health service area.

"(2) The agency may provide, in accordance with the priorities established in the AIP, technical assistance to individuals and public and private entities for the development of projects and programs which the agency determines are necessary to achieve the health systems described in the HSP, including assistance in meeting the requirements of the agency prescribed under section 1532(b).

"(3) The agency shall, in accordance with the priorities established in the AIP, make grants to public and nonprofit private entities and enter into contracts with individuals and public and nonprofit private entities to assist them in planning and developing projects and programs which the agency determines are necessary for the achievement of the health systems described in the HSP. Such grants and contracts shall be made from Area Health Services Development Fund of the agency established with funds provided under grants made under section 1640. No grants or contract under this subsection may be used (A) to pay the costs incurred by an entity or individual in the delivery of health services (as defined in regulations of the Secretary), or (B) for the cost of construction or modernization of medical facilities. No single grant or contract made or entered into under this paragraph shall be available for obligation beyond the one year period beginning on the date the grant or contract was made or entered into. If an individual or entity receives a grant or contract under this paragraph for a project or program, such individual or entity may receive only one more such grant or contract for such project or program.

"(d) Each health systems agency shall coordinate its activities with—

"(1) each Professional Standards Review Organization (designated under section 1152 of the Social Security Act),

"(2) entities referred to in paragraphs (1) and (2) of section 204(a) of the Demonstration Cities and Metropolitan Development Act of 1966 and regional and local entities the views of which are required to be considered under regulations prescribed under section 403 of the Intergovernmental Cooperation Act of 1968 to carry out section 401(b) of such Act,

"(3) other appropriate general or special purpose regional planning or administrative agencies, and

"(4) any other appropriate entity,

in the health system, agency's health service area. The agency shall, as appropriate, secure data from them for use in the agency's planning and development activities, enter into agreements with them which will assure that actions taken by such entities which alter the area's health system will be taken in a manner which is consistent with the HSP and the AIP in effect for the area, and, to the extent practicable, provide technical assistance to such entities.

"(e)(1)(A) Except as provided in subparagraph (B), each health systems agency shall review and approve or disapprove each proposed use within its health service area of Federal funds—

"(i) appropriated under this Act, the Community Mental Health Centers Act, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 for grants, contracts, loans, or loan guarantees for the development, expansion, or support of health resources; or

"(ii) made available by the State in which the health service area is located (from an allotment to the State under an Act referred to in clause (1)) for grants or contracts for the development, expansion, or support of health resources.

"(B) A health systems agency shall not review and approve or disapprove the proposed use within its health service area of Federal funds appropriated for grants or contracts under title IV, VII, or VIII of this Act unless the grants or contracts are to be made, entered into, or used to support the development of health resources intended for use in the health service area or the delivery of health services. In the case of a proposed use within the health service area of a health systems agency of Federal funds described in subparagraph (A) by an Indian tribe or intertribal Indian organization for any program or project which will be located within or will specifically serve—

"(i) a federally-recognized Indian reservation,

"(ii) any land area in Oklahoma which is held in trust by the United States for Indians or which is a restricted Indian-owned land area, or

"(iii) a Native village in Alaska (as defined in section 3(c) of the Alaska Native Claims Settlement Act),

a health systems agency shall only review and comment on such proposed use.

"(2) Notwithstanding any other provision of this Act or any other Act referred to in paragraph (1), the Secretary shall allow a health systems agency sixty days to make the review required by such paragraph. If an agency disapproves a proposed use in its health service area of Federal funds described in paragraph (1), the Secretary may not make such Federal funds available for such use until he has made, upon request of the entity making such proposal, a review of the agency decision. In making any such review of any agency decision, the Secretary shall give the appropriate State health planning and development agency an opportunity to consider the decision of the health systems agency and to submit to the Secretary its comments on the decision. The Secretary, after taking into consideration such State agency's comments (if any), may make such Federal funds available for such use, notwithstanding the disapproval of the health systems agency. Each such decision by the Secretary to make funds available shall be submitted to the appropriate health systems agency and State health planning and development agency and shall contain a detailed statement of the reasons for the decision.

"(3) Each health systems agency shall provide each Indian tribe or inter-tribal Indian organization which is located within the agency's health service area information respecting the availability of the Federal funds described in the first sentence of this subsection.

"(f) To assist State health planning and development agencies in carrying out their functions under paragraphs (4) and (5) of section 1523(a) each health systems agency shall review and make recommendations to the appropriate State health planning and development agency respecting the need for new institutional health services proposed to be offered or developed in the health service area of such health systems agency.

"(g)(1) Except as provided in paragraph (2), each health systems agency shall review on a periodic basis (but at least every five years) all institutional health services offered in the health service area of the agency and shall make recommendations to the State health planning and development agency designated under section 1521 for each state in which the health systems agency's health service area is located respecting the appropriateness in the area of such services.

"(2) A health systems agency shall complete its initial review of existing institutional health services within three years after the date of the agency's designation under section 1515(c).

"(h) Each health systems agency shall annually recommended to the State health planning and development agency designated for each State in which the health system agency's health service area is located (1) projects for the modernization, construction, and conversion of medical facilities in the agency's health service area which projects will achieve the HSP and AIP of the health systems agency, and (2) priorities among such projects.

"ASSISTANCE TO ENTITIES DESIRING TO BE DESIGNATED AS HEALTH SYSTEMS AGENCIES

"SEC. 1514. The Secretary may provide all necessary technical and other nonfinancial assistance, including the preparation of prototype plans of organization and operation) to nonprofit private entities (including entities presently receiving financial assistance under section 314(b) or title IX or as experimental health service delivery systems under section 304) which—

"(1) express a desire to be designated as health systems agencies, and

"(2) the Secretary determines have a potential to meet the requirements of a health systems agency specified in section 1512 and 1513,

to assist such entities in developing applications to be submitted to the Secretary under section 1515 and otherwise in preparing to meet the requirements of this part for designation as a health systems agency.

"DESIGNATION OF HEALTH SYSTEMS AGENCIES

"SEC. 1515. (a) At the earliest practicable date after the establishment under section 1511 of health service areas (but not later than eighteen months after the date of enactment of this title) the Secretary shall enter into agreements in accordance with this section for the designation of health systems agencies for such areas.

"(b)(1) The Secretary may enter into agreements with entities under which the entities would be designated as the health systems agencies for health service areas on a conditional basis with a view to determining their ability to meet the requirements of section 1512(b), and their capacity to perform the functions prescribed by section 1513.

"(2) During any period of conditional designation (which may not exceed 24 months), the Secretary may require that the entity conditionally designated meet only such of the requirements of section 1512(b) and perform only such of the functions prescribed by section 1513 as he determines such entity to be capable of meeting and performing. The number and type of such requirements and functions shall, during the period of conditional designation, be progressively increased as the entity conditionally designated becomes capable of added responsibility so that, by the end of such period, the agency may be considered for designation under subsection (c).

"(3) Any agreement under which any entity is conditionally designated as a health systems agency may be terminated by such entity upon ninety days notice to the Secretary or by the Secretary upon ninety days notice to such entity.

"(4) The Secretary may not enter into an agreement with any entity under paragraph (1) for conditional designation as a health systems agency for a health service area until—

"(A) the entity has submitted an application for such designation which contains assurances satisfactory to the Secretary that upon completion of the period of conditional designation the applicant will be organized and operated in the manner described in section 1512(b) and will be qualified to perform the functions prescribed by section 1513;

"(B) a plan for the orderly assumption and implementation of the functions of a health systems agency has been received from the applicant and approved by the Secretary; and

"(C) the Secretary has consulted with the Governor of each State in which such health service area is located and with such other State and local officials as he may deem appropriate, with respect to such designation. In considering such applications, the Secretary shall give priority to an application which has been recommended for approval by each entity which has developed a plan referred to in section 314(b) for all or part of the health service area with respect to which the application was submitted, and each regional medical program established in such area under title IX.

"(c)(1) The Secretary shall enter into an agreement with an entity for its designation as a health systems agency if, on the basis of an application under paragraph (2) (and, in the case of an entity conditionally designated, on the basis of its performance during a period of conditional designation under subsection (b) as a health systems agency for a health service area), the Secretary determines that such entity is capable of fulfilling, in a satisfactory manner, the requirements and functions of a health systems agency. Any such agreement under this subsection with an entity may be renewed in accordance with paragraph (3), shall contain such provisions respecting the requirements of sections 1512(b) and 1513 and such conditions designed to carry out the purpose of this title, as the Secretary may prescribe, and shall be for a term of not to exceed twelve months; except that, prior to the expiration of such term, such agreement may be terminated—

"(A) by the entity at such time and upon such notice to the Secretary as he may by regulation prescribe, or

"(B) by the Secretary, at such time and upon such notice to the entity as the Secretary may by regulation prescribe, if the Secretary determines that the entity is not complying with or effectively carrying out the provisions of such agreement.

"(2) The Secretary may not enter into an agreement with any entity under paragraph (1) for designation as a health system agency for a health service area unless the entity has submitted an application to the Secretary for designation as a health systems agency, and the Governor of each State in which the area is located has been consulted respecting such designation of such entity. Such an application shall contain assurances satisfactory to the Secretary that the applicant meets the requirements of section 1512(b) and is qualified to perform or is performing the functions prescribed by section 1513. In considering such applications, the Secretary shall give priority to an application which has been recommended for approval by (A) each entity which has developed a plan referred to in section 314(b) for all or part of the health service area with respect to which the application was submitted, and (B) each regional medical program established in such area under title IX.

"(3) An agreement under this subsection for the designation of a health systems agency may be renewed by the Secretary for a period not to exceed twelve months if upon review (as provided in section 1535) of the agency's operation and performance of its functions, he determines that it has fulfilled, in a satisfactory manner the functions of a health systems agency prescribed by section 1513 and continues to meet the requirements of section 1512(b).

"(d) If a designation under subsection (b) or (c) of a health systems agency for a health services area is terminated before the date prescribed for its expiration, the Secretary shall, upon application and in accordance with subsection (b) or (c) (as the Secretary determines appropriate), enter into a designation agreement with another entity to be the health systems agency for such area.

"PLANNING GRANTS

"SEC. 1516. (a) The Secretary shall make in each fiscal year a grant to each health systems agency with which there is in effect a designation agreement under subsection (b) or (c) of section 1515. A grant under this subsection shall be made on such conditions as the Secretary determines is appropriate, shall be used by a health systems agency for compensation of agency personnel, collection of data, planning, and the performance of the functions of the agency, and shall be available for obligation for a period not to exceed the period for which its designation agreement is entered into or renewed (as the case may be). A health systems agency may use funds under a grant under this subsection to make payments under contracts with other entities to assist the health systems agency in the performance of its functions; but it shall not use funds under such a grant to make payments under a grant or contract with another entity for the development or delivery of health services or resources.

"(b)(1) The amount of any grant under subsection (a) to a health system agency designated under section 1515(b) shall be determined by the Secretary. The amount of any grant under subsection (a) to any health systems agency designated under section 1515(c) shall be the lesser of—

"(A) the product of $0.50 and the population of the health service area for which the agency is designated, or

"(B) $3,750,000,

unless the agency would receive a greater amount under paragraph (2) or (3).

"(2)(A) If the application of a health systems agency for such a grant contains assurances satisfactory to the Secretary that the agency will expend or obligate in the period in which such grant will be available for obligation non-Federal funds meeting the requirements of subparagraph (B) for the purposes for which such grant may be made, the amount of such grant shall be the sum of—

"(i) the amount determined under paragraph (1), and

"(ii) the lesser of (I) the amount of such non-Federal funds with respect to which the assurances were made, or (II) the product of $0.25 and the population of the health service area for which the agency is designated.

"(B) The non-Federal funds which an agency may use for the purpose of obtaining a grant under subsection (a) which is computed on the basis of the formula prescribed by subparagraph (A) shall—

"(i) not include any funds contributed to the agency by any individual or private entity which has a financial, fiduciary, or other direct interest in the development, expansion, or support of health resources, and

"(ii) be funds which are not paid to the agency for the performance of particular services by it and which are otherwise contributed to the agency without conditions as to their use other than the condition that the funds shall be used for the purposes for which a grant made under this section may be used.

"(3) The amount of a grant under subsection (a) to a health systems agency designated under section 1515(c) may not be less than $175,000.

'(c)(1) For the purpose of making payments pursuant to grants made under subsection (a), there are authorized to be appropriated $60,000,000 for the fiscal year ending June 30, 1975, $90,000,000 for the fiscal year ending June 30, 1976, and $125,000,000 for the fiscal year ending June 30, 1977.

"(2) Notwithstanding subsection (b), if the total of the grants to be made under this section to health systems agencies for any fiscal year exceeds the total of the amounts appropriated under paragraph (1) for that fiscal year, the amount of the grant

for that fiscal year to each health systems agency shall be an amount which bears the same ratio to the amount determined for that agency for that fiscal year under subsection (b) as the total of the amounts appropriated under paragraph (1) for that fiscal year bears to the total amount required to make grants to all health systems agencies in accordance with the applicable provision of subsection (b); except that the amount of any grant to a health systems agency for any fiscal year shall not be less than $175,000, unless the amount appropriated for that fiscal year under paragraph (1) is less than the amount required to make such a grant to each health systems agency.

"PART C—STATE HEALTH PLANNING AND DEVELOPMENT

"DESIGNATION OF STATE HEALTH PLANNING AND DEVELOPMENT AGENCIES

"SEC. 1521. (a) For the purpose of the performance within each State of the health planning and development functions prescribed by section 1523, the Secretary shall enter into and renew agreements (described in subsection (b)) for the designation of a State health planning and development agency for each State other than a State for which the Secretary may not under subsection (d) enter into, continue in effect, or renew such an agreeemnt.

"(b)(1) A designation agreement under subsection (a) is an agreement with the Governor of a State for the designation of an agency (selected by the Governor) of the government of that State as the State health planning and development agency (hereinafter in this part referred to as the 'State Agency') to administer the State administrative program prescribed by section 1522 and to carry out the State's health planning and development functions prescribed by section 1523. The Secretary may not enter into such an agreement with the Governor of a State unless—

"(A) there has been submitted by the State a State administrative program which has been approved by the Secretary,

"(B) an application has been made to the Secretary for such an agreement and the application contains assurances satisfactory to the Secretary that the agency selected by the Governor for designation as the State Agency has the authority and resources to administer the State administrative program of the State and to carry out the health planning and development functions prescribed by section 1523, and

"(C) in the case of an agreement entered into under paragraph (3), there has been established for the State a Statewide Health Coordinating Council meeting the requirements of section 1524.

"(2)(A) The agreement entered into with a Governor of a State under subsection (a) may provide for the designation of a State Agency on a conditional basis with a view to determining the capacity of the designated State Agency to administer the State administrative program of the State and to carry out the health planning and development functions prescribed by section 1523. The Secretary shall require as a condition to the entering into of such an agreeemnt that the Governor submit on behalf of the agency to be designated a plan for the agency's orderly assumption and implementation of such functions.

"(B) The period of an agreement described in subparagraph (A) may not exceed twenty-four months. During such period the Secretary may require that the designated State Agency perform only such of the functions of a State Agency prescribed by section 1523 as he determines it is capable of performing. The number and type of such functions shall, during such period, be progressively increased as the designated State Agency becomes capable of added responsibility, so that by the end of such period the designated State Agency may be considered for designation under paragraph (3).

"(C) Any agreement with a Governor of a State entered into under subparagraph (A) may be terminated by the Governor upon ninety days' notice to the Secretary or by the Secretary upon ninety days' notice to the Governor.

"(3) If, on the basis of an application for designation as a State Agency (and, in the case of an agency conditionally designated under paragraph (2), on the basis of its performance under an agreement with a Governor of a State entered into under such paragraph), the Secretary determines that the agency is capable of fulfilling, in a satisfactory manner, the responsibilities of a State Agency, he shall enter into an agreement with the Governor of the State designating the agency as the State Agency for the State. No such agreement may be made unless an application therefor is submitted to, and approved by, the Secretary. Any such agreement shall be for a term of not to exceed twelve months, except that, prior to the expiration of such term, such agreement may be terminated—

"(A) by the Governor at such time and upon such notice to the Secretary as he may by regulation prescribe, or

"(B) by the Secretary, at such time and upon such notice to the Governor as the Secretary may by regulation prescribe, if the Secretary determines that the designated State Agency is not complying with or effectively carrying out the provisions of such agreement.

An agreement under this paragraph shall contain such provisions as the Secretary may require to assure that the requirements of this part respecting State Agencies are complied with.

"(4) An agreement entered into under paragraph (3) for the designation of a State agency may be renewed by the Secretary for a period not to exceed twelve months if he determines that it has fulfilled, in a satisfactory manner, the responsibilities of a State Agency during the period of the agreement to be renewed and if the applicable State administrative program continues to meet the requirements of section 1522.

"(c) If a designation agreement with the Governor of a State entered into under subsection (b)(2) or (b)(3) is terminated before the date prescribed for its expiration, the Secretary shall, upon application and in accordance with subsection (b)(2), or (b)(3) (as the Secretary determines appropriate), enter into another agreement with the Governor for the designation of a State Agency.

"(d) If, upon the expiration of the fourth fiscal year which begins after the calendar year in which the National Health Policy, Planning, and Resources Development Act of 1974 is enacted, an agreement under this section for the designation of a State Agency for a State is not in effect, the Secretary may not make any allotment, grant, loan, or loan guarantee, or enter into any contract, under this Act, the Community Mental Health Centers Act, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 for the development, expansion, or support of health resources in such State until such time as such an agreement is in effect.

"STATE ADMINISTRATIVE PROGRAM

"SEC. 1522. (a) A State administrative program (hereinafter in this section referred to as the 'State Program') is a program for the performance within the State by its State Agency of the functions prescribed by section 1523. The Secretary may not approve a State Program for a State unless it—

"(1) meets the requirements of subsection (b);

"(2) has been submitted to the Secretary by the Governor of the State at such time and in such detail, and contains or is accompanied by such information, as the Secretary deems necessary; and

"(3) has been submitted to the Secretary only after the Governor of the State has afforded to the general public of the State a reasonable opportunity for a presentation of views on the State Program.

"(b) The State Program of a State must—

"(1) provide for the performance within the State (after the designation of a State Agency and in accordance with the designation agreement) of the functions prescribed by section 1523 and specify the State Agency of the State as the sole agency for the performance of such functions (except as provided in subsection (b) of such section) and for the administration of the State Program;

"(2) contain or be supported by satisfactory evidence that the State Agency has under State law the authority to carry out such functions and the State Program in accordance with this part and contain a current budget for the operation of the State Agency;

"(3) provide for adequate consultation with, and authority for, the Statewide Health Coordinating Council (prescribed by section 1524). In carrying out such functions and the State Program;

"(4)(A) set forth in such detail as the Secretary may prescribe the qualifications for personnel having responsibilities in the performance of such functions and the State Program, and require the State Agency to have a professional staff for planning and a professional staff for development, which staffs shall be of such size and meet such qualifications as the Secretary may prescribe;

"(B) provide for such methods of administration as are found by the Secretary to be necessary for the proper and efficient administration of such functions and the State Program, including methods relating to the establishment and maintenance of personnel standards on a merit basis consistent with such standards as are or may be established by the Civil Service Commission under section 208(a) of the Intergovernmental Personnel Act of 1970 (Public Law 91-648), but the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with the methods relating to personnel standards on a merit basis established and maintained in conformity with this paragraph;

"(5) require the State Agency to perform its functions in accordance with procedures and criteria established and published by it, which procedures and criteria shall conform to the requirements of section 1532;

"(6) require the State Agency to (A) conduct its business meetings in public, (B) give adequate notice to the public of such meetings, and (C) make its records and data available, upon request, to the public;

"(7)(A) provide for the coordination (in accordance with regulations of the Secretary) with the cooperative system provided for under section 306(e) of the activities of the State Agency for the collection, retrieval, analysis, reporting, and publication of statistical and other information related to health and health care, and (B) require providers of health care doing business in the State to make statistical and other reports of such information to the State Agency;

"(8) provide, in accordance with methods and procedures prescribed or approved by the Secretary, for the evaluation, at least annually, of the performance by the State Agency of its functions and of their economic effectiveness;

"(9) provide that the State Agency will from time to time, and in any event not less often than annually, review the State Program and submit to the Secretary required modifications;

"(10) require the State Agency to make such reports, in such form and containing such information, concerning its structure, operations, performance of functions, and other matters as the Secretary may from time to time require, and keep such records and afford such access thereto as the Secretary may find necessary to verify such reports;

"(11) require the State Agency to provide for such fiscal control and fund accounting procedures as the Secretary may require to assure proper disbursement of, and accounting for, amounts received from the Secretary under this title;

"(12) permit the Secretary and the Comptroller General of the United States, or their representatives, to have access for the purpose of audit and examination to any books, documents, papers, and records of the State Agency pertinent to the disposition of amounts received from the Secretary under this title; and

"(13) provide that if the State Agency makes a decision in the performance of a function under paragraph (3), (4), (5), or (6) of section 1523(a) or under title XVI which is inconsistent with a recommendation made under subsection (f), (g), or (h) of section 1513 by a health systems agency within the State—

"(A) such decision (and the record upon which it was made) shall, upon request of the health systems agency, be reviewed, under an appeals mechanism consistent with State law governing the practices and procedures of administrative agencies, by an agency of the State (other than the State health planning and development agency) designated by the Governor, and

"(B) the decision of the reviewing agency shall for purposes of this title and title XVI be considered the decision of the State health planning and development agency.

"(c) The Secretary shall approve any State Program and any modification thereof which complies with subsections (a) and (b). The Secretary shall review for compliance with the requirements of this part the specifications of and operations under each State Program approved by him. Such review shall be conducted not less often than once each year.

"STATE HEALTH PLANNING AND DEVELOPMENT FUNCTIONS

"SEC. 1523. (a) Each State Agency of a State designated under section 1521(b)(3) shall, except as authorized under subsection (b), perform within the State the following functions:

"(1) Conduct the health planning activities of the State and implement those parts of the State health plan (under section 1524(c)(2)) and the plans of the health systems agencies within the State which relate to the government of the State.

"(2) Prepare and review and revise as necessary (but at least annually) a preliminary State health plan which shall be made up of the HSP's of the health systems agencies within the State. Such preliminary plan may, as found necessary by the State Agency, contain such revisions of such HSP's to achieve their appropriate coordination or to deal more effectively with statewide health needs. Such preliminary plan shall be submitted to the Statewide Health Coordinating Council of the State for approval or disapproval and for use in developing the State health plan referred to in section 1524(c).

"(3) Assist the Statewide Health Coordinating Council of the State in the review of the State medical facilities plan required under section 1603, and in the performance of its functions generally.

"(4)(A) Serve as the designated planning agency of the State for the purposes of section 1122 of the Social Security Act if the State has made an agreement pursuant to such section, and (B) administer a State certificate of need program which applies to new institutional health services proposed to be offered or developed within the State and which is satisfactory to the Secretary. Such program shall provide for review and determination of need prior to the time such services, facilities, and organizations are offered or developed or substantial expenditures are undertaken in preparation for such offering or development, and provide that only those services, facilities, and organizations found to be needed shall be offered or developed in the State. In performing its functions under this paragraph the State Agency shall consider recommendations made by health systems agencies under section 1513(f).

"(5) After consideration of recommendations submitted by health systems agencies under section 1413(f) respecting new institutional health services proposed to be offered within the State, make findings as to the need for such services.

"(6) Review on a periodic basis (but not less often than every five years) all institutional health services being offered in the State and, after consideration of recommendations submitted by health systems agencies under section 1513(g) respecting the appropriateness of such services, make public its findings.

"(b)(1) Any function described in subsection (a) may be performed by another agency of the State government upon request of the Governor under an agreement with the State Agency satisfactory to the Secretary.

"(2) The requirement of paragraph (4)(B) of subsection (a) shall not apply to a State Agency of a State until the expiration of the first regular session of the legislature of such State which begins after the date of enactment of this title.

"(3) A State Agency shall complete its findings with respect to the appropriateness of any existing institutional health service within one year after the date a health systems agency has made its recommendation under section 1513(g) with respect to the appropriateness of the service.

"(c) If a State Agency makes a decision in carrying out a function described in paragraph (4), (5), (6), or (7) of subsection (a) which is not consistent with the goals of the applicable HSP or the priorities of the applicable AIP, the State Agency shall submit to the appropriate health systems agency a detailed statement of the reasons for the inconsistency.

"STATEWIDE HEALTH COORDINATING COUNCIL

"SEC. 1524. (a) A State health planning and development agency designated under section 1521 shall be advised by a Statewide Health Coordinating Council (hereinafter in this section referred to as the 'SHCC') which (1) is organized in the manner described by subsection (b), and (2) performs the functions listed in subsection (c).

"(b)(1) A SHCC of a State shall be composed in the following manner:

"(A)(i) A SHCC shall have no fewer than sixteen representatives appointed by the Governor of the State from lists of at least five nominees submitted to the Governor by each of the health systems agencies designated for health service areas which fall, in whole or in part, within the State.

"(ii) Each such health systems agency shall be entitled to the same number of representatives on the SHCC.

"(iii) Each such health systems agency shall be entitled to at least two representatives on the SHCC. Of the representatives of a health systems agency, not less than one-half shall be individuals who are consumers of health care and who are not providers of health care.

"(B) In addition to the appointments made under subparagraph (A), the Governor of the State may appoint such persons (including State officials, public elected officials, and other representatives of governmental authorities within the State) to serve on the SHCC as he deems appropriate; except that (i) the number of persons appointed to the SHCC under this subparagraph may not exceed 40 per centum of the total membership of the SHCC.

and (ii) a majority of the persons appointed by the Governor shall be consumers of health care who are not also providers of health care.

"(C) Not less than one-third of the providers of health care who are members of a SHCC shall be direct providers of health care (as described in section 1531(3)).

"(D) Where two or more hospitals or other health care facilities of the Veterans' Administration are located in a State, the SHCC shall, in additon to the appointed members, include, as an ex officio member, an individual whom the Chief Medical Director of the Veterans' Administration shall have designated as a representative of such facilities.

"(2) The SHCC shall select from among its members a chairman.

"(3) The SHCC shall conduct all of its business meetings in public, and shall meet at least once in each calendar quarter of a year.

"(c) A SHCC shall perform the following functions:

"(1) Review annually and coordinate the HSP and AIP of each health systems agency within the State and report to the Secretary, for purposes of his review under section 1535(c), its comments on such HSP and AIP.

"(2)(A) Prepare and review and revise as necessary (but at least annually) a State health plan which shall be made up of the HSP's of the health systems agencies within the State. Such plan may, as found necessary by the SHCC, contain revisions of such HSP's to achieve their appropriate coordination or to deal more effectively with statewide health needs. Each health systems agency which participates in the SHCC shall make available to the SHCC its HSP for each year for integration into the State health plan and shall, as required by the SHCC, revise its HSP to achieve appropriate coordination with the HSP's of the other agencies which participate in the SHCC or to deal more effectively with statewide health needs.

"(B) In the preparation and revision of the State health plan, the SHCC shall review and consider the preliminary State health plan submitted by the State Agency under section 1523(a)(2), and shall conduct a public hearing on the plan as proposed and shall give interested persons an opportunity to submit their views orally and in writing. Not less than thirty days prior to any such hearing, the SHCC shall publish in at least two newspapers of general circulation in the State a notice of its consideration of the proposed plan, the time and place of the hearing, the place at which interested persons may consult the plan in advance of the hearing, and the place and period during which to direct written comment to the SHCC on the plan.

"(3) Review annually the budget of each such health systems agency and report to the Secretary, for purposes of his review under section 1535(a), its comments on such budget.

"(4) Review applications submitted by

such health systems agencies for grants under sections 1516 and 1640 and report to the Secretary its comments on such applications.

"(5) Advise the State Agency of the State generally on the performance of its functions.

"(6) Review annually and approve or disapprove any State plan and any application (and any revision of a State plan or application) submitted to the Secretary as a condition to the receipt of any funds under allotments made to States under this Act, the Community Mental Health Centers Act, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970. Notwithstanding any other provision of this Act or any other Act referred to in the preceding sentence, the Secretary shall allow a SHCC sixty days to make the review required by such sentence. If a SHCC disapproves such a State plan or application, the Secretary may not make Federal funds available under such State plan or application until he has made, upon request of the Governor of the State which submitted such plan or application or another agency of such State, a review of the SHCC decision. If after such review the Secretary decides to make such funds available, the decision by the Secretary to make such funds available shall be submitted to the SHCC and shall contain a detailed statement of the reasons for the decision.

"GRANTS FOR STATE HEALTH PLANNING AND DEVELOPMENT

"SEC. 1525. (a) The Secretary shall make grants to State health planning and development agencies designated under subsection (b)(2) or (b)(3) of section 1521 to assist them in meeting the costs of their operation. Any grant made under this subsection to a State Agency shall be available for obligation only for a period not to exceed the period for which its designation agreement is entered into or renewed. The amount of any grant made under this subsection shall be determined by the Secretary, except that no grant to a designated State Agency may exceed 75 per centum of its operation costs (as determined under regulations of the Secretary) during the period for which the grant is available for obligation.

"(b) Grants under subsection (a) shall be made on such terms and conditions as the Secretary may prescribe; except that the Secretary may not make a grant to a State Agency unless he receives satisfactory assurances that the State Agency will expend in performing the functions prescribed by section 1523 during the fiscal year for which the grant is sought an amount of funds from non-Federal sources which is at least as great as the average amount of funds expended, in the three years immediately preceding the fiscal year for which such grant is sought, by the State, for which such State Agency has been designated, for the purposes for which funds under such grant may be used (excluding expenditures of a nonrecurring nature).

"(c) For the purpose of making payments under grants under subsection (a), there are authorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1975, $30,000,000 for the fiscal year ending June 30, 1976, and $35,000,000 for the fiscal year ending June 30, 1977.

"GRANTS FOR RATE REGULATION

"SEC. 1526. (a) For the purpose of demonstrating the effectiveness of State Agencies regulating rates for the provision of health care, the Secretary may make to a State Agency designated, under an agreement entered into under section 1521(b)(3), for a State which (in accordance with regulations prescribed by the Secretary) has indicated an intent to regulate (not later than six months after the date of the enactment of this title) rates for the provision of health care within the State. Not more than six State Agencies may receive grants under this subsection.

"(b)(1) A State Agency which receives a grant under subsection (a) shall—

"(A) provide the Secretary satisfactory evidence that the State Agency has under State law the authority to carry out rate regulation functions in accordance with this section and provide the Secretary a current budget for the performance of such functions by it;

"(B) set forth in such detail as the Secretary may prescribe the qualifications for personnel having responsibility in the performance of such functions, and shall have a professional staff for rate regulation, which staff shall be headed by a Director;

"(C) provide for such methods of administration as found by the Secretary to be necessary for the proper and efficient administration of such functions,

"(D) perform its functions in accordance with procedures established and published by it, which procedures shall conform to the requirements of section 1532;

"(E) comply with the requirements prescribed by paragraphs (6) through (12) of section 1522(b) with respect to the functions prescribed by subsection (a);

"(F) provide for the establishment of a procedure under which the State Agency will obtain the recommendation of the appropriate health systems agency prior to conducting a review of the rates charged or proposed to be charged for services; and

"(G) meet such other requirements as the Secretary may prescribe.

"(2) In prescribing requirements under paragraph (1) of this subsection, the Secretary shall consider the manner in which a State Agency shall perform its functions under a grant under subsection (a), including whether the State Agency should—

"(A) permit those engaged in the delivery of health services to retain savings accruing to them from effective management and cost control,

"(B) create incentives at each point in the delivery of health services for utilization of the most economical modes of services feasible,

"(C) document the need for and cost implications of each new service for which a determination of reimbursement rates is sought, and

"(D) employ for each type of class of person engaged in the delivery of health services—

"(i) a unit for determining the reimbursement rates, and

"(ii) a base for determining rates of change in the reimbursement rates,

which unit and base are satisfactory to the Secretary.

"(c) Grants under subsection (a) shall be made on such terms and conditions as the Secretary may prescribe, except that (1) such a grant shall be available for obligation only during the one-year period beginning on the date such grant was made, and (2) no State Agency may receive more than three grants under subsection (a).

"(d) Each State Agency which receives a grant under subsection (a) shall report to the Secretary (in such form and manner as he shall prescribe) on the effectiveness of the rate regulation program assisted by such grant. The Secretary shall report annually to the Congress on the effectiveness of the programs assisted by the grants authorized by subsection (a).

"(e) There are authorized to be appropriated to make payments under grants under subsection (a), $4,000,000 for the fiscal year ending June 30, 1975, $5,000,000 for the fiscal year ending June 30, 1976, and $6,000,000 for the fiscal year ending June 30, 1977.

"PART D—GENERAL PROVISIONS

"DEFINITIONS

"SEC. 1531. For purposes of this title:

"(1) The term 'State' includes the District of Columbia and the Commonwealth of Puerto Rico.

"(2) The term 'Governor' means the chief executive officer of a State or his designee.

"(3) The term 'provider of health care' means an individual—

"(A) who is a direct provider of health care including a physician, dentist, nurse, podiatrist, or physician assistant) in that the individual's primary current activity is the provision of health care to individuals or the administration of facilities or institutions (including hospitals, long-term care facilities, outpatient facilities, and health maintenance organizations) in which such care is provided and, when required by State law, the individual has received professional training in the provision of such care or in such administration and is licensed or certified for such provision or administration; or

"(B) who is an indirect provider of health care in that the individual—

"(i) holds a fiduciary position with, or has a fiduciary interest in, any entity described in subclause (II) or (IV) of clause (ii);

"(ii) receives (either directly or through his spouse) more than one-tenth of his gross annual income from any one or combination of the following:

"(I) Fees or other compensation for research into or instruction in the provision of health care.

"(II) Entities engaged in the provision of health care or in such research or instruction.

"(III) Producing or supplying drugs or other articles for individuals or entities for use in the provision of or in research into or instruction in the provision of health care.

"(IV) Entities engaged in producing drugs or such other articles.

"(iii) is a member of the immediate family of an individual described in subparagraph (A) or in clause (i), (ii), or (iv) of subparagraph (B); or

"(iv) is engaged in issuing any policy or contract of individual or group health insurance or hospital or medical service benefits.

"(4) the term 'health resources' includes health services, health professions personnel, and health facilities, except that such term does not include Christian Science sanatoriums operated, or listed and certified, by the First Church of Christ, Scientist, Boston, Massachusetts.

"(5) The term 'institutional health services' means the health services provided through health care facilities and health maintenance organizations (as such facilities and organizations are defined in regulations prescribed under section 1122 of the Social Security Act) and includes the entities through which such services are provided.

"PROCEDURES AND CRITERIA FOR REVIEWS OF PROPOSED HEALTH SYSTEM CHANGES

"SEC. 1532. (a) In conducting reviews pursuant to subsections (e), (f), and (g) of section 1513 or in conducting any other reviews of proposed or existing health services, each health systems agency shall (except to the extent approved by the Secretary) follow procedures, and apply criteria, developed and published by the agency in accordance with regulations of the Secretary; and in performing its review functions under section 1523, a State Agency shall (except to the extent approved by the Secretary) follow procedures, and apply criteria, developed and published

by the State Agency in accordance with regulations of the Secretary. Procedures and criteria for reviews by health systems agencies and States Agencies may vary according to the purpose for which a particular review is being conducted or the type of health services being reviewed.

"(b) Each health systems agency and State Agency shall include in the procedures required by subsection (a) at least the following:

"(1) Written notification to affected persons of the beginning of a review.

"(2) Schedules for reviews which provide that no review shall, to the extent practicable, take longer than ninety days from the date the notification described in paragraph (1) is made.

"(3) Provision for persons subject to a review to submit to the agency or State Agency (in such form and manner as the agency or State Agency shall prescribe and publish) such information as the agency or State Agency may require concerning the subject of such review.

"(4) Submission of applications (subject to review by a health systems agency or a State Agency) made under this Act or other provisions of law for Federal financial assistance for health services to the health systems agency or State Agency at such time and in such manner as it may require.

"(5) Submission of periodic reports by providers of health services and other persons subject to agency or State Agency review respecting the development of proposals subject to review.

"(6) Provision for written findings which state the basis for any final decision or recommendation made by the agency or State Agency.

"(7) Notification of providers of health services and other persons subject to agency or State Agency review of the status of the agency or State Agency review of the health services or proposals subject to review, findings made in the course of such review, and other appropriate information respecting such review.

"(8) Provision for public hearings in the course of agency or State Agency review if requested by persons directly affected by the review; and provision for public hearings, for good cause shown, respecting agency and State Agency decisions.

"(9) Preparation and publication of regular reports by the agency and State Agency of the reviews being conducted (including a statement concerning the status of each such review) and of the reviews completed by the agency and State Agency (including a general statement of the findings and decisions made in the course of such reviews) since the publication of the last such report.

"(10) Access by the general public to all applications reviewed by the agency and State Agency and to all other written materials pertinent to any agency or State Agency review.

"(11) In the case of construction projects, submission to the agency and State Agency by the entities proposing the projects of letters of intent in such detail as may be necessary to inform the agency and State Agency of the scope and nature of the projects at the earliest possible opportunity in the course of planning of such construction projects.

"(c) Criteria required by subsection (a) for health systems agency and State Agency review shall include consideration of at least the following:

"(1) The relationship of the health services being reviewed to the applicable HSP and AIP.

"(2) The relationship of services reviewed to the long-range development plan (if any) of the person providing or proposing such services.

"(3) The need that the population served or to be served by such services has for such services.

"(4) The availability of alternative, less costly, or more effective methods of providing such services.

"(5) The relationship of services reviewed to the existing health care system of the area in which such services are provided or proposed to be provided.

"(6) In the case of health services proposed to be provided, the availability of resources (including health manpower, management personnel, and funds for capital and operating needs) for the provision of such services and the availability of alternative uses of such resources for the provision of other health services.

"(7) The special needs and circumstances of those entities which provide a substantial portion of their services or resources, or both, to individuals not residing in the health service areas in which the entities are located or in adjacent health service areas. Such entities may include medical and other health professions schools, multidisciplinary clinics, speciality centers, and such other entities as the Secretary may by regulation prescribe.

"(8) The special needs and circumstances of health maintenance organizations for which assistance may be provided under title XIII.

"(9) In the case of a construction project—

"(A) the costs and methods of the proposed construction, and

"(B) the probable impact of the construction project reviewed on the costs of providing health services by the person proposing such construction project.

"TECHNICAL ASSISTANCE FOR HEALTH SYSTEMS AGENCIES AND STATE HEALTH PLANNING AND DEVELOPMENT AGENCIES

"SEC. 1533. (a) The Secretary shall provide (directly or through grants or contracts, or both) to designated health systems agencies and State Agencies (1) assistance in developing their health plans and approaches to planning various types of health services, (2) technical materials, including methodologies, policies, and standards appropriate for use in health planning, and (3) other technical assistance as may be necessary in order that such agencies may properly perform their functions.

"(b) The Secretary shall include in the materials provided under subsection (a) the following:

"(1)(A) Specification of the minimum data needed to determine the health status of the residents of a health service area and the determinants of such status.

"(B) Specification of the minimum data needed to determine the status of the health resources and services of a health service area.

"(C) Specification of the minimum data needed to describe the use of health resources and services within a health service area.

"(2) Planning approaches, methodologies, policies, and standards which shall be consistent with the guidelines established by the Secretary under section 1501 for appropriate planning and development of health resources, and which shall cover the priorities listed in section 1502.

"(3) Guidelines for the organization and operation of health systems agencies and State Agencies including guidelines for—

"(A) the structure of a health systems agency, consistent with section 1512(b), and of a State Agency, consistent with section 1522;

"(B) the conduct of the planning and development processes;

"(C) the performance of health systems agency functions in accordance with section 1513; and

"(D) the performance of State Agency functions in accordance with section 1523.

"(c) In order to facilitate the exchange of information concerning health services, health resources, and health planning and resources development practice and methodology, the Secretary shall establish a national health planning information center to support the health planning and resources development programs of health systems agencies, State Agencies, and other entities concerned with health planning and resources development; to provide access to current information on health planning and resources development; and to provide information for use in the analysis of issues and problems related to health planning and resources development.

"(d) The Secretary shall establish the following within one year of the date of enactment of this title:

"(1) A uniform system for calculating the aggregate cost of operation and the aggregate volume of services provided by health services institutions as defined by the Secretary in regulations. Such system shall provide for the calculation of the aggregate volume to be based on:

"(A) The number of patient days;

"(B) The number of patient admissions;

"(C) The number of out-patient visits; and

"(D) Other relevant factors as determined by the Secretary.

"(2) A uniform system for cost accounting and calculating the volume of services provided by health services institutions. Such system shall:

"(A) Include the establishment of specific cost centers and, where appropriate, subcost centers.

"(B) Include the designation of an appropriate volume factor for each cost center.

"(C) Provide for an appropriate application of such system in the different types of institutions (including hospitals, nursing homes, and other types of health services institutions), and different sizes of such types of institutions.

"(3) A uniform system for calculating rates to be charged to health insurers and other health institutions payors by health service institutions. Such system shall:

"(A) Be based on an all-inclusive rate for various categories of patients (including, but not limited to individuals receiving medical, surgical, pediatric, obstetric, and psychiatric institutional health services).

"(B) Provide that such rates reflect the true cost of providing services to each such category of patients. The system shall provide that revenues derived from patients in one category shall not be used to support the provision of services to patients in any other category.

"(C) Provide for an appropriate application of such system in the different types of institutions (including hospitals, nursing homes, and other types of health service institutions) and different sizes of such types of institutions.

"(D) Provide that differences in rates to various classes of purchasers (including health insurers, direct service payors, and other health institution payors) be based on justified and documented differences in the costs of operation of health service institutions made possible by the actions of such purchasers.

"(4) A classification system for health services institutions. Such classification system shall quantitatively describe and group health services institutions of the various types. Factors included in such classification system shall include—

"(A) the number of beds operated by an institution;

"(B) the geographic location of an institution;

"(C) the operation of a postgraduate physician training program by an institution; and

"(D) the complexity of services provided by an institution.

"(5) A uniform system for the reporting by health services institutions of—

"(A) the aggregate cost of operation and th aggregate volume of services, as calculated in accordance with the system established by the Secretary under paragraph (1);

"(B) the costs and volume of services at various cost centers, and subcost centers, as calculated in accordance with the system established by the Secretary under paragraph (2); and

"(C) rates, by category of patient and class of purchaser, as calculated in accordance with the system established by the Secretary under paragraph (3).

Such system shall provide for an appropriate application of such system in the different types of institutions (including hospitals, nursing homes, and other types of health services institutions) and different sizes of such institutions.

"CENTERS FOR HEALTH PLANNING

"SEC. 1534. (a) For the purposes of assisting the Secretary in carrying out this title, providing such technical and consulting assistance as health systems agencies and State Agencies may from time to time require, conducting research, studies and analyses of health planning and resources development, and developing health planning approaches, methodologies, policies, and standards, the Secretary shall by grants or contracts, or both, assist public or private nonprofit entities in meeting the costs of planning and developing new centers, and operating existing and new centers, for multidisciplinary health planning development and assistance. To the extent practicable, the Secretary shall provide assistance under this section so that at least five such centers will be in operation by June 30, 1976.

"(b) (1) No grant or contract may be made under this section for planning or developing a center unless the Secretary determines that when it is operational it will meet the requirements listed in paragraph (2) and no grant or contract may be made under this section for operation of a center unless the center meets such requirements.

"(2) The requirements referred to in paragraph (1) are as follows:

"(A) There shall be a full-time director of the center who possesses a demonstrated capacity for substantial accomplishment and leadership in the field of health planning and resources development, and there shall be such additional professional staff as may be appropriate.

"(B) The staff of the center shall represent a diversity of relevant disciplines.

"(C) Such additional requirements as the Secretary may by regulation prescribe.

"(c) Centers assisted under this section (1) may enter into arrangements with health systems agencies and State Agencies for the provision of such services as may be appropriate and necessary in assisting the agencies and State Agencies in performing their functions under section 1513 or 1523, respectively, and (2) shall use methods (satisfactory to the Secretary) to disseminate to such agencies and State Agencies such planning approaches, methodologies, policies and standards as they develop.

"(d) For the purpose of making payments pursuant to grants and contracts under subsection (a) there are authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1975, $8,000,000 for the fiscal year ending June 30, 1976, and $10,000,000 for the fiscal year ending June 30, 1977.

"REVIEW BY THE SECRETARY

"SEC. 1535. (a) The Secretary shall review and approve or disapprove the annual budget of each designated health systems agency and State Agency. In making such review and approval or disapproval the Secretary shall consider the comments of Statewide Health Coordinating Councils submitted under section 1524(c)(3). Information submitted to the Secretary by a health systems agency or a State Agency in connection with the Secretary's review under this subsection shall be made available by the Secretary, upon request, to the appropriate committees (and their subcommittees) of the Congress.

"(b) The Secretary shall prescribe performance standards covering the structure, operation, and performance of the functions of each designated health systems agency and State Agency, and he shall establish a reporting system based on the performance standards that allows for continuous review of the structure, operation, and performance of the functions of such agencies.

"(c) The Secretary shall review in detail at least every three years the structure, operation, and performance of the functions of each designated health systems agency to determine—

"(1) the adequacy of the HSP of the agency for meeting the needs of the residents of the area for a healthful environment and for accessible, acceptable and continuous quality health care at reasonable costs, and the effectiveness of the AIP in achieving the system described in the HSP;

"(2) if the structure, operation, and performance of the functions of the agency meet the requirements of sections 1512(b) and 1513;

"(3) the extent to which the agency's governing body (and executive committee (if any)) represents the residents of the health service area for which the agency is designated;

"(4) the professional credentials and competence of the staff of the agency;

"(5) the appropriateness of the data assembled pursuant to section 1513(b)(1) and the quality of the analyses of such data;

"(6) the extent to which technical and financial assistance from the agency have been utilized in an effective manner to achieve the goals and objectives of the HSP and the AIP; and

"(7) the extent to which it may be demonstrated that—

"(A) the health of the residents in the agency's health service area has been improved;

"(B) the accessibility, acceptability, continuity, and quality of health care in such area has been improved; and

"(C) increases in costs of the provision of health care have been restrained.

"(d) The Secretary shall review in detail at least every three years the structure, operation, and performance of the functions of each designated State Agency to determine—

"(1) the adequacy of the State health plan of the Statewide Health Coordinating Council prepared under section 1524(c)(2) in meeting the needs of the residents of the State for a healthful environment and for accessible, acceptable, and continuous quality health care at reasonable costs;

"(2) if the structure, operation, and performance of the functions of the State Agency meet the requirements of sections 1522 and 1523;

"(3) the extent to which the Statewide Health Coordinating Council has a membership meeting, and has performed in a manner consistent with, the requirements of section 1524;

"(4) the professional credentials and competence of the staff of the State Agency;

"(5) the extent to which financial assistance provided under title XVI by the State Agency has been used in an effective manner to achieve the State's health plan under section 1524(c)(2); and

"(6) the extent to which it may be demonstrated that—

"(A) the health of the residents of the State has been improved;

"(B) the accessibility, acceptability, continuity, and quality of health care in the State has been improved; and

"(C) increase in costs of the provision of health care have been restrained.

"SPECIAL PROVISIONS FOR CERTAIN STATES AND TERRITORIES

"SEC. 1536. (a) Any State which—

"(1) has no county or municipal public health institution or department, and

"(2) has, prior to the date of enactment of this title, maintained a health planning system which substantially complies with the purposes of this title,

and the Virgin Islands, Guam, the Trust Territories in the Pacific Islands, and American Samoa shall each be considered in accordance with subsection (b) to be a State for purposes of this title.

"(b) In the case of an entity which under subsection (a) is to be considered a State for purposes of this title—

"(1) no health service area shall be established within it,

"(2) no health systems agency shall be designated for it,

"(3) the State Agency designated for it under section 1521 may, in addition to the functions prescribed by section 1523, perform the functions prescribed by section 1513 and shall be eligible to receive grants authorized by sections 1516 and 1640, and

"(4) the chief executive office shall appoint the Statewide Health Coordinating Council prescribed by section 1524 in accordance with the regulation of the Secretary."

REVISION OF HEALTH RESOUCES DEVELOPMENT PROGRAMS UNDER THE PUBLIC HEALTH SERVICE ACT

SEC. 4. The Public Health Service Act, as amended by section 3, is amended by adding after title XV the following new title:

"TITLE XVI—HEALTH RESOURCES DEVELOPMENT

"PART A—PURPOSE, STATE PLAN, AND PROJECT APPROVAL

"PURPOSE

"SEC. 1601. It is the purpose of this title to provide assistance, through allotments under part B and loans and loan guarantees and interest subsidies under part C, for projects for—

"(1) modernization of medical facilities;

"(2) construction of new outpatient medical facilities;

"(3) construction of new inpatient medical facilities in areas which have experienced (as determined under regulations of the Secretary) recent rapid population growth; and

"(4) conversion of existing medical facilities for the provision of new health services, and to provide assistance, through grants under part D, for construction and modernization projects designed to prevent or eliminate safety hazards in medical facilities or to avoid noncompliance by such facilities with licensure or accreditation standards.

"GENERAL REGULATIONS

"SEC. 1602. The Secretary shall by regulation—

"(1) prescribe the general manner in which the State Agency of each State shall determine for the State medical facilities plan under section 1603 the priority among projects within the State for which assistance is avail-

able under this title, based on the relative need of different areas within the State for such projects and giving special consideration—

"(A) to projects for medical facilities serving areas with relatively small financial resources and for medical facilities serving rural communities,

"(B) in the case of projects for modernization of medical facilities, to projects for facilities serving densely populated areas,

"(C) in the case of projects for construction of outpatient medical facilities, to projects that will be located in, and provide services for residents of, areas determined by the Secretary to be rural or urban poverty areas,

"(D) to projects designed to (i) eliminate or prevent imminent safety hazards as defined by Federal, State, or local fire, building, or life safety codes or regulations, or (ii) avoid noncompliance with State or voluntary licensure or accreditation standards, and

"(E) to projects for medical facilities which, alone or in conjunction with other facilities, will provide comprehensive health care, including outpatient and preventive care as well as hospitalization;

"(2) prescribe for medical facilities projects assisted under this title general standards of construction, modernization, and equipment for medical facilities of different classes and in different types of location;

"(3) prescribe criteria for determining needs for medical facility beds and needs for medical facilities, and for developing plans for the distribution of such beds and facilities;

"(4) prescribe criteria for determining the extent to which existing medical facilities are in need of modernization;

"(5) require each State medical facilities plan under section 1503 to provide for adequate medical facilities for all persons residing in the State and adequate facilities to furnish needed health services for persons unable to pay therefor; and

"(6) prescribe the general manner in which each entity which receives financial assistance under this title or has received financial assistance under this title or title VI shall be required to comply with the assurances required to be made at the time such assistance was received and the means by which such entity shall be required to demonstrate compliance with such assurances.

An entity subject to the requirements prescribed pursuant to paragraph (6) respecting compliance with assurances made in connection with receipt of financial assistance shall submit periodically to the Secretary data and information which reasonably supports the entity's compliance with such assurances. The Secretary may not waive the requirement of the preceding sentence.

"STATE MEDICAL FACILITIES PLAN

"SEC. 1603. (a) Before an application for assistance under this title (other than part D) for a medical facility project described in section 1601 may be approved, the State Agency of the State in which such project is located must have submitted to the Secretary and had approved by him a State medical facilities plan. To be approved by the Secretary a State medical facilities plan for a State must—

"(1) prescribe that the State Agency of the State shall administer or supervise the administration of the plan and contain evidence satisfactory to the Secretary that the State Agency has the authority to carry out the plan in conformity with this title;

"(2) prescribe that the Statewide Health Coordinating Council of the State shall advise and consult with the State Agency in carrying out the plan;

"(3) be approved by the Statewide Health Coordinating Council as consistent with the State plan developed pursuant to section 1524(c)(2);

"(4) set forth, in accordance with criteria established in regulations prescribed under section 1602(a) and on the basis of a statewide inventory of existing medical facilities, a survey of need, and the plans of health systems agencies within the State—

"(A) the number and type of medical facility beds and medical facilities needed to provide adequate inpatient care to people residing in the State, and a plan for the distribution of such beds and facilities in health service areas throughout the State,

"(B) the number and type of outpatient and other medical facilities needed to provide adequate public health services and outpatient care to people residing in the State, and a plan for the distribution of such facilities in health service areas throughout the State, and

"(C) the extent to which existing medical facilities in the State are in need of modernization or conversion to new uses;

"(5) set forth a program for the State for assistance under this title for projects described in section 1601, which program shall indicate the type of assistance which should be made available to each project and shall conform to the assessment of need set forth pursuant to paragraph (4) and regulations promulgated under section 1602(a);

"(6) set forth (in accordance with regulations promulgated under section 1602(a)) priorities for the provision of assistance under this title for projects in the program set forth pursuant to pargraph (4);

"(7) provide minimum requirements (to be fixed in the discretion of the State agency for the maintenance and operation of facilities which receive assistance under this title, and provide for enforcement of such standards;

"(8) provide for affording to every applicant for assistance for a medical facilities project under this title an opportunity for a hearing before the State Agency; and

"(9) provide that the State Agency will from time to time, but not less often than annually, review the plan and submit to the Secretary any modifications thereof which it considers necessary.

"(b) The Secretary shall approve any State medical facilities plan and any modification thereof which complies with the provisions of subsection (a) if the State Agency, as determined under the review made under section 1535(d), is organized and operated in the manner prescribed by section 1522 and is carrying out its functions under section 1523 in a manner satisfactory to the Secretary. If any such plan or modification thereof shall have been disapproved by the Secretary for failure to comply with subsection (a), the Secretary shall, upon request of the State Agency, afford it an opportunity for hearing.

"APPROVAL OF PROJECTS

"SEC. 1604. (a) For each project described in section 1601 and included within a State's State medical facilities plan approved under section 1603 there shall be submitted to the Secretary, through the State's State Agency, an application. An application for a grant under section 1625 shall be submitted directly to the Secretary. Except as provided in section 1625, the applicant under such an application may be a State, a political subdivision of a State or any other public entity, or a private nonprofit entity. If two or more entities join in a project, an application for such project may be filed by any of such entities or by all of them.

"(b)(1) Except as authorized under paragraph (2), an application for any project shall set forth—

"(A) In the case of a modernization project for a medical facility for continuation of existing health services, a finding by the State Agency of a continued need for such services, and, in the case of any other project for a medical facility, a finding by the State Agency of the need for the new health services to be provided through the medical facility upon completion of the project;

"(B) a description of the site of such project;

"(C) plans and specifications therefor which meet the requirements of the regulations prescribed under section 1602(a);

"(D) reasonable assurance that title to such site is or will be vested in one or more of the entities filing the application or in a public or other nonprofit entity which is to operate the facility on completion of the project;

"(E) reasonable assurance that adequate financial support will be available for the completion of the project and for its maintenance and operation when completed, and, for the purpose of determining if the requirements of this subparagraph are met, Federal assistance provided directly to a medical facility which is located in an area determined by the Secretary to be an urban or rural poverty area or through benefits provided individuals served at such facility shall be considered as financial support;

"(F) the type of assistance being sought under this title for the project;

"(G) except in the case of a project under section 1625, a certification by the State Agency of the Federal share for the project;

"(H) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on a project will 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 Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act), and the Secretary of Labor shall have with respect to such labor standards the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c);

"(I) in the case of a project for the construction or modernization of an outpatient facility, reasonable assurance that the services of a general hospital will be available to patients at such facility who are in need of hospital care; and

"(J) reasonable assurance that at all times after such application is approved (i) the facility or portion thereof to be constructed, or modernized, or converted will be made available to all persons residing or employed in the area served by the facility, and (ii) there will be made available in the facility or portion thereof to be constructed, modernized, or converted a reasonable volume of services to persons unable to pay therefor and the Secretary, in determining the reasonableness of the volume of services provided, shall take into consideration the extent to which compliance is feasible from a financial viewpoint.

"(2)(A) The Secretary may waive—

"(i) the requirements of subparagraph (C) of paragraph (1) for compliance with modernization and equipment standards prescribed pursuant to section 1602(a)(2), and

"(ii) the requirement of subparagraph (D) of paragraph (1) respecting title to a project site,

in the case of an application for a project described in subparagraph (B).

"(B) A project referred to in subparagraph (A) is a project—

"(i) for the modernization of an outpatient medical facility which will provide general purpose health services, which is not part of

a hospital, and which will serve a medically underserved population as defined in section 1633 or as designated by a health systems agency, and

"(ii) for which the applicant seeks (I) not more than $20,000 from the allotments made under part B to the State in which it is located, or (II) a loan under part C the principal amount of which does not exceed $20,000.

"(c) The Secretary shall approve an application submitted under subsection (b) (other than an application for a grant under section 1625) if—

"(1) in the case of a project to be assisted from an allotment made under part B, there are sufficient funds in such allotment to pay the Federal share of the project; and

"(2) the Secretary finds that—

"(A) the application (i) is in conformity with the State medical facilities plan approved under section 1603, (ii) has been approved and recommended by the State Agency, (iii) is for a project which is entitled to priority over other projects within the State as determined in accordance with the approved State medical facilities plan, and (iv) contains the assurances required by subsection (b); and

"(B) the plans and specifications for the project meet the requirements of the regulations prescribed pursuant to section 1602(a).

"(d) No application (other than an application for a grant under section 1625) shall be disapproved until the Secretary has afforded the State Agency an opportunity for a hearing.

"(e) Amendment of any approved application shall be subject to approval in the same manner as an original application.

"(f) Each application shall be reviewed by health systems agencies in accordance with section 1513(e).

"PART B—ALLOTMENTS

"ALLOTMENTS

"SEC. 1610. (a) For each fiscal year, the Secretary shall, in accordance with regulations, make from sums appropriated for such fiscal year under section 1513 allotments among the States on the basis of the population, the financial need, and need for medical facilities projects described in section 1601 of the respective States. The population of the States shall be determined on the basis of the latest figure certified by the Secretary of Commerce.

"(b)(1) The allotment to any State (other than Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands) for any fiscal year shall be not less than $1,000,000; and the allotment to Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands for any fiscal year shall be not less than $500,000 each.

"(2) Notwithstanding paragraph (1), if the amount appropriated under section 1613 for any fiscal year is less than the amount required to provide allotments in accordance with paragraph (1), the amount of the allotment to any State for such fiscal year shall be an amount which bears the same ratio to the amount prescribed for such State by paragraph (1) as the amount appropriated for such fiscal year bears to the amount of appropriations needed to make allotments to all the States in accordance with paragraph (1).

"(c) Any amount allotted to a State for a fiscal year under subsection (a) and remaining unobligated at the end of such year shall remain available to such State, for the purpose for which made, for the next two fiscal years (and for such years only), in addition to the amounts allotted to such State for such purposes for such next two fiscal years; except that any such amount which is unobligated at the end of the first of such next two years and which the Secretary determines will remain unobligated at the close of the second of such next two years may be reallotted by the Secretary, to be available for the purposes for which made until the close of the second of such next two years, to other States which have need therefor, on such basis as the Secretary deems equitable and consistent with the purposes of this title. Any amount so reallotted to a State shall be in addition to the amounts allotted and available to the State for the same period.

"PAYMENTS FROM ALLOTMENTS

"SEC. 1611. (a) If with respect to any medical facility project approved under section 1604 the State Agency certifies (upon the basis of inspection by it) to the Secretary that, in accordance with approved plans and specifications, work has been performed upon the project or purchases have been made for it and that payment from the applicable allotment of the State in which the project is located is due for the project, the Secretary shall, except as provided in subsection (b), make such payment to the State.

"(b) The Secretary is authorized to not make payments to a State pursuant to subsection (a) in the following circumstances:

"(1) If such State is not authorized by law to make payments for an approved medical facility project from the payment to be made by the Secretary pursuant to subsection (a), or if the State so requests, the Secretary shall make the payment from the State allotment directly to the applicant for such project.

"(2) If the Secretary, after investigation or otherwise, has reason to believe that any act (or failure to act) has occurred requiring action pursuant to section 1612, payment by the Secretary may, after he has given the State Agency notice and opportunity for hearing pursuant to such section, be withheld, in whole or in part, pending corrective action or action based on such hearing.

In no event may the total of payments made under subsection (a) with respect to any project exceed an amount equal to the Federal share of such project.

"(c) In case an amendment to an approved application is approved as provided in section 1604 or the estimated cost of a project is revised upward, any additional payment with respect thereto may be made from the applicable allotment of the State for the fiscal year in which such amendment or revision is approved.

"(d) In any fiscal year—

"(1) not more than 20 per centum of the amount of a State's allotment available for obligation in that fiscal year may be obligated for projects in the State for construction of new facilities for the provision of inpatient health care to persons residing in areas of the State which have experienced recent rapid population growth; and

"(2) not less than 25 per centum of the amount of a State's allotment available for obligation in that fiscal year shall be obligated for projects for outpatient facilities which will serve medically underserved populations.

In the administration of this part, the Secretary shall seek to assure that in each fiscal year at least one half of the amount obligated for projects pursuant to paragraph (2) shall be obligated for projects which will serve rural medically underserved populations.

"WITHHOLDING OF PAYMENTS AND OTHER COMPLIANCE ACTIONS

"SEC. 1612. (a) Whenever the Secretary, after reasonable notice and opportunity for hearing to the State Agency concerned finds—

"(1) that the State Agency is not complying substantially with the provisions required by section 1603 to be included in its State medical facilities plan,

"(2) that any assurance required to be given in an application filed under section 1604 is not being or cannot be carried out, or

"(3) that there is a substantial failure to carry out plans and specifications approved by the Secretary under section 1604,

the Secretary shall take the action authorized by subsection (b) unless, in the case of compliance with assurances, the Secretary requires compliance by other means authorized by law.

"(b) (1) Upon a finding described in subsection (a) and after notice to the State Agency concerned, the Secretary may—

"(A) withhold from all projects within the State with respect to which the finding was made further payments from the State's allotment under section 1610, or

"(B) withhold from the specific projects with respect to which the finding was made further payments from the applicable State allotment under section 1610.

"(2) Payments may be withheld, in whole or in part, under paragraph (1)—

"(A) until the basis for the finding upon which the withholding was made no longer exists, or

"(B) if corrective action to make such finding inapplicable cannot be made, until the State concerned repays or arranges for the repayment of Federal funds paid under this part for projects which because of the finding are not entitled to such funds.

"(c) The Secretary shall investigate and ascertain, on a periodic basis, with respect to each entity which is receiving financial assistance under this title or which has received financial assistance under title VI of this title, the extent of compliance by such entity with the assurances required to be made at the time such assistance was received. If the Secretary finds that such an entity has failed to comply with any such assurance, the Secretary shall take the action authorized by subsection (b) or take any other action authorized by law (including an action for specific performance brought by the Attorney General upon request of the Secretary) which will effect compliance by the entity with such assurances. An appropriate action to effectuate compliance with any such assurance may be brought by a person other than the Secretary only if a complaint has been filed by such person with the Secretary and the Secretary has dismissed such complaint or the Attorney General has not brought a civil action for compliance with such assurance within 6 months after the date on which the complaint was filed with the Secretary.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1613. Except as provided in section 1625(d), there are authorized to be appropriated for allotments under section 1510, $125,000,000 for the fiscal year ending June 30, 1975, $130,000,000 for the fiscal year ending June 30, 1976, and $135,000,000 for the fiscal year ending June 30, 1977.

"PART C—LOANS AND LOAN GUARANTEES

"AUTHORITY FOR LOANS AND LOAN GUARANTEES

"SEC. 1620. (a) The Secretary, during the period beginning July 1, 1974, and ending June 30, 1977, may, in accordance with this part, make loans from the fund established under section 1622(d) to pay the Federal share of projects approved under section 1604.

"(b)(1) The Secretary, during the period beginning July 1, 1974, and ending June 30, 1977, may, in accordance with this part, guarantee to—

"(i) non-Federal lenders for their loans to nonprofit private entities for medical facilities projects, and

"(ii) the Federal Financing Bank for its loans to nonprofit private entities for such projects,

payment of principal and interest on such loans if applications for assistance for such projects under this title have been approved under section 1604.

"(2) In the case of a guarantee of any loan to a nonprofit private entity under this title, the Secretary shall pay, to the holder of such loan and for and on behalf of the project for which the loan was made amounts sufficient to reduce by 3 per centum per annum the net effective interest rate otherwise payable on such loan. Each holder of such a loan which is guaranteed under this title shall have a contractual right to receive from the United States interest payments required by the preceding sentence.

"(c) The cumulative total of the principal of the loans outstanding at any time with respect to which guarantees have been issued, or which have been directly made, may not exceed such limitations as may be specified in appropriation Acts.

"(d) The Secretary, with the consent of the Secretary of Housing and Urban Development, shall obtain from the Department of Housing and Urban Development such assistance with respect to the administration of this part as will promote efficiency and economy thereof.

"ALLOCATION AMONG THE STATES

"SEC. 1621. (a) For each fiscal year, the total amount of principal of—

"(1) loans to nonprofit private entities which may be guaranteed, or

"(2) loans which may be directly made,

under this part shall be allotted by the Secretary among the States, in accordance with regulations, on the basis of the population, financial need, and need for medical facilities projects described in section 1601 of the respective States. The population of the States shall be determined on the basis of the latest figures certified by the Secretary of Commerce.

"(b) Any amount allotted to a State for a fiscal year under subsection (a) and remaining unobligated at the end of such year shall remain available to such State, for the purpose for which made, for the next two fiscal years (and for such years only), in addition to the amounts allotted to such State for such purposes for such next two fiscal years; except that any such amount which is unobligated at the end of the first of such next two years and which the Secretary determines will remain unobligated at the close of the second of such next two years may be reallotted by the Secretary, to be available for the purposes for which made until the close of the second of such next two years, to other States which have need therefor, on such basis as the Secretary deems equitable and consistent with the purposes of this title. Any amount so reallotted to a State shall be in addition to the amounts allotted and available to the State for the same period.

"PART D—SPECIAL PROJECT GRANTS

"SPECIAL PROJECT GRANTS

"SEC. 1625. (a) The Secretary may make grants for construction or modernization projects designed to (1) eliminate or prevent imminent safety hazards as defined by Federal, State, or local fire, building, or life safety codes or regulations, or (2) avoid noncompliance with State or voluntary licensure or accreditation standards. A grant under this subsection may be made for a project described in the preceding sentence for any medical facility owned and operated by any State or political subdivision of a State, including any city, town, county, borough, hospital district authority, or public or quasi-public corporation.

"(b) An application for a grant under subsection (a) may not be approved under section 1604 unless it contains assurances with the State Agency has determined that the applicant making the application would not be able to complete the project for which the application is submitted without the grant applied for.

"(c) The amount of any grant under subsection (a) may not exceed 75 per centum of the cost of the project for which the grant is made unless the project is located in an area determined by the Secretary to be an urban or poverty level, in which case the grant may cover up to 100 per centum of such costs.

"(d) Of the sums appropriated under section 1613 for a fiscal year, there shall be made available for grants under subsection (a) for such fiscal year 22 per centum of such sums.

"GENERAL PROVISIONS RELATING TO LOAN GUARANTEES AND LOANS

"SEC. 1622. (a)(1) The Secretary may not approve a loan guarantee for a project under this part unless he determines that (A) the terms, conditions, security (if any), and schedule and amount of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable, including a determination that the rate of interest does not exceed such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and risks assumed by the United States, and (B) the loan would not be available on reasonable terms and conditions without the guarantee under this part.

"(2)(A) The United States shall be entitled to recover from the applicant for a loan guarantee under this part the amount of any payment made pursuant to such guarantee, unless the Secretary for good cause waives such right of recovery; and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

"(B) To the extent permitted by subparagraph (C), any terms and conditions applicable to a loan guarantee under this part (including terms and conditions imposed under subparagraph (D)) may be modified by the Secretary to the extent he determines it to be consistent with the financial interest of the United States.

"(C) Any loan guarantee made by the Secretary under this part shall be incontestable (i) in the hands of an applicant on whose behalf such guarantee is made unless the applicant engaged in fraud or misrepresentation in securing such guarantee, and (ii) as to any person (or his successor in interest) who makes or contracts to make a loan to such applicant in reliance thereon unless such person (or his successor in interest) engaged in fraud or misrepresentation in making or contracting to make such loan.

"(D) Guarantees of loans under this part shall be subject to such further terms and conditions as the Secretary determines to be necessary to assure that the purpose of this title will be achieved.

"(b)(1) The Secretary may not approve a loan under this part unless—

"(A) the Secretary is reasonably satisfied that the applicant under the project for which the loan would be made will be able to make payments of principal and interest thereon when due, and

"(B) the applicant provides the Secretary with reasonable assurances that there will be available to it such additional funds as may be necessary to complete the project or undertaking with respect to which such loan is requested.

"(2) Any loan made under this part shall (A) have such security, (B) have such maturity date, (C) be repayable in such installments, (D) bear interest at a rate comparable to the current rate of interest prevailing, on the date the loan is made, with respect to loans guaranteed under this part, minus 3 per centum per annum, and (E) be subject to such other terms and conditions (including provisions for recovery in case of default), as the Secretary determines to be necessary to carry out the purposes of this title while adequately protecting the financial interests of the United States.

"(3) The Secretary may, for good cause but with due regard to the financial interests of the United States, waive any right of recovery which he has by reasons of the failure of a borrower to make payments of principal of and interest on a loan made under this part, except that if such loan is sold and guaranteed, any such waiver shall have no effect upon the Secretary's guarantee of timely payment of principal and interest.

"(c)(1) The Secretary shall from time to time, but with due regard to the financial interests of the United States, sell loans made under this part either on the private market or to the Federal National Mortgage Association in accordance with section 302 of the Federal National Mortgage Association Charter Act or to the Federal Financing Bank.

"(2) Any loan so sold shall be sold for an amount which is equal (or approximately equal) to the amount of the unpaid principal of such loans as of time of sale.

"(3)(A) The Secretary is authorized to enter into an agreement with the purchaser of any loan sold under this part under which the Secretary agrees—

"(i) to guarantee to such purchaser (and any successor in interest to such purchaser) payments of the principal and interest payable under such loan, and

"(ii) to pay as an interest subsidy to such purchaser (and any successor in interest of such purchaser) amounts which, when added to the amount of interest payable on such loan, are equivalent to a reasonable rate of interest on such loan as determined by the Secretary after taking into account the range of prevailing interest rates in the private market on similar loans and the risks assumed by the United States.

"(B) Any agreement under subparagraph (A)—

"(i) may provide that the Secretary shall act as agent of any such purchaser, for the purpose of collecting from the entity to which such loan was made and paying over to such purchaser any payments of principal and interest payable by such entity under such loan;

"(ii) may provide for the repurchase by the Secretary of any such loan on such terms and conditions as may be specified in the agreement;

"(iii) shall provide that, in the event of any default by the entity to which such loan was made in payment of principal or interest due on such loan, the Secretary shall, upon notification to the purchasers (or to the successor in interest of such purchaser), have the option to close out such loan (and any obligations of the Secretary with respect thereto) by paying to the purchaser (or his successor in interest) the total amount of outstanding principal and interest due thereon at the time of such notification; and

"(iv) shall provide that, in the event such loan is closed out as provided in clause (iii), or in the event of any other loss incurred by the Secretary by reason of the failure of such entity to make payments of principal or in-

terest on such loan, the Secretary shall be subrogated to all rights of such purchaser for recovery of such loss from such entity.

"(4) Amounts received by the Secretary as proceeds from the sale of loans under this subsection shall be deposited in the fund established under subsection (d).

"(d)(1) There is established in the Treasury a loan and loan guarantee fund (hereinafter in this subsection referred to as the 'fund') which shall be available to the Secretary without fiscal year limitation, in such amounts as may be specified from time to time in appropriations Acts—

"(A) to enable him to make loans under this part,

(B) to enable him to discharge his responsibilities under loan guarantees issued by him under this part,

"(C) for payment of interest under section 1620(b)(2) on loans guaranteed under this part,

"(D) for repurchase of loans under subsection (c)(3)(B), and

"(E) for payment of interest on loans which are sold and guaranteed.

There are authorized to be appropriated from time to time such amounts as may be necessary to provide the sums required for the fund. There shall also be deposited in the fund amounts received by the Secretary in connection with loans and loan guarantees under this part and other property or assets derived by him from his operations respecting such loans and loan guarantees, including any money derived from the sale of assets.

"(2) If at any time the sums in the funds are insufficient to enable the Secretary—

"(A) to make payments of interest under section 1620(b)(2),

"(B) to otherwise comply with guarantees under this part of loans to nonprofit private entities,

"(C) in the case of a loan which was made, sold, and guaranteed under this part, to make to the purchaser of such loan payments of principal and interest on such loan after default by the entity to which the loan was made, or

"(D) to repurchase loans under subsection (c)(3)(B), and

"(E) to make payments of interest on loans which are sold and guaranteed,

he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes and other obligations issued under this paragraph and for that purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which the securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this paragraph. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as a public debt transactions of the United States. Sums borrowed under this paragraph shall be deposited in the fund and redemption of such notes and obligations shall be made by the Secretary from the fund.

"(e)(1) The assets, commitments, obligations, and outstanding balances of the loan guarantee and loan fund established in the Treasury by section 626 shall be transferred to the fund established by subsection (d) of this section.

"(2) To provide additional capitalization for the fund established under subsection (d) there are authorized to be appropriated to the fund for the fiscal years ending June 30, 1975, June 30, 1976, and June 30, 1977.

"PART D—PROJECT GRANTS

"PROJECT GRANTS

"SEC. 1625. (a) The Secretary may make grants for construction or modernization projects designed to (1) eliminate or prevent imminent safety hazards as defined by Federal, State, or local fire, building, or life safety codes or regulations, or (2) avoid noncompliance with State or voluntary licensure or accreditation standards. A grant under this subsection may only be made to a State or political subdivision of a State, including any city, town, county, borough, hospital district authority, or public or quasi-public corporation, for a project described in the preceding sentence for any medical facility owned or operated by it.

"(b) An application for a grant under subsection (a) may not be approved under section 1604 unless it contains assurances satisfactory to the Secretary that the applicant making the application would not be able to complete the project for which the application is submitted without the grant applied for.

"(c) The amount of any grant under subsection (a) may not exceed 75 per centum of the cost of the project for which the grant is made unless the project is located in an area determined by the Secretary to be an urban or rural poverty area, in which case the grant may cover up to 100 per centum of such costs.

"(d) Of the sums appropriated under section 1613 for a fiscal year, there shall be made available for grants under subsection (a) for such fiscal year 22 per centum of such sums.

"PART E—GENERAL PROVISIONS

"JUDICAL REVIEW

"SEC. 1630. If—

"(1) the Secretary refuses to approve an application for a project submitted under section 1604, the State Agency through which such application was submitted, or

"(2) any State is dissatisfied with, or any entity will be adversely affected by, the Secretary's action under section 1612, such State or entity, may appeal to the United States court of appeals for the circuit in which such State Agency, State, or entity is located, by filing a petition with such court within sixty days after such action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Secretary may modify or set aside his order. The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Secretary shall be final, 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. The commencement of proceedings under this section shall not, unless so specifically ordered by the Court, operate as a stay of the Secretary's action.

"RECOVERY

"SEC. 1631. (a) If any facility constructed, modernized, or converted with funds provided under this title is, at any time within twenty years after the completion of such construction, modernization, or conversion with such funds—

"(1) sold or transferred to any person or entity (A) which is not qualified to file an application under section 1604, or (B) which is not approved as a transferee by the State Agency of the State in which such facility is located, or its successor; or

"(2) not used as a medical facility, and the Secretary has not determined that there is good cause for termination of such use,

the United States shall be entitled to recover from either the transferor or the transferee in the case of a sale or transfer or from the owner in the case of termination of use an amount bearing the same ratio to the then value (as determined by the agreement of the parties or by action brought in the district court of the United States for the district in which the facility is situated) of so much of such facility as constituted an approved project or projects, as the amount of the Federal participation bore to the cost of the construction, modernization, or conversion of such project or projects. Such right of recovery shall not constitute a lien upon such facility prior to judgment.

"(b) The Secretary may waive the recovery rights of the United States under subsection (a) with respect to a facility in any State—

"(1) if (as determined under regulations prescribed by the Secretary) the amount which could be recovered under subsection (a) with respect to such facility is applied to the development, expansion, or support of another medical facility located in such State which has been approved by the Statewide Health Coordinating Council for such State as consistent with the State health plan established pursuant to section 1524(c); or

"(2) if the Secretary determines, in accordance with regulations, that there is good cause for waiving such requirement with respect to such facility.

If the amount which the United States is entitled to recover under subsection (a) exceeds 90 per centum of the total cost of the construction or modernization project for a facility, a waiver under this subsection shall only apply with respect to an amount which is not more than 90 per centum of such total cost. The Secretary may not waive a right of recovery which arose one year before the date of the enactment of this title.

"STATE CONTROL OF OPERATIONS

"SEC. 1632. Except as otherwise specifically provided, nothing in this title shall be construed as conferring on any Federal officer or employee the right to exercise any supervision or control over the administration, personnel, maintenance, or operation of any facility with respect to which any funds have been or may be expended under this title.

"DEFINITIONS

"SEC. 1633. For the purposes of this title—

"(1) The term 'State' includes the Commonwealth of Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the District of Columbia.

"(2) The term 'Federal share' means the proportion of the cost of a medical facilities project which the State Agency determines the Federal Government will provide under allotment payments of a loan or loan guarantee under this title, except that—

"(A) in the case of a modernization project—

"(i) described in section 1604(b)(2)(B), and

"(ii) the application for which received a waiver under section 1604(b)(2)(A),

the proportion of the cost of such project to be paid by the Federal Government under allotment payments or a loan may not exceed $20,000 and may not exceed 100 per centum of the first $6,000 of the cost of such project and 66⅔ per centum of the next $21,000 of such cost,

"(B) in the case of a project (other than a project described in subparagraph (A)) to be assisted from an allotment made under Part B, the proportion of the cost of such project to be paid by the Federal Government may not exceed 66⅔ unless the project is located in an area determined by the Secretary to be an urban or rural poverty area, in which case the proportion of the cost of such project to be paid by the Federal Government may be 100 per centum, and

"(C) in the case of a project (other than a project described in subparagraph (A)) to be assisted with a loan or loan guarantee made under part C, the principal amount of the loan directly made or guaranteed for such project, when added to any other assistance provided the project under this title, may not exceed 90 per centum of the cost of such project unless the project is located in an area determined by the Secretary to be an urban or rural poverty area, in which case the principal amount, when added to other assistance under this title, may cover up to 100 per centum of the cost of the project.

"(3) The term 'hospital' includes general, tuberculosis, and other types of hospitals, and related facilities, such as laboratories, outpatient departments, nurses' home facilities, extended care facilities, facilities related to programs for home health services, self-care units, and central service facilities, operated in connection with hospitals, and also includes education or training facilities for health professional personnel operated as an integral part of a hospital, but does not include any hospital furnishing primarily domiciliary care.

"(4) The term 'public health center' means a publicly owned facility for the provision of public health services, including related publicly owned facilities such as laboratories, clinics, and administrative offices operated in connection with such a facility.

"(5) The term 'nonprofit' as applied to any facility means a facility which is owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(6) The term 'outpatient medical facility' means a medical facility (located in or apart from a hospital) for the diagnosis or diagnosis and treatment of ambulatory patients (including ambulatory inpatients)—

"(A) which is operated in connection with a hospital,

"(B) in which patient care is under the professional supervision of persons licensed to practice medicine or surgery in the State, or in the case of dental diagnosis or treatment, under the professional supervision of persons licensed to practice dentistry in the State; or

"(C) which offers to patients not requiring hospitalization the services of licensed physicians in various medical specialties, and which provides to its patients a reasonably full-range of diagnostic and treatment services.

"(7) The term 'rehabilitation facility' means a facility which is operated for the primary purpose of assisting in the rehabilitation of disabled persons through an integrated program of—

"(A) medical evalution and services, and

"(B) psychological, social, or vocational evaluation and services.

under competent professional supervision, and in the case of which the major portion of the required evaluation and services is furnished within the facility; and either the facility is operated in connection with a hospital, or all medical and related health services are prescribed by, or are under the general direction of, persons licensed to practice medicine or surgery in the State.

"(8) The term 'facility for long-term care' means a facility (including a skilled nursing or intermediate care facility) providing in-patient care for convalescent or chronic disease patients who require skilled nursing or intermediate care and related medical services—

"(A) which is a hospital (other than a hospital primarily for the care and treatment of mentally ill or tuberculous patients) or is operated in connection with a hospital, or

"(B) in which such care and medical services are prescribed by, or are performed under the general direction of, persons licensed to practice medicine or surgery in the State.

"(9) The term 'construction' means construction of new buildings and initial equipment of such buildings and, in any case in which it will help to provide a service not previously provided in the community, equipment of any buildings; including architects' fees, but excluding the cost of offsite improvements and, except with respect to public health centers, the cost of the acquisition of land.

"(10) The term 'cost' as applied to construction, modernization, or conversion means the amount found by the Secretary to be necessary for construction, modernization or conversion, respectively, under a project, except that, in the case of a modernization project or a project assisted under part D, such term does not include any amount found by the Secretary to be attributable to expansion of the bed capacity of any facility.

"(11) The term 'modernization' includes the alteration, expansion, major repair (to the extent permitted by regulations), remodeling, replacement, and renovation of existing buildings (including initial equipment thereof), and the replacement of obsolete equipment of existing buildings.

"(12) The term 'title,' when used with reference to a site for a project, means a fee simple, or such other estate or interest (including a leasehold on which the rental does not exceed 4 per centum of the value of the land) as the Secretary finds sufficient to assure for a period of not less than twenty-five years' undisturbed use and possession for the purposes of construction, modernization, or conversion and operation of the project for a period of not less than (A) twenty years in the case of a project assisted under an allotment or grant under this title, or (B) the term of repayment of a loan made or guaranteed under this title in the case of a project assisted by a loan or loan guarantee.

"(13) The term 'medical facility' means a hospital, public health center, outpatient medical facility, rehabilitation facility, facility for long-term care, or other facility (as may be designated by the Secretary) for the provision of health care to ambulatory patients.

"(14) The term 'State Agency' means the State health planning and development agency of a State designated under title XIV.

"(15) The term 'urban or rural poverty area' means an urban or rural geographical area (as defined by the Secretary) in which a percentage (as defined by the Secretary in accordance with the next sentence) of the residents of the area have incomes below the poverty level (as defined by the Secretary of Commerce). The percentage referred to in the preceding sentence shall be defined so that the percentage of the population of the United States residing in urban and rural poverty areas is—

"(A) not more than the percentage of the total population of the United States with incomes below the poverty level (as so defined) plus five per centum, and

"(B) not less than such percentage minus five per centum.

"(16) The term 'medically underserved population' means the population of an urban or rural area designated by the Secretary as an area with a shortage of health facilities or a population group designated by the Secretary as having a shortage of such facilities.

"FINANCIAL STATEMENTS; RECORDS AND AUDIT

"SEC. 1634. (a) In the case of any facility for which an allotment payment, grant, loan, or loan guarantee has been made under this title, the applicant for such payment, grant, loan, or loan guarantee (or, if appropriate, such other person as the Secretary may prescribe) shall file at least annually with the State Agency for the State in which the facility is located a statement which shall be in such form, and contain such information, as the Secretary may require to accurately show—

"(1) the financial operations of the facility, and

"(2) the costs to the facility of providing health services in the facility and the charges made by the facility for providing such services,

during the period with respect to which the statement is filed.

"(b)(1) Each entity receiving Federal assistance under this title shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such entity of the proceeds of such assistance, the total cost of the project in connection with which such assistance is given or used, the amount of that portion of the cost of the project supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of such entities which in the opinion of the Secretary or the Comptroller General may be related or pertinent to the assistance referred to in paragraph (1).

"(c) Each such entity shall file at least annually with the Secretary a statement which shall be in such form, and contain such information, as the Secretary may require to accurately show—

"(1) the financial operations of the facility constructed or modernized with such assistance, and

"(2) the costs to such facility of providing health services in such facility, and the charges made for such services, during the period with respect to which the statement is filed.

"TECHNICAL ASSISTANCE

"SEC. 1635. The Secretary shall provide (either through the Department of Health, Education, and Welfare or by contract) all necessary technical and other nonfinancial assistance to any public or other nonprofit entity which is eligible to apply for assistance under this title to assist such entity in developing applications to be submitted to the Secretary under section 1604. The Secretary shall make every effort to inform eligible applicants of the availability of assistance under this title.

"PART F—AREA HEALTH SERVICES DEVELOPMENT FUNDS

"DEVELOPMENT GRANTS FOR AREA HEALTH SERVICES DEVELOPMENT FUNDS

"SEC. 1640. (a) The Secretary shall make in each fiscal year a grant to each health system agency—

"(1) with which there is in effect a designation agreement under section 1515(c),

"(2) which has in effect an HSP and AIP reviewed by the Statewide Health Coordinating Council, and

"(3) which, as determined under the review made under section 1535(c), is organized and operated in the manner prescribed by section 1512(b) and is performing its functions under section 1513 in a manner satisfactory to the Secretary,

to enable the agency to establish and maintain an Area Health Services Development Fund from which it may make grants and enter into contracts in accordance with section 1513(c)(3).

"(b)(1) Except as provided in paragraph (2), the amount of any grant under subsection (a) shall be determined by the Secretary after taking into consideration the population of the health service area for which the health systems agency is designated, the average family income of the area, and the supply of health services in the area.

"(2) The amount of any grant under subsection (a) to a health systems agency for any fiscal year may not exceed the product of $1 and the population of the health service area for which such agency is designated.

"(c) No grant may be made under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such an application shall be submitted in such form and manner and contain such information as the Secretary may require.

"(d) For the purpose of making payments pursuant to grants under subsection (a), there are authorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1975, $75,000,000 for the fiscal year ending June 30, 1976, and $120,000,000 for the fiscal year ending June 30, 1977."

MISCELLANEOUS AND TRANSITIONAL PROVISIONS

SEC. 5. (a)(1) There are authorized to be appropriated for the fiscal year ending June 30, 1975, and the next fiscal year such sums as may be necessary to make grants under section 314(a) of the Public Health Service Act, except that no grant made to a State with funds appropriated under this paragraph shall be available for obligation beyond—

(A) three months after the date on which a State health planning and development agency is designated for such State under section 1421 of such Act, or

(B) June 30, 1976,

whichever is later.

(2) There are authorized to be appropriated for the fiscal year ending June 30, 1975, and the next fiscal year such sums as may be necessary to make grants under section 304 of the Public Health Service Act for experimental health services delivery systems, section 314(b) of such Act, and title IX of such Act, except that no grant made with funds appropriated under this paragraph shall be available for obligation beyond the later of (A) June 30, 1976, or (B) three months after the date on which a health systems agency has been designated under section 1415 of such Act for a health service area which includes the area of the entity for which a grant is made under such section 304, 314(b), or title IX.

(b) Any State which has in the fiscal year ending June 30, 1975, or the next fiscal year funds available for obligation from its allotments under part A of title VI of the Public Health Service Act may in such fiscal year use for the proper and efficient administration during such year of its State plan approved under such part an amount of such funds which does not exceed 4 per centum of such funds or $100,000, whichever is less.

(c) A reference in any law or regulation—

(1) to the agency of a State which administers or supervises the administration of a State's health planning functions under a State plan approved under section 314(a) of the Public Health Service Act shall in the case of a State for which a State health planning and development agency has been designated under section 1521 of such Act be considered a reference to the State agency designated under such section 1521;

(2) to an agency or organization which has developed a comprehensive regional, metropolitan, or other local area plan or plans referred to in section 314(b) of the Public Health Service Act shall if all or part of the area covered by such plan or plans is within a health service area established under section 1511 of the Public Health Service Act be considered a reference to the health systems agency designated under section 1515 of such Act for such health service area; and

(3) to a regional medical program assisted under title IX of the Public Health Service Act shall if the program is located in a State for which a State health planning and development agency has been designated under section 1521 of the Public Health Service Act be considered a reference to such State agency.

(d) Section 316 of the Public Health Service Act is repealed.

ADVISORY COMMITTEES

SEC. 6. (a) An advisory committee established by or pursuant to the Public Health Service Act, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 shall terminate at such time as may be specifically prescribed by an Act of Congress enacted after the date of the enactment of this Act.

(b) The Secretary of Health, Education, and Welfare shall report, within one year after the date of the enactment of this Act, to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives (1) the purpose and use of each advisory committee established by or pursuant to the Public Health Service Act, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 and (2) his recommendations respecting the termination of each such advisory committee.

AGENCY REPORTS

SEC. 7. The Secretary of Health, Education, and Welfare shall report, within one year of the date of the enactment of this Act, to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives (1) the identity of each report required to be made by the Secretary under the Public Health Service Act, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 to the Congress (or any committee thereof), (2) the provision of such Acts which requires each such report, (3) the purpose of each such report, and (4) the due date for each such report. The report of the Secretary under this section may include such recommendations as he considers appropriate for termination or consolidation of any such reporting requirements.

TECHNICAL AMENDMENT

SEC. 8. Section 1305(b)(1) of the Public Health Service Act is amended to read as follows:

"(b)(1) Except as provided in paragraph (2), the aggregate amount of principal of loans made or guaranteed, or both, under this section for a health maintenance organization may not exceed $2,500,000. In any fiscal year, the amount disbursed under a loan or loans made or guaranteed under this section for a health maintenance organization may not exceed $1,000,000,000."

And the House agree to the same.

HARLEY O. STAGGERS,
PAUL G. ROGERS,
DAVID E. SATTERFIELD,
PETER KYROS,
RICHARDSON PREYER,
J. W. SYMINGTON,
WM. ROY,
S. L. DEVINE,
ANCHER NELSEN,
TIM LEE CARTER,
J. F. HASTINGS,
H. JOHN HEINZ, III,
WILLIAM HUDNUT,

Managers of the Part of the House.

EDWARD KENNEDY,
H. WILLIAMS,
GAYLORD NELSON,
THOMAS F. EAGLETON,
ALAN CRANSTON,
HAROLD E. HUGHES,
CLAIBORNE PELL,
WALTER F. MONDALE,
WILLIAM D. HATHAWAY,
DICK SCHWEIKER,
J. JAVITS,
PETER H. DOMINICK,
J. GLENN BEALL, JR.,
ROBERT TAFT, JR.,
ROBERT T. STAFFORD,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2994) to amend the Public Health Service Act to assure the development of a national health policy and of effective State and area health planning and resources development programs, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

HEALTH PLANNING AND DEVELOPMENT

Short Title

The Senate bill provides that the Act may be cited as the "National Health Planning and Development and Health Facilities Assistance Act of 1974", (section 1).

The House amendment provides that the Act may be cited as the "National Health Policy, Planning, and Resources Development Act of 1974", (section 1).

The conference substitute provides that the Act may be cited as the "National Health Planning and Resources Development Act of 1974", (section 1).

Findings

The House amendment specifies Congressional findings, for which there are no corresponding findings in the Senate bill, respecting health care costs, the role of providers, the public's knowledge regarding proper personal health care and use of services, and the result of assistance available to date for health care. The House amendment further states a purpose, not included in the

Senate bill, to the effect that the general purpose of the Act is facilitating the development of recommendations for a national health policy, of State and regional health planning, and of resources which will further the national health policy, (sections 2(a) and 1403).

The conference substitute conforms to the House amendment, (section 2(a)).

National health priorities

Both the Senate bill and House amendment specify Congressional findings respecting national health priorities. These are identical except that:

(1) The third Senate priority refers to the development of medical group practices, health maintenance organizations and other organized systems, while the House amendment refers only to medical group practices.

The conference substitute conforms to the Senate bill.

(2) The fourth priority in the Senate bill refers to the training and increased use of physician extenders, while the corresponding priority in the House amendment refers to physicians' assistants, especially nurse clinicians. The conference substitute conforms to the House amendment.

(3) The eighth priority in the Senate bill referring to the promotion of activities for the prevention of disease is not included in the House amendment. The conference substitute conforms to the Senate bill (Senate section 1402, House section 1403, conference substitute section 1502).

National Guidelines for Health Planning and National Health Policy

Formulation: The Senate bill requires the Secretary, within one year of enactment, to issue guidelines concerning national health planning policy. The guidelines are to include standards respecting the appropriate supply, distribution, and organization of health resources, and a statement of national health planning goals (sections 1401 and 1403).

The House amendment requires the Secretary to establish a National Council for Health Policy which is to develop and recommend a national health policy including a statement of recommended national health goals and recommended guidelines for health resources and services (sections 1401 and 1402).

The conference substitute conforms to the Senate bill except that the Secretary is to issue guidelines within 18 months of enactment and is to revise them periodically as necessary (section 1501).

National Advisory Council on Health Planning and Development and National Council for Health Policy. Establishment of Council: The Senate bill establishes in the Department of Health, Education, and Welfare a National Advisory Council on Health Planning and Development (section 1403(a)).

The House amendment requires the Secretary to establish a National Council for Health Policy (section 1401(a)).

The conference substitute conforms to the Senate bill and establishes a National Council on Health Planning and Development (section 1503(a)).

Composition of Council: The Senate bill requires that the National Advisory Council on Health Planning and Development have:

(1) Twelve members, nine of whom are to be voting members,

(2) Not less than four non providers among the voting members,

(3) Not more than three Federal Government employees among the voting members,

(4) Not more than five of the voting members from the same political party, and

(5) Three non-voting ex-officio members including the Chief Medical Director of the Veterans' Administration, the Assistant Secretary for Health and Environment of the Department of Defense, and the Assistant Secretary for Health of the Department of Health, Education, and Welfare (section 1403(b)(1)).

The House amendment requires that the National Council for Health Policy have:

(1) Fifteen members,

(2) Not less than five non provider members,

(3) Not more than three Federal Government employees, and

(4) Not more than eight members from the same political party (section 1401(b)(1)).

The conference substitute requires the National Council on Health Planning and Development to have:

(1) Fifteen members, twelve of whom are to be voting members,

(2) Not less than five non provider members,

(3) Not more than three Federal Government employees among the voting members,

(4) Equal representation among the twelve voting members from each major political party, and

(5) Three non voting ex-officio members including the Chief Medical Director of the Veterans' Administration, the Assistant Secretary for Health and Environment of the Department of Defense, and the Assistant Secretary for Health of the Department of Health Education, and Welfare (section 1503(b)(1)).

Functions of Council: The Senate bill specifies as the function of the National Advisory Council on Health Planning and Development advising, consulting with, and making recommendations to the Secretary with respect to the development of national guidelines for health planning (section 1403(a)).

The House amendment specifies as the functions of the National Council for Health Policy:

(1) Developing and recommending a national health policy,

(2) Recommending guidelines for appropriate supply, distribution, and organization of health resources and services,

(3) Conducting various studies and analyses,

(4) Assessing health status,

(5) Evaluating the implications of advances in biomedical research, health services research, and medical technology for the delivery system, and

(6) Analyzing factors causing inflation and determining means for cost containment (section 1402(a)).

The conference substitute conforms to the Senate bill except that the Council is also to advise, consult with, and make recommendations to the Secretary with respect to activities under new titles XV and XVI generally (section 1503(6)).

In evaluating the implications of new medical technology, the National Advisory Council is to assess the impact of devoting resources to such technology upon other health care programs, and the potential for the equitable distribution of that technology among all Americans.

Council's Responsibilities for Consulting: The House amendment contains a provision, not included in the Senate bill, which requires the Council to include specialty societies representing medical and other health care providers among the groups and entities with which it consults in carrying out its functions (section 1402(a)).

The conference substitute conforms to the House amendment (section 1301(c)), except that requirement applies to the Secretary rather than the Council.

Reports: The House amendment contains a provision, not included in the Senate bill, which requires the Council to submit annually to the President, the Congress, and the public a comprehensive report specifying the results of its activities, section 1402(b).

The conference substitute conforms to the Senate bill.

Area Planning Agencies

Agency Name: The Senate bill refers to area health planning and development agencies as "health planning agencies".

The House amendment refers to such agencies as "health systems agencies".

The conference substitute conforms to the House amendment.

Designation Criteria: General: The Senate bill requires health service areas to be geographic regions appropriate for the effective planning and development of health services, determined on the basis of population and the availability of resources to provide all necessary health services (section 1411(a)(1)).

The House amendment requires health service areas to be rational geographic regions with a comprehensive range of health services available and of a "character suitable for the effective planning and development of health services" (section 1411(a)(1)).

The conference substitute conforms to the Senate bill, (section 1511(a)(1)).

The Senate bill further contains a provision, not included in the House amendment, which gives the Secretary specific authority to prescribe regulations respecting requirements for health service areas (section 1411(a)).

The conference substitute conforms to the House amendment. Because of the Conferees' desire to select most Health Systems Agencies in 1975, the area designation process in the bill is designed to be self-executing. Therefore, no implementing regulations are necessary and the designation process should begin immediately after enactment.

Geographical Jurisdiction of Agencies: Name: The Senate bill refers to health planning areas as "health areas" (section 1411).

The House amendment refers to such areas as "health service areas" (section 1411).

The conference substitute conforms to the House amendment (section 1511).

Designation Criteria: Population: The House amendment contains requirements for the maximum and minimum populations of health service areas which are not included in the Senate bill. These specify a maximum population of three million people except that the population may exceed three million if the area includes an SMSA with a population of more than 3 million (section 1411(a)(3)(A)), and a minimum population of 500,000 except that the population may go down to 200,000 in "unusual circumstances" and below 200,000 in "highly unusual circumstances" (section 1411(a)(3)(B)).

The conference substitute conforms to the House amendment (section 1511(a)(3)).

Other Designation Criteria: The House amendment contains a provision, not included in the Senate bill, which requires that the boundaries of health service areas be coordinated, if feasible, with the boundaries of PSRO's, existing regional planning areas, and State planning and administrative areas (section 1411(a)(4)).

The conference substitute conforms to the House amendment (section 1511(a)(4)).

The Senate bill contains a provision, not included in the House amendment, which specifies that health service area boundaries may cross a State boundary only if it is determined that such an area is more appropriate for effective planning and development (section 1411(a)(3)).

The conference substitute conforms to the House amendment.

The Senate bill specifies that health service area boundaries may not cross those of an SMSA unless the Secretary waives such requirement (section 1411(a)(4)).

The House amendment specifies that each SMSA is to be entirely contained within the boundaries of one health service area, except

if the Governor of each State in which an SMSA is located determines, with the Secretary's approval, otherwise (section 1411(a)).

The conference substitute conforms to the House amendment (section 1511(a)).

The Senate bill contains a provision, not included in the House amendment, which specifies that, notwithstanding any other requirement, the boundaries of health service areas are to follow those of existing 314 (b) comprehensive health planning agencies unless the Governor of the appropriate State finds that another area is more appropriate and waives this requirement (section 1411(a)(5)).

The conference substitute conforms to the Senate bill except that existing 314(b) areas are to be designated as health service areas only if they meet all of the other requirements for designation (section 1511(c)).

The House amendment contains a provision, not included in the Senate bill, which requires the boundaries of a health service area to be established so that, in the planning and development of health services to be offered within the area, any economic or geographic barrier to the receipt of such services in nonmetropolitan areas is taken into account. The boundaries of health service areas are also to be established so as to recognize the differences in health planning and health services development needs between nonmetropolitan and metropolitan areas (section 1411(a)).

The conference substitute conforms to the House amendment (section 1511(a)).

Designation Process: The Senate bill authorizes the Secretary to prescribe regulations for the designation of health service areas and requires that:

(1) Within 120 days of enactment, the Secretary notify the Governors of the States of the initiation of proceedings to establish health service areas,

(2) Within 120 days of the date on which such notice is given, the Secretary publish in the *Federal Register* the boundary designations submitted to him,

(3) Opportunity to be provided by the Secretary for interested persons to comment on submitted boundaries and any boundaries proposed by the Secretary for areas not covered by the boundaries submitted by the Governor, and

(4) Health service areas established within one year of the date of enactment of the Act (section 1411(b)).

The House amendment requires that:

(1) Within 30 days of enactment, the Secretary notify the Governors of the States of the initiation of the area designation process, and

(2) Within 150 days of the date on which such notice is given, the Secretary publish the designations submitted as a notice in the *Federal Register* (section 1411(b)).

The conference substitute requires that: (1) Within 30 days of enactment, the Secretary notify the Governors of the States of the initiation of the area designation process, (2) Within 210 days of enactment, the Secretary publish the designations submitted as a notice in the *Federal Register*, and (3) Within one year of the date of enactment, health service areas be established (section 1511(b)).

Revision of Boundaries: The Senate bill specifies that boundary revisions can be initiated by the Secretary, Governor, or designated health systems agency; however, boundaries are to be revised only if the Secretary determines that a boundary no longer meets the specified requirements (section 1411(b)).

The House amendment is similar to the provision of the Senate bill except that only the Governor is given authority to initiate boundary revisions (section 1411(b)).

The conference substitute conforms to the Senate bill (section 1511(b)).

Agency Structure: Eligible Entities: The Senate bill specifies that a health system agency may be either a public entity or a non-profit private corporation (section 1412(a)).

The House amendment is similar to the Senate provision except that it specifies that public entities which may be designated as health systems agencies are to be:

(1) Public regional planning bodies which either have a governing board composed of a majority of elected officials of units of general local government or are authorized by State law (in effect before the date of enactment) to carry out health planning and review functions such as those described in section 1413, and which have planning areas identical to the applicable health service areas, or

(2) Single units of general local government if the area of jurisdiction of such units is identical to the applicable health service area (section 1412(b)(1)).

The conference substitute conforms to the House amendment (section 1512(b)(1)).

The Senate bill further specifies that if a health systems agency is a public entity (other than an existing 314(b) agency) it must have a separate governing body for health planning (section 1412(b)(1)(B)).

The House amendment specifies that, if the agency is a public entity, there shall be an advisory health council which shall advise the governing body of the agency. The composition of such council shall conform to the requirements applicable to governing bodies of private agencies. If the governing body of a public health systems agency makes decisions which conflict with the recommendations of its advisory health council, the advisory health council recommendations are to be made public, and as appropriate, reported to the Secretary, the SHCC, or the State agency (section 1412(b)(5)).

The conference substitute conforms to the Senate bill except that the waiver for existing, public 314(b) agencies is not included (section 1512(b)(3)(A)). The conferees noted their desire that the Secretary consider designating as health systems agencies which have served as 314(b) agencies even if their funding came from sources other than 314(b) such as under the programs authorized by the Appalachian Regional Development Act of 1965.

In addition, the Senate bill contains a provision, not included in the House amendment, which states that a health systems agency may not be an educational institution or operate such an institution (section 1412(b)(1)(C)).

The conference substitute conforms to the Senate bill (section 1512(b)(1)).

The Senate bill, finally, contains a provision, not included in the House amendment, which states that if a health systems agency is a private entity it may engage only in the activities of health systems agencies listed in the Act (section 1412(b)(1)(A)).

The conference substitute specifies that a private health systems agency may only engage in health planning and development functions without limiting this to only the functions specifically listed (section 1512(b)(1)(A)).

Governing Body: Responsibilities: The Senate bill contains a provision, not included in the House amendment, which requires the governing body to be responsible for the approval of all actions taken respecting proposed uses of Federal funds and the need for new and existing institutional health services and facilities (section 1412(b)(4)(B)).

The conference substitute conforms to the Senate bill (section 1512(b)).

The House amendment contains a provision, not included in the Senate bill, which requires that a health systems agency in making its records and data available to the public conform to confidentiality requirements prescribed by the Secretary to protect the confidentiality of matter comparable to matter described in 5 U.S.C. 552(b). A similar requirement is applicable to State Agencies (sections 1412(b)(3)(B) and 1432(b)(9)).

The conference substitute conforms to the Senate bill.

The Senate bill specifies that a quorum of the governing body (or executive committee) shall be not less than one-half of its members; and that the governing body (and executive committee) shall act by vote of a majority of its members present and voting at a meeting called upon adequate notice and at which a quorum is present (section 1412(b)(4)(B)).

The House amendment specifies that a quorum for a governing body (and executive committee) shall be a majority of the membership (section 1412(b)(3)(B)).

The conference substitute conforms to the Senate bill (section 1512(b)).

Composition: The Senate bill requires a majority of consumers (not to exceed 60 percent) who are not and have not within the twelve months preceding appointment been providers and who are not governmental representatives (section 1412(b)(4)(C)).

The House amendment requires one-half plus one consumers who are not providers (section 1412(b)(3)(C)).

The conference substitute reflects a compromise requiring a majority of consumers (not to exceed 60 percent) with the remainder being providers.

The Senate bill specifies that the remainder of the members are to be governmental representatives and providers including a designated VA representative if a VA facility is located within the health service area and at least one health maintenance organization representative if there is an HMO in the area (section 1412(b)(4)).

The House amendment requires that the remainder of the members be providers and further specifies that the governing body shall include governmental representatives either as consumers or providers (section 1412(b)(3)(C)).

The conference substitute conforms to the Senate bill regarding VA and HMO representatives; however, governmental representatives shall be included as either consumers or providers (section 1512(b)(3)(C)).

The Senate bill contains a provision which requires that executive committees and subarea councils and subcommittees and advisory groups, to the extent practicable, meet composition requirements (section 1412(b)(4)(C)) and (section 1412(c)).

The House amendment specifies that executive committees and subarea councils must meet composition requirements (section 1412(b)(3)(C) and section 1412(c)).

The conference substitute conforms to the Senate bill.

The House amendment contains a provision, not included in the Senate bill, which requires that the membership of the governing body and executive committee (if any) of an agency shall include a percentage of individuals who reside in nonmetropolitan areas equal to the percentage of residents of the area who reside in nonmetropolitan areas (section 1412(b)(3)(C)).

The conference substitute conforms to the House amendment (section 1512(b)(3)(C)).

The House amendment also contains a provision, not included in the Senate bill, which requires that not less than one-third of the provider members shall be "direct" providers of health care (section 1412(b)(3)(C)).

The conference substitute conforms to the House amendment (section 1512(b)(3)(C)).

Statement of Liability: The Senate bill contains a provision, not included in the House amendment, which states that a member or employee of a health systems agency

is not liable for damage under Federal or State law for performance of the functions or duties of the agency authorized or required under the Act (section 1412(5)).

The conference substitute conforms to the Senate bill (section 1412(b)(4)).

Staff: Separation of Functions: The Senate bill contains a provision, not included in the House amendment, which requires separate staffs for planning and development, but only one staff director (section 1412(b)(3)).

The conference substitute conforms to the Senate bill except that the word "separate" and the requirement for only one staff director are dropped (section 1412(b)(2)).

Consultants and Contract Services: The Senate bill contains a provision, not included in the House amendment, which specifically authorizes health systems agencies to employ consultants and contract for the provision of services where necessary to perform its functions (section 1412(b)(3)).

The conference substitute conforms to the Senate bill (section 1412(b)(2)(B)).

Agency Designation Process: Time Requirement: The Senate bill contains a provision, not included in the House amendment, which requires the Secretary to enter into designation agreements (conditional or final) within 18 months of the date of enactment (section 1415(a)).

The conference substitute conforms to the Senate bill (section 1515(a)). The Secretary should make every attempt to secure an approvable application for the designation of a health systems agency for each health service area within 18 months of enactment. To the extent it is impossible to designate an agency, because there is no eligible applicant, the Secretary should make every effort to promote such an application at the earliest time.

Consultation/Approval: The Senate bill specifies that the Secretary must consult with the Governors and other State and local officials in designating health systems agencies (section 1415(b)(4)(C) and section 1415(c)(2)).

The House amendment requires the Governors' approval for the designation of health systems agencies (section 1415(b)(4)(C) and section 1415(c)(2)).

The conference substitute conforms to the Senate bill.

Termination by Secretary of Final Designation: The Senate bill contains a provision, not included in the House amendment, which states that the Secretary must provide an agency with an opportunity for a hearing in accordance with 5 U.S.C. 554 (formal hearing) (section 1415(c)(1)).

The conference substitute conforms to the House amendment. The conferees concluded that a formal hearing prior to terminating an agreement with either a health systems agency or a State Agency is unduly cumbersome. The conferees intend that, in terminating designation of a health systems agency or a State Agency, the Secretary shall by regulation assure that the agency is afforded due process and is provided with notice and opportunity for hearing that it is not complying with or effectively carrying out the provisions of such agreement.

Agency Functions: Names of Plans: The Senate bill specifies that the health planning agencies are to annually establish Long-Range Goal Plans (LGP) and Short-Term Priorities Plans (SPP) (section 1413(b)).

The House amendment specifies that the health systems agencies are to annually establish Health Systems Plans (HSP) and Annual Implementation Plans (AIP) (section 1413(b)).

The conference substitute conforms to the House amendment (section 1513(6)(3)).

Review by Secretary: The Senate bill contains a provision, not included in the House amendment, which authorizes the Secretary to review plans (must consult with appropriate SHCC) and require modifications if a plan is not consistent with the purposes of this title (section 1413(b)(2)).

The conference substitute conforms to the House amendment.

Procedure for Establishment: The Senate bill contains a provision, not included in the House amendment, which specifies that the agencies are required to hold public hearings on plans (after 30 days' notice) and give interested persons opportunities to comment (section 1432(a)).

The conference substitute conforms to the Senate bill but the requirement applies only to the health systems plan (section 1513(b)(2)). It is anticipated that adequate notice and opportunity for comment will be required prior to the adoption of the annual implementation plan and other planning documents.

Financial Assistance for Implementation of Plans: The Senate bill contains a provision that there be no dollar limit on grants or contracts made from an agency's Development Fund but that assistance for any project or program be limited to three years (section 1413(c)(3)).

The House amendment specifies that no grant or contract may exceed $75,000 per year. Assistance is to be limited to two years for any one project or program (section 1413(c)(3)).

The conference substitute in the form of a compromise:

(1) requires that there be a two-year limit on the period of assistance, and

(2) specifies that there be no limit on the dollar amount of assistance (section 1513(c)(3)).

The conferees noted their expectation, however, that those instances in which a grant or contract awarded under this provision would exceed $100,000 would be relatively rare. However, it is hoped that those programs which, in the judgment of the local health systems agency, merit continued support, and conform to the goals of the health systems plan, will be given appropriate priority.

The House amendment contains a provision, not included in the Senate bill, which specifies that no grant or contract may be made for support of established programs or the delivery of health services (section 1413(c)(3)).

The conference substitute as a compromise specifies that no grant or contract may be made for the delivery of health services (as defined in regulations (section 1513(c)(3)).

The House amendment contains a provision, not included in the Senate bill, which specifies that no grant may be made to an agency for its Area Health Services Development Fund unless the agency, as determined under review by the Secretary, is organized and operated as required and is performing its functions in a manner satisfactory to the Secretary (section 1540(a)(3)).

The conference substitute conforms to the House bill.

The Senate bill authorizes to be appropriated for the Agency Development Fund:

	Million
Fiscal year 1975	$25
Fiscal year 1976	75
Fiscal year 1977	120

(Section 1417(d).)

The House amendment authorizes to be appropriated for the Agency Development Fund:

	Million
Fiscal year 1975	$25
Fiscal year 1976	100
Fiscal year 1977	150

(Section 1540(d).)

The conference substitute conforms to the Senate bill.

Approval of Proposed Uses of Federal Funds: The Senate bill specifies that the health programs agencies are to review and approve or disapprove proposed uses of Federal funds under the PHS Act, the Community Mental Health Centers Act, and the Alcoholism Act except funds under titles IV, VII, and VIII of the PHS Act for other than support of the delivery of health services (section 1413(e)).

The House amendment is the same except that an agency's review and approval or disapproval does not apply to funds under titles IV, VII, and VIII of the PHS Act except when they support the delivery of health services or to funds under the Development Disabilities Act (section 1413(e)).

The conference substitute conforms to the Senate bill with the added requirement that applications for funds under titles IV, VII, and VIII for the development of health resources intended to be used within the health service area be subject to review (section 1513(e)(1)).

The Senate bill contains a provision, not included in the House amendment, which requires health systems agencies to review and approve or disapprove proposed uses of Federal formula grant funds within the health service area (section 1413(f)).

The conference substitute conforms to the Senate bill.

The Senate bill contains a provision, not included in the House amendment, which specifies that agencies must comment on each application and forward recommendations to the Secretary and the State Agency (section 1413(e)(2)).

The conference substitute conforms to the House amendment.

The Senate bill contains a provision, not included in the House amendment, which specifies that the review function applies to loans and loan guarantees in addition to grants and contracts (section 1413(e)(1)).

The conference substitute conforms to the Senate bill (section 1513(e)(1)).

The House amendment contains a provision, not included in the Senate bill, which specifies that a health systems agency may only review and comment on proposed uses of Federal funds for programs or projects located within certain Indian areas. Health systems agencies are to provide Indian organizations with information respecting the availability of Federal funds (section 1413(e)).

The conference substitute conforms to the House amendment (section 1513(a)(1)).

The House amendment, unlike the Senate bill, also authorizes the Secretary to make health planning and development grants to Indian tribes.

The conference substitute conforms to the Senate bill.

Review of Existing Services and Facilities: The Senate bill specifies that each health systems agency shall review on a periodic basis all institutional health services offered and health care facilities and health maintenance organizations located in the health service area and shall make recommendations to the State Agency; this review is not required with respect to services or facilities subject to review under section 1122 of the Social Security Act or subject to a certificate-of-need program enacted by a State prior to the enactment of this section which the Secretary determines substantially meets the requirement of such subsection 1122, or subject to a certificate-of-need issued under this title. If the State Agency determines that a service or facility is not needed, the health systems agency shall work with the provider of the service or with the facility, the State Agency, and other appropriate persons for the improvement or elimination (as the State Agency and health systems agency determine appropriate) of such service or facility (section 1413(h)).

The House amendment specifies that a health systems agency shall review on a periodic basis all institutional health services offered in the health service area and make recommendations to the State Agency respecting the appropriateness in the area of such services (section 1413(g)).

The conference substitute conforms to the House amendment (section 1513(a)).

Formula for Agency Planning Grants: Basic Formula: The Senate bill specifies that each health systems agency is to receive $.50 per capita with no maximum dollar amount specified (section 1416(b)(1)).

The House amendment specifies that each health systems agency is to receive $.50 per capita with a maximum grant of $1.5 million (section 1416(b)(1)).

The conference substitute as a compromise specifies a maximum of $3.75 million (section 1516(b)(1)).

Conditions Applicable to Non-Federal Matching Monies. Allowable Private Contributions: The Senate bill specifies that a health systems agency may not accept contributions for matching purpose from any individual or private entity having a financial, fiduciary, or other direct interests in the development, expansion, or support of health resources, section 1416(b)(2)(B)).

The House amendment specifies that private contributions shall be limited to five percent of non-Federal funds by any one private contributor (section 1416(b)(2)(B)).

The conference substitute conforms to the Senate bill (section 1516(b)(2)(B)). By including this provision, the conferees hope to preclude, to the greatest extent possible, conflict of interest inherent in accepting funds from providers of health care where interests may in any way be affected by decisions or recommendations made by a health systems agency.

Allowable Public Contributions: The Senate bill places no limitations on public contributions.

The House amendment limits public contributions to one-third of non-Federal funds by any one public contributor (section 1416(b)(2)(B)).

The conference substitute conforms to the Senate bill.

Conditions as to Use of Contributions: The House amendment contains a provision, not included in the Senate bill, which specifies that contributions used for matching purposes cannot have conditions as to their use (section 1416(b)(2)(B)).

The conference substitute conforms to the House amendment (section 1516(b)(3)(B)).

Minimum Grant: The Senate bill specifies a minimum planning grant of $220,000 (section 1416(b)(3)).

The House amendment specifies a minimum planning grant of $175,000 (section 1416(b)(3)).

The conference substitute conforms to the House amendment (section 1516(b)(3)).

Receipt of Private Contributions: The Senate bill contains a provision, not included in the House amendment, which specifies that an agency may not receive any contribution from any individual or private entity having direct interest in the development, expansion, or support of health resources (section 1412(b)(6)).

The conference substitute conforms to the Senate bill (section 1512(b)(5)). The conferees noted that this provision would not prohibit agencies from receiving contributions or funds from charitable foundations and organizations or employers offering health benefits plans, unless the activities of those foundations or organizations within the health service area served by the health systems agency would be affected by recommendations or decisions made by the health systems agency.

State Planning and Development

Designation of State Agency: Termination by the Secretary of Final Designation: The Senate bill contains a provision, not included in the House amendment, which specifies that the Secretary must provide an agency with an opportunity for a hearing in accordance with 5 U.S.C. 554 (formal hearing) (section 1421(b)(3)).

The conference substitute conforms to the House amendment.

Consequence of No Designation Agreement: The Senate bill contains a provision, not included in the House amendment, that specifies if no agreement is in effect upon expiration of the fourth fiscal year, beginning after the calendar year of enactment, no funds under the PHS Act, the Community Mental Health Centers Act, and the Alcoholism Act may be made available for programs in the States (section 1421(d)).

The conference substitute conforms to the Senate bill (section 1521(d)).

State Administrative Program: Reporting by Providers: The Senate bill contains a provision, not included in the House amendment, which specifies that providers in a State are required by the State administrative program to make statistical and other reports to the State Agency (section 1422(5)(7)).

The conference substitute conforms to the Senate bill (section 1522(b)(7)).

Staff: The House amendment contains a provision, not included in the Senate bill, which specifies that the director of the planning staff of the State Agency be appointed with the advice and consent of the SHCC and that the Secretary may prescribe staff size and qualifications (section 1422(b)).

The conference substitute as a compromise specifies that the Secretary may prescribe staff size and qualifications and drops the requirement that the director of the planning staff of the State Agency be appointed with the advice and consent of the SHCC (section 1522(b)(4)).

Hearing Requirement: The Senate bill contains a provision, not included in the House amendment, requiring hearing procedures to be consistent with State administrative law (section 1422(b)(13)).

The conference substitute conforms to the Senate bill (section 1522(b)(13)). The conferees placed their emphasis on the requirement that the hearing mechanism be independent of the State Agency.

State Agency Functions Serve as Designated Planning Agency Under Section 1122 of the Social Security Act. The Senate bill specifies that the State Agency performs this function only if the State makes an agreement under section 1122 (section 1423(a)(3)(A)).

The House amendment contains no reference to such an agreement (section 1423(a)(3)(A)).

The conference substitute conforms to the Senate bill (section 1523(a)(4)(A)).

Certificate of Need Program for New Institutional Services: The Senate bill specifies that a certificate-of-need program is required even if the State Agency serves as the designated planning agency under section 1122 (section 1423(a)(3)).

The House amendment provides that such a program is required if the State Agency does not serve as the section 1122 designated planning agency (section 1423(a)(3)).

The conference substitute conforms to the Senate bill (section 1523(a)(4)(B)).

The Senate bill provides that such a program is to require review and determination before services are offered or developed or subtantial expenditures are made and is to provide that only services found to be needed may be offered (section 1423(a)(3)).

The House amendment provides that the State Agency is to make findings as to need after consideration of health systems agency recommendations. Such findings are required whether or not the State is serving as the section 1122 designated planning agency or has a certificate-of-need program (section 1423(a)(4)).

The conference substitute includes both provisions (section 1523(a)(4) and (5).

The Senate bill specifies that a State certificate-of-need program is not required until the expiration of the first regular session of the legislature which begins after the date of enactment (section 1423(b)(2)).

The House amendment specifies that a State certificate of need program is not required until the expiration of the first regular session of the legislature which begins after the date of the first designation of a State Agency (final designation) and at which authorizing legislation may be enacted (section 1423(b)(2)).

The conference substitute conforms to the Senate bill (section 1523(d)).

Review of Existing Services: The Senate bill specifies that a State Agency is to review existing institutional health services and health care facilities and health maintenance organizations and make findings as to continued *need;* except that review and findings are not to apply to services or facilities subject to review under section 1122 or subject to a certificate of need program enacted by a State prior to the enactment of this section which the Secretary determines substantially meets the requirements of section 1122 or subject to a certificate of need issued under the program required for new services and facilities (section 1423(a)(4)).

The House amendment specifies that a State Agency is to review institutional health services being offered respecting their appropriateness and make public its findings for the purpose of informing the providers of such services what voluntary remedial measures may be advisable (section 1423(a)(5)).

The conference substitute conforms to the House amendment except that the State Agency is simply to make public its findings. (section 1523(a)(6)).

The conferees have adopted the substance of the House amendment and wish to stress that the purpose of the findings by the State Agency is to inform the public and providers of health services as to the appropriateness of particular services and what, if any, voluntary remedial actions are advisable.

Preparation, Review, Revision of the Preliminary State Health Plan: The Senate bill requires a State Agency to prepare and submit to the SHCC for its approval a preliminary long-range State health plan made up of the LGP's of the health planning agencies in the State and a preliminary short-term State health plan made up of the SPP's of the health planning agencies in the State. Preliminary plans may contain revisions of LGPs and SPPs as the State Agency may find necessary for coordination or effectiveness (section 1423(a)(1)).

The House amendment contains no corresponding provision respecting a preliminary State health plan but a State Agency is to assist the SHCC in preparation, review, and revision of a State health plan (section 1423(a)(2)).

The conference substitute conforms to the Senate bill except that a State Agency is required to prepare only a single State health plan rather than both a long-range and short-term plan (section 1523(a)(2)).

Rate Review: The Senate bill contains a provision, not included in the House amendment, which specifies that the Secretary may enter into an agreement with a State agency to regulate and establish rates for health services and provide financial assistance for performance of this function. The Senate bill authorizes $10 million for fiscal 1975, $15 million for fiscal 1976, and $20 million for fiscal 1977 for this purpose (section 1424).

The conference substitute provides that the Secretary may make grants for the purpose of demonstrating the effectiveness of rate regulation to a maximum of six States who are regulating, or have indicated their intent to regulate, rates prior to the end of six months after the date of enactment (sec-

tion 1526). States which are assisted are to meet the various requirements of the Senate provision and are to report annually to the Secretary on the effectiveness of their programs. The Secretary is then to report annually to the Congress on the effectiveness of such rate regulation. Authorization of appropriation for this purpose is given in the amounts of $4 million for fiscal 1975, $5 million for fiscal 1976, and $6 million for fiscal 1977. It is generally anticipated by the conferees that the Secretary will seek to assist a heterogeneous group of States in regulating rates, including large and small States, urban and rural States, and States experiencing high and low medical care costs.

Hill-Burton Agency: The Senate bill specifies that the State Agency is required to serve as the Hill-Burton agency (section 627(12)).

The House amendment specifies that the State Agency may serve as the Hill-Burton agency but another agency of State government may, upon the request of the Governor and under an agreement with the State Agency satisfactory to the Secretary, perform such functions (section 1423(a)(6)(b)(1)).

The conference substitute conforms to the Senate bill (section 1523(b)(1)).

Extension of Section 1122 Policy to Private Health Insurers

The House amendment contains a provision, not included in the Senate bill, which requires States which participate in section 1122 of the Social Security Act, in lieu of having a certificate of need program, to extend 1122 policy to private health insurers operating within the State (section 1421(d)).

The conference substitute conforms to the Senate bill.

Grants to State Agencies: Types: The Senate bill specifies that allotments are required to be made to State Agencies on the basis of population and per capita income except that no State is to receive an allotment for a fiscal year which is less than 1 percent of the appropriation for that year. The Federal share for any State Agency for purposes of this subsection shall not exceed 90 percent of the cost of the performance of such functions as the Secretary may determine. The Secretary may not make payments to a State Agency unless he determines that such payments will not supplant State funds and that the Agency will not reduce non-Federal funds (section 1426).

The House amendment specifies that the Secretary may make grants to State Agencies to assist them in meeting their costs of operation. No grant is to exceed 75 percent of the agency's costs (section 1425).

The conference substitute conforms to the House amendment except that the requirement for maintenance of effort is retained (section 1525(c)).

Authorizations

The Senate bill contains the following authorizations:

[In millions]	
Fiscal year 1975	$25
Fiscal year 1976	25
Fiscal year 1977	25

(section 1426(c))

The House amendment specifies the following authorizations:

[In millions]	
Fiscal year 1975	$25
Fiscal year 1976	35
Fiscal year 1977	50

(section 1425(c))

The conference substitute provides for the following compromise:

[In millions]	
Fiscal year 1975	$25
Fiscal year 1976	30
Fiscal year 1977	35

(section 1525(c))

Statewide Health Coordination Council: General Requirements: The Senate bill contains a provision, not included in the House amendment, which requires that a health systems agency with a health service area that falls within the boundaries of one or more States must participate in the SHCC for each State (section 1425(b)(1)).

The conference substitute conforms to the Senate bill (section 1524(b)(1)(A)).

In addition, the Senate bill contains a provision, not included in the House amendment, that each health systems agency must assume its share of the costs of operation of the SHCC (section 1425(b)(2)(A)).

The conference substitute conforms to the House amendment.

Thirdly, the Senate bill contains a provision, not included in the House amendment, that the State must contribute 40 percent of the costs of operation if the Governor appoints members to the SHCC (section 1425(b)(2)(B)).

The conference substitute conforms to the House amendment.

Lastly, the Senate bill specifies that agencies must make available their plans for integration into the State health plan and make revisions as required (section 1425(b)(3)).

The House amendment has no corresponding provision, but the SHCC in preparing the State health plan may revise HSP's to achieve appropriate coordination or effectiveness (section 1424(c)(2)).

The conference substitute conforms to the Senate bill but adds to the Senate provision the House specification that the SHCC in preparing the State health plan may revise HSP's to achieve appropriate coordination or effectiveness (section 1524, 1524(c)(2)).

Composition: General Requirements: The Senate bill specifies that a majority of the members shall be consumers who are not providers or governmental representatives (section 1425(c)(1)(C)).

The House amendment is the same as the Senate bill except that governmental representatives may also be consumer members (section 1424(b)(1)).

The conference substitute conforms to the House amendment (section 1524(b)(1)).

The Senate bill further contains a provision, not included in the House amendment, that if two or more VA medical facilities are located in a State, the SHCC shall include in addition to the appointed members, a VA representative as an ex officio member (section 1425(c)(1)(A)).

The conference substitute conforms to the Senate amendment (section 1524(b)(1)).

The House amendment, finally, contains a provision, not included in the Senate bill, that not less than one third of the members of a SHCC who are providers of health care shall be "direct providers" of health care (section 1424(b)(1)(C)).

The conference substitute conforms to the House amendment (section 1524(b)(1)).

Local Agency Representation: The Senate bill specifies that at least 60 percent of the membership shall be representatives of health systems agencies (section 1425(c)(1)(B)).

The House amendment specifies that at least two thirds of the membership shall be representatives of health systems agencies (section 1424(b)(1)(B)).

The conference substitute conforms to the Senate bill (section 1524(b)(1)).

The Senate bill, in addition, contains a provision, not included in the House amendment, that the Governor is to appoint agency representatives from nominees submitted by the health systems agencies (section 1425(c)(1)(A)).

The conference substitute conforms to the Senate bill (section 1524(b)(1)).

Further, the House amendment contains a provision, not included in the Senate bill, that of the health systems agency representatives, one half shall be consumers and one half shall be providers (section 1424(b)(1)(A)).

The conference substitute requires that at least one half of each HSA's representatives on the SHCC be consumers (section 1524(b)(1)).

Lastly, the Senate bill contains a provision, not included in the House amendment, that if the governing body of a local agency includes a member representative of health maintenance organizations, the SHCC shall include a member representative of HMO's (section 1425(c)(1)(A)).

The conference substitute conforms to the House amendment.

Governor's Representatives: The Senate bill specifies that the number of members appointed by the Governor (other than members from the health systems agencies) may not exceed 40 percent of the total membership (section 1425(c)(1)(B)).

The House amendment specifies that the number of members appointed by the Governor may not exceed one third of the total membership (section 1424(b)(1)(B)).

The conference substitute conforms to the Senate bill (section 1524(b)(1)).

Functions: State Health Plan: The Senate bill specifies that the SHCC, taking into account the preliminary State health plan, is to prepare, review, and revise as necessary a short-term State health plan which is to be made up of the SPP's of the health systems agencies within the State and a long-range State health plan made up of the LGP's of the health systems agencies within the State (section 1425(e)(1)).

The House amendment specifies that the SHCC is to prepare, review, and revise as necessary a State health plan which shall be made up of the HSP's of the health systems agencies within the State (section 1424(c)(2)).

The conference substitute requires only a single State health plan (section (c)(2)).

Further, the Senate bill contains a provision, not included in the House amendment, which requires the SHCC when preparing and/or revising a State health plan to conduct a public hearing on the plan as proposed, publish a notice of its consideration of the proposed plan, and give people an opportunity to submit comments on the plan (section 1432(a)).

The conference substitute conforms to the Senate bill (section 1524(c)(2)).

Review of Local Agency Plans: The House amendment contains a provision, not included in the Senate bill, that the SHCC is to review annually and coordinate the HSP and AIP of each health systems agency within the State and report to the Secretary its comments on such plans (section 1424(c)(1)).

The conference substitute conforms to the House amendment (section 1524(c)).

Definition of Provider of Health Care

The House amendment contains a provision, not included in the Senate bill, that a distinction be made between a "direct provider" and an "indirect provider" of health care. A direct provider is an individual whose primary current activity is the provision of health care to individual or the administration of health care facilities and who, as required by State law, has received professional training and is licensed or certified. Indirect providers are individuals who have certain fiduciary positions or financial interest, who are members of immediate families, or who are engaged in issuing health insurance (section 1431(c)).

The conference substitute conforms to the House amendment but lists examples of direct providers (section 1531(3)).

Centers for Health Planning

The House amendment contains a provision, not included in the Senate bill, that directs the Secretary to assist (by grant or contract) entities in meeting the costs of

planning and developing new centers, and operating existing and new centers, for multidisciplinary health planning development and assistance. At least five centers are to be in operation by June 30, 1976. Further, the House amendment authorizes $5 million for fiscal year 1975, $8 million for fiscal year 1976, and $10 million for fiscal year 1977 (section 1434).

The conference substitute conforms to the House amendment (section 1534).

National Health Planning Information Center

The House amendment contains a provision, not included in the Senate bill, that directs the Secretary to establish a national health planning information center to support the health planning and resources development programs of health systems agencies, State Agencies, and other entities, and to provide information (section 1433(c)).

The conference substitute conforms to the House amendment (section 1533(c)).

Certain Uniform Systems

The Senate bill contains a provision, not included in the House amendment, requiring the Secretary to establish within one year of the date of enactment the following: a uniform system for calculating the aggregate cost of operation and the aggregate volume of services provided by health service institutions; a uniform system for cost accounting and calculating the volume of such services; a uniform system for calculating rates to be charged to health insurers and other health institutions payors by health service institutions; a classification system for health service institutions; and a uniform system for the reporting of costs and volume of services and rates by health service institutions (section 1433(c)).

The conference substitute conforms to the Senate bill with minor modifications (section 1533(d)).

Review by the Secretary: Local Agencies: The Senate bill specifies that the Secretary is authorized to review the structure, operation, and performance of the functions of the health systems agencies (section 1434(c)).

The House amendment is the same except that such review is required to be made by the Secretary (section 1435(c)).

The conference substitute conforms to the House amendment (section 1535(c)).

State Agencies: The Senate bill further specifies that the Secretary is authorized to review the structure, operation, and performance of the functions of State Agencies (section 1434(d)).

The House amendment is the same except that such review is required to be made by the Secretary (section 1435(d)).

The conference substitute conforms to the House amendment (section 1535(d)).

Waiver Authority

The Senate bill contains a provision, not included in the House amendment, that at the request of the Governor of a State applying for a waiver, the Secretary shall waive requirements for establishment of health service areas and health systems agencies, if he finds that a State applying for assistance under the planning title or the Hill-Burton title—

(1) has no county or municipal public health institutions or departments, and

(2) has, prior to the date of enactment, maintained a health planning system which substantially complies with the purposes of this title.

The Senate bill further has a provision, not included in the House amendment, that a State receiving a waiver and otherwise meeting the requirements of the planning title shall be eligible for assistance authorized by the planning title (section 1436).

The conference substitute conforms to the Senate bill (section 1536).

This section is directed at any state which has successfully operated a statewide health planning system and which continues to maintain a health planning system which substantially complies with the purposes of this Act. It is intended to provide for meaningful participation within the statewide health planning system by providers, consumers, government officials, and private nonprofit planning agencies, and to encourage the continuation of those relationships or procedures where agencies in the private sector are performing satisfactorily.

HILL-BURTON PROGRAM

Title Amended

The Senate bill amends title VI of the PHS Act with a new text for the Hill-Burton program (section 201).

The House amendment adds a new title XV to the PHS Act containing a new text for the Hill-Burton program (section 4).

The conference substitute adds a new title XVI to the PHS Act containing a new text for the Hill-Burton program (section 4). The new title number is used because a new title has been added to the PHS Act by another public law since the House amendment was written.

Assistance Authorized

The Senate bill authorizes allotments to States for grants, and project grants and loans and loan guarantees (with interest subsidies) to be made by the Secretary. Grants by the Secretary are to be made to public and non-profit private entities for construction and modernization of outpatient facilities and modernization of health facilities which will serve medically underserved populations. The amount of any such grant is not to exceed 75 percent of the cost of the project unless the project is in an urban or rural poverty area, in which case the grant may cover 100 percent of such costs (sections 600, 610, and 612).

The House amendment authorizes similar allotments to the States and allots to the States the principal of loans and loan guarantees (with interest subsidies), rather than having such loans and loan guarantees administered by the Secretary. In addition the House amendment specifies that not more than one-third of a State's allotment for grants may be used for construction of new facilities for inpatient services (parts B and C).

The conference substitute conforms to the House amendment except that:

(1) The Secretary is authorized to make grants to public entities for projects which will eliminate or prevent imminent safety hazards or avoid noncompliance with State or voluntary licensure or accreditation standards. The amount of such projects is not to exceed 75 percent of the cost of the project unless it is in an urban or rural poverty area, in which case the amount may cover up to 100 percent of the cost.

(2) No more than 20 per centum of any State's allotment for grants is to be used for new construction of inpatient facilities (section 1611(d)(1)).

Funds for project grants to public entities to accomplish the purposes of part D by the Secretary are to be provided through a 22 percent earmark of any appropriations under authorizations of appropriations for allotments to States.

Projects Authorized

The Senate bill authorizes assistance for:

(1) Construction and modernization of public or other non-profit outpatient facilities, and

(2) Modernization of public or other nonprofit health facilities which will serve medically underserved populations or populations which, without the modernization of such facilities, would be designated medically underserved populations, as may be necessary, in conjunction with existing facilities, to furnish adequate health care service (section 600).

The House amendment authorizes assistance for:

(1) Modernization of medical facilities;

(2) Construction of new outpatient medical facilities;

(3) Construction of new inpatient medical facilities in areas which have experienced rapid recent population growth (as defined in regulations of the Secretary); and

(4) Conversion of existing medical facilities for the provision of new health services (section 1501).

The conference substitute conforms to the House amendment except that not less than 25 percent of any State's allotment is to be used for the construction of outpatient facilities serving medically underserved populations, and the Secretary is to seek to assure that half of these funds are used in rural areas and half in urban areas (section 1601 and section 1611(d)(2)).

General Regulations

Definition of Medical Facility: The Senate bill defines the term health facility to mean a facility which provides to patients the services of licensed physicians and a reasonably full range of diagnostic and treatment services, or a rehabilitation facility (section 627(3)).

The House amendment defines the term medical facility to mean a hospital, public health center, outpatient medical facility, rehabilitation facility, facility for long-term care, or other facility for the provision of health care to ambulatory patients (section 1534(13)).

The conference substitute conforms to the House amendment.

Priorities: The Senate bill and the House amendment each contain a provision requiring the Secretary to establish priorities among projects to be assisted. The priorities in the two provisions are somewhat different and the conference substitute compromises by combining all of the priorities in both provisions (section 1602(a)(1)).

The Senate bill contains a provision, which is not included in the House amendment, requiring the Secretary by regulation to prescribe the manner in which assisted entities are to comply with required assurances and the means by which they will demonstrate compliance. Reports are required and there is a specific provision barring any waiver from the reporting requirement (section 620(f)).

The conference substitute conforms to the Senate bill (section 1602(a)(6)).

Requirements Respecting Provision of Services: Both the Senate bill and the House amendment provide that the Secretary's regulations are to require the State plan to provide for adequate facilities to furnish needed health services for persons unable to pay (Senate section 620(e) and House section (a)(5)).

In addition, the House amendment specifies that the regulations are to require that the State plan provide adequate facilities for all persons residing in the State. Further, the Secretary may by regulation require that a State Agency secure from an applicant for assistance satisfactory assurances respecting the provision of services to all residents and respecting the provision of a reasonable volume of services to persons unable to pay for those services (section 1502(b)).

The conference substitute conforms to the House amendment (section 1602(b)).

State Plan

Scope of the State Plan: The Senate bill requires approval of a State plan as a condition to the receipt of allotments. In addition, a project to be assisted under an allotment must be included within the State plan and an application therefor must be

submitted through the State Agency (section 603(a)).

The House amendment requires approval of a State plan as a condition to the receipt of allotments and loans and loan guarantees. Projects to be assisted through allotments or loans or loan guarantees must be included within the State plan and an application therefor must be submitted through the State Agency (section 1504).

The conference substitute conforms to the House amendment (section 1603).

Role of the Statewide Health Coordinating Council: The Senate bill requires that the State plan must be approved by the Statewide Health Coordinating Council as consistent with the State health plan developed under title XIV (section 602(a)(3)).

The House amendment contains no corresponding provision, but requires the State plan to be consistent with the State health plan developed under title XIV) section 1503(a)(3)).

The conference substitute conforms to the Senate bill (section 1603(a)(3)).

Project Approval

Findings as to Need: The Senate bill requires findings as to need as a condition to receipt of assistance through allotments (section 603(b)(2)).

The House amendment requires findings as to need as a condition to receipt of assistance under loans and loan guarantees as well as allotments (section 1504(b)(1)(A)).

The conference substitute conforms to the House amendment (section 1604(b)).

Assurances Respecting Adequate Financial Support for Projects Serving Urban or Rural Poverty Areas: The Senate bill specifies that Federal assistance provided outpatient facilities (or individuals served by such facilities) may be considered as financial support in determining if reasonable assurance can be given that adequate financial support will be available for the projects' maintenance and operation (section 603(b)(5)).

The House amendment contains no corresponding provision.

The conference substitute conforms to the Senate bill (section 1604(b)(1)(E)).

Special Requirement for Outpatient Facility Projects: The Senate bill contains a provision, not included in the House amendment, which provides that reasonable assurance must be given that the services of a general hospital will be available to patients of an outpatient facility who need hospital care, in the case of any project for an outpatient facility (sections 603(b)(8), 613(b)(8)).

The conference substitute conforms to the Senate bill (section 1604(b)(1)(E)).

Special Provisions for Outpatient Facility Projects: The House amendment contains a provision, not included in the Senate bill, which provides that for a modernization project for an outpatient facility which will provide general purpose health services, which is not part of a hospital, which will serve a medically underserved population and for which not more than $20,000 is sought under allotments or loans:

(1) The Secretary may waive requirements respecting modernization and equipment standards, and title to the project site, and

(2) The Federal share may not exceed 100 percent of the first $6,000 and two-thirds of the next $21,000 of the project costs (sections 1504(b)(2) and 1534(2)(A)).

The conference substitute conforms to the House amendment (section 1604(b)(2)).

Assurances Respecting Persons to be Served: The Senate bill requires that applications must contain reasonable assurances that project facilities will be made available to all persons residing or employed in the areas served by the facilities (sections 603(b)(10) and 614(b)(9)).

The House amendment is identical except that no assurance is required with respect to persons employed in an area to be served by a project (section 1504(c)(A)).

The conference substitute conforms to the Senate bill (section 1604(b)(1)(J)).

Allotments

Formula for Allotments: The Senate bill provides that allotments are to be made by the States on the basis of the existing Hill-Burton formula for allotments for construction projects (section 601(a)).

The House amendment provides that allotments are to be made among the States on the basis of the population, the financial need, and the need for medical facilities projects of the respective States (sections 1510(a) and 1521(a)).

The conference substitute conforms to the House amendment (section 1610(a)).

Reallotment: The House amendment contains a provision, not included in the Senate bill, which authorizes the Secretary to reallot unobligated allotments at the end of the second fiscal year after the allotment is made (sections 1510(c) and 1521(b)).

The conference substitute conforms to the House amendment (section 1610(c)).

Loans and Loan Guarantees

Interest Rates: The Senate bill provides that the interest rate on a loan shall be the current prevailing rate of interest minus the lesser of (1) one-half of such rate, or (2) 4½ percent (section 614(a)(1)).

The House amendment provides that the interest rate on a loan shall be the current prevailing rate of interest minus 3 percent (section 1522(b)(2)(D)).

The conference substitute contains a compromise applying the Senate provision in poverty areas and the House provision in other areas.

Interest Subsidies: The Senate bill provides that the Secretary is to pay on behalf of the holder of a guaranteed loan an interest subsidy which will reduce the interest rate payable on the loan to the lesser of (1) one-half the current prevailing rate of interest, or (2) 4½ percent (section 614(b)(2)).

The House amendment provides that the secretary shall pay on behalf of the holder of the guaranteed loan an interest subsidy which shall reduce by 3 percent the effective rate of interest payable on such loan (section 1520(b)(2)).

The conference substitute contains a compromise applying the Senate provision in poverty areas and the House provision in other areas.

Ceiling on Loans and Loan Guarantee: The Senate bill provides that a loan or a loan guarantee may not exceed 90 percent of the costs of a project unless the project is in an urban or rural poverty area, in which case the loan or loan guarantee may cover 100 percent of such costs (section 611(b)).

The House amendment is the same except that no increase is permitted with respect to projects in urban or rural poverty areas (section 1534(2)(C)).

The conference substitute conforms to the Senate bill.

Withholding of Payments and Other Actions

Special Office: The Senate bill contains a provision, not included in the House amendments, which directs the Secretary to establish a permanent office in HEW to review compliance with the requirements applicable to the receipt of assistance under the Hill-Burton program (section 621(c)(1)).

The conference substitute conforms to the Senate bill but excludes the requirement for the establishment of a permanent office in HEW (section 1612).

Action by the Secretary and Others: The Senate bill contains a provision, not included in the House amendment, which specifies that, if the Secretary finds an entity has failed to comply with assurances, he shall either withhold payments to such entity or effect compliance by other means authorized by existing law. It further provides that actions to enforce compliance may be brought by a person other than the Secretary, if the Secretary has either dismissed a complaint made to him by such person or has failed to act on such complaint within six months after the date on which it was filed with him (section 621(c)(2)(3)).

The conference substitute conforms to the Senate bill (section 1612).

Judicial Review

The Senate bill contains a provision, not included in the House amendment, which provides that any entity which will be adversely affected by an action taken by the Secretary to enforce the requirements applicable to receipt of assistance may seek review in the U.S. Court of Appeals of such action (section 622).

The conference substitute conforms to the Senate bill.

Waiver of Recovery Requirement

The Senate bill contains a provision, not included in the House amendment, which provides that the Secretary may waive the right of the United States, to recover assistance provided for a project, if:

(1) The amount which could be recovered is applied to the development, expansion, or support of another health facility and such other health facility has been approved by the Statewide Health coordinating Council as consistent with the applicable State health plan, or

(2) The Secretary determines there is good cause for such waiver. Any such waiver may only apply to up to 90 percent of the cost of a project and only with respect to actions occurring either within one year before the date of enactment or after the date of enactment (section 623(b)).

The conference substitute conforms to the Senate bill.

Records, Audits and Financial Statements: The Senate bill provides that entities which receive assistance are to keep records respecting such assistance and that the Secretary and the Comptroller General are authorized to have access to these records for the purpose of audit. Further, the bill requires that assisted entities are to file certain financial statements annually (section 624).

The House amendment provides only that assisted entities are to file certain financial statements annually (section 1535).

The conference substitute conforms to the Senate bill.

Technical Assistance

The Senate bill contains a provision, not included in the House amendment, which directs the Secretary to provide technical and other nonfinancial assistance to entities to assist them in developing applications for assistance. The Secretary is also required to inform eligible entities of the availability of assistance (section 626).

The conference substitute conforms to the Senate bill.

Federal Hospital Council

The House amendment contains a provision, not included in the Senate bill, which continues the existing Federal Hospital Council. The provision specifies that the Council is to approve the Secretary's general regulations under new title XV. The amendment further provides that if the Secretary disapproves a State plan, the Council, upon the request of the State Agency, shall review the decision of the Secretary and may approve the plan (sections 1503(b), 1532).

The conference substitute conforms to the Senate bill but requires that the National Council on Health Planning and Development established in title XIV shall advise the Secretary with respect to programs under new title XVI.

Definitions

Construction: The Senate bill defines the term "construction" so as to include the

cost of off-site improvements and the cost of the acquisition of land (section 627(1)).

The House amendment defines the term "construction" to exclude the cost of off-site improvements and, except with respect to public health centers, the cost of the acquisition of land (section 1534(9)).

The conference substitute conforms to the House amendment.

Cost: The Senate bill defines the term "cost" to exclude any amount found by the Secretary to be attributable to expansion of the bed capacity of any facility (section 627(6)).

The House amendment contains no comparable exclusion (section 1534(10)).

The conference substitute conforms to the House amendment with respect to new construction and the Senate bill with respect to modernization.

Title: The Senate bill defines the term "title" to mean an estate or interest which assures use and possession for a period of (1) not less than 20 years in the case of a grant, or (2) in the case of a loan or loan guarantee, the term of repayment of the loan made or guaranteed (section 627(9)).

The House amendment defines the term "title" to mean an estate or interest which assures use and possession for a period of not less than 25 years (section 1534(12)).

The conference substitute conforms to the Senate bill.

Federal Share: The Senate bill provides that, in the case of a project assisted under an allotment, the Federal share should be not more than the lesser of (1) two-thirds or (2) the State allotment percentage (if the percentage is less than 50 percent, the percentage shall be deemed to be 50 percent). The Senate bill also provides that in the case of a project in a rural or urban poverty area the Federal share may be 100 percent (section 627(11)).

The House amendment provides that in the case of a project to be assisted under an allotment the Federal share may not exceed two-thirds (section 1534(2)).

The conference substitute conforms to the House amendment but retains the Senate provision allowing a 100 percent Federal share in poverty areas.

Authorizations of Appropriations

The Senate bill authorizes for allotments and project grants for fiscal year 1975, $125 million; fiscal year 1976, $125 million; and fiscal year 1977, $125 million. The Senate bill further provides that one-half of the sums appropriated are to be used for allotments and one-half are to be used for project grants. The bill further authorizes such sums for loans and interest subsidies as may be necessary for fiscal years 1975, 1976, and 1977 (section 625).

The House amendment authorizes for allotments for fiscal year 1975, $125 million; fiscal year 1976, $150 million; and fiscal year 1977, $175 million. The House amendment also authorizes $40 million in the aggregate for fiscal years 1975, 1976, and 1977 for capitalization of the loan and loan guarantees fund (sections 1513, 1522(e)(2)).

The conference substitute authorizes for allotments and project grants for fiscal year 1975, $125 million, fiscal year 1976, $130 million, and fiscal year 1977, $125 million. The conference substitute authorizes such sums as may be necessary for capitalization of the loan and loan guarantee fund. Twenty-two percent of any funds appropriated are to be used by the Secretary for project grants (section 1613).

TRANSITIONAL PROVISIONS

The House amendment contains a provision, not included in the Senate bill, which provides that any State which in fiscal year 1975 or the next year has funds available for obligation from its allotments under part A of title VI of the PHS Act may in such year use for the proper and efficient administration during such year of its State plan approved under such part an amount of such funds which does not exceed 4 per centum of such funds or $100,000 whichever is less (section 5(b)).

The conference substitute conforms to the House amendment. The bill, as amended, includes authorizations for appropriations under existing sections 314(a), 314(b), 304, and existing title IX so as to insure a smooth transition to the new program. The conferees noted their expectation that the Secretary will impose conditions on grants made under this authority to insure that funds will be used to effect the transition rather than merely to continue the old programs. The conferees have not included an authorization for appropriations for fiscal 1975 under title VI and therefore do not contemplate that appropriations will be made under that authority pursuant to a continuing resolution.

ADVISORY COMMITTEES

The House amendment contains a provision, not included in the Senate bill, concerning advisory committees. Under the House amendment advisory committees established by or pursuant to the PHS Act, Developmental Disabilities Act, Community Mental Health Centers Act, and the Alcoholism Act are to terminate at such time as may be specifically prescribed by an Act of Congress enacted after the date of enactment (this waives application of the Federal Advisory Committee Act). The House amendment further provides that the Secretary of HEW is to report to the committees within one year after the date of enactment on the purpose and use of each such advisory committee and his recommendations respecting the termination of each such advisory committee (section 6).

The conference substitute conforms to the House amendment.

RADIATION HEALTH AND SAFETY

The Senate bill provides that the PHS Act provisions respecting radiation safety are amended to add the following:

(1) A requirement that the Secretary of HEW issue criteria and standards for accreditation of schools with programs for training radiologic technicians, medical and dental practitioners, dental hygienists and dental assistants;

(2) A requirement that the Secretary of HEW issue criteria and standards for licensure of radiologic technologists;

(3) A requirement that the Secretary of HEW review and approve voluntary certification programs and license individuals certified under approved programs;

(4) A requirement that either the State adopt the Secretary's standards for accreditation or the Federal standards become applicable to the State. An adequate State program must be adopted in two years (or pursuant to the Secretary's extension, in four years);

(5) A requirement similar to item 4 for licensure of radiologic technologists:

(6) Authority for (A) grants to States or designated professional organizations to plan, develop or establish programs under this provision (two-thirds in the first year, one-third in the second year), and (B) grants to educational institutions;

(7) A requirement for annual review by HEW of accreditation and licensure programs;

(8) Prohibition on application of "potentially hazardous radiation" by unlicensed personnel effective three (or five) years after date of enactment; and

(9) Authority for district courts to restrain violations and to impose civil penalties of up to $1,000 per violation (section 403).

The House amendment contains no corresponding provision.

The conference substitute conforms to the House amendment except that conferees noted their intention to examine the subject in hearings during the next year.

HARLEY O. STAGGERS,
PAUL G. ROGERS,
DAVID E. SATTERFIELD,
PETER KYROS,
RICHARDSON PREYER,
J. W. SYMINGTON,
WM. ROY,
L. DEVINE,
ANCHER NELSEN,
TIM LEE CARTER,
J. F. HASTINGS,
H. JOHN HEINZ, III
WILLIAM HUDNUT,
Managers on the Part of the House.

EDWARD KENNEDY,
H. WILLIAMS,
GAYLORD NELSON,
THOMAS EAGLETON,
ALAN CRANSTON,
HAROLD E. HUGHES,
CLAIBORNE PELL,
WALTER F. MONDALE,
WILLIAM D. HATHAWAY,
DICK SCHWEIKER,
J. JAVITS,
PETER H. DOMINICK,
J. GLENN BEALL, JR.,
ROBERT TAFT, JR.,
ROBERT T. STAFFORD,
Managers on the Part of the Senate.

FURTHER CONTINUING APPROPRIATIONS, FISCAL YEAR 1975

Mr. MAHON. Mr. Speaker, two appropriation items must be handled before adjournment; one of them is the final action on the continuing resolution and the other item is final action on the conference report on the urgent supplemental.

Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (H.J. Res. 1178) making further continuing appropriations for the fiscal year 1975, and for other purposes, with Senate amendments thereto, and concur in the amendments of the Senate.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendments, as follows:

Page 3, after line 2, insert: "Assistance to Portugal and Portuguese colonies, $10,000,000;".

Page 3, line 4, strike out "and".

Page 3, line 6, strike out ":" and insert: "; and".

Page 3, after line 6, insert: "Assistance to Palestinian Refugees, $10,000,000:".

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Speaker, reserving the right to object, may we have an explanation of what transpired with respect to this bill.

Mr. MAHON. Mr. Speaker, if the gentleman will yield, I will say to my distinguished friend, the gentleman from Iowa (Mr. GROSS) that we passed the continuing resolution, as the gentleman knows, and it went to the other body, and the other body added two amendments. One amendment is assistance to Portugal and Portuguese colonies, $10

million. I am sure the gentleman knows that we have an interest in the Azores and overflight rights.

The second amendment adopted by the other body provides $10 million for Palestinian refugees. This program has been authorized and has been in operation since about 1949. The sum provided in the other body is $10 million.

Otherwise the bill is in the identical form in which it was when it passed the House of Representatives yesterday.

Mr. GROSS. The $10 million for Palestinian refugees would be in addition to moneys already appropriated, would it not?

Mr. MAHON. It would, and it would go to a United Nations agency. As the gentleman knows, we have had a program for the Palestinian refugees for many years administered by the United Nations.

Mr. GROSS. The $10 million for Portugal, when was it discovered along the way that we ought to give $10 million to Portugal and an additional $10 million for the Palestinian refugees? Who decided this? Is it another of Secretary of State Kissinger's commitments that has just come to light?

Mr. MAHON. There was an authorization for aid to Portugal in the sum of $25 million, and the other body did not provide for the $25 million, but did appropriate $10 million. The President and the Secretary of State and the administration are very much concerned about the aid for Portugal. As I understand it from conversations with members of the House Committee on Foreign Affairs, it was approved by a majority of the members of that committee.

Mr. GROSS. Was there any discussion in the conference when the $10 million was added as to the stability of the present Government of Portugal; whether the $10 million will, in a matter of a few days or a few weeks be handed over to the Communists who are threatening to take over Portugal?

Mr. MAHON. This would be for the period of the authorization and the authorization would extend for the fiscal year 1975.

Mr. GROSS. I wish that some committee other than the conference committee had provided some justification for the additional $20 million that goes into this bill for the purposes the gentleman has stated.

Mr. MAHON. Will the gentleman yield further?

Mr. GROSS. Of course I will yield to the gentleman.

Mr. MAHON. The matter was considered by the Committee on Foreign Affairs, and the amount was authorized by the House and Senate, and this is an appropriation of a portion of the money, less than half of the portion which was authorized for aid to Portugal. The gentleman knows of the very great significance over the years that Portugal has been to the United States for the planes that fly the Atlantic Ocean and land in the Azores.

Mr. GROSS. Those were the only amendments?

Mr. MAHON. Just the two amendments. The bill is identical otherwise.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate amendments just concurred in.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION TO EXTEND REMARKS

Mr. MAHON. Mr. Speaker, I ask unanimous consent that I may revise and extend my own remarks and include certain tables and extraneous matter in regard to the appropriation work of the Congress and in regard to the appropriation matters being considered by the House tonight.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT ON HOUSE JOINT RESOLUTION 1180, MAKING URGENT SUPPLEMENTAL APPROPRIATIONS

Mr. MAHON submitted the following conference report and statement on the joint resolution (H.J. Res. 1180) making urgent supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 93-1641)

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to House Joint Resolution 1180, making urgent supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes, having met, after full and free conference, have been unable to agree.

GEORGE MAHON,
JAMIE L. WHITTEN,
EDWARD P. BOLAND,
DANIEL J. FLOOD,
JOHN M. SLACK,
E. A. CEDERBERG,
ROBERT H. MICHEL,
WENDELL WYATT,
Managers on the Part of the House.

JOHN L. MCCLELLAN,
WARREN G. MAGNUSON,
JOHN O. PASTORE,
ROBERT C. BYRD,
JOSEPH M. MONTOYA,
MILTON R. YOUNG,
ROMAN L. HRUSKA,
NORRIS COTTON,
CLIFFORD P. CASE,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H.J. Res. 1180) making urgent supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

CHAPTER V.

Department of Commerce

Economic Development Administration

Job opportunities program

Amendment No. 1: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment which provides $125,000,000 to be derived by transfer from funds appropriated in this act for the Department of Labor, Temporary Employment Assistance. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees are in agreement that further consideration will be given to this matter with the convening of the Ninety-Fourth Congress.

GEORGE MAHON,
JAMIE L. WHITTEN,
EDWARD P. BOLAND,
DANIEL J. FLOOD,
JOHN M. SLACK,
E. A. CEDERBERG,
ROBERT H. MICHEL,
WENDELL WYATT,
Managers on the Part of the House.

JOHN L. MCCLELLAN,
WARREN G. MAGNUSON,
JOHN O. PASTORE,
ROBERT C. BYRD,
JOSEPH M. MONTOYA,
MILTON R. YOUNG,
ROMAN L. HRUSKA,
NORRIS COTTON,
CLIFFORD P. CASE,
Managers on the Part of the Senate.

CONFERENCE REPORT ON HOUSE JOINT RESOLUTION 1180, MAKING URGENT SUPPLEMENTAL APPROPRIATIONS

Mr. MAHON. Mr. Speaker, I call up the conference report on the joint resolution (H.J. Res. 1180) making urgent supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement see prior proceedings of today's RECORD.)

AMENDMENT IN DISAGREEMENT

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Senate amendment: on page 5, after line 18, insert:

CHAPTER V

DEPARTMENT OF COMMERCE

ECONOMIC DEVELOPMENT ADMINISTRATION

JOB OPPORTUNITIES PROGRAM

For Job Opportunities Program assistance as authorized by title III of the Emergency Jobs and Unemployment Assistance Act of 1974, $250,000,000, to remain available until December 31, 1975: *Provided*, That this appropriation shall become available only upon enactment into law of H.R. 16596 or similar legislation by the Ninety-third Congress.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 1 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

CHAPTER V

DEPARTMENT OF COMMERCE

ECONOMIC DEVELOPMENT ADMINISTRATION

JOB OPPORTUNITIES PROGRAM

For Job Opportunities Program assistance as authorized by title III of the Emergency Jobs and Unemployment Assistance Act of 1974, $125,000,000, to be derived by transfer from funds appropriated in this Act to the Department of Labor under the heading "Temporary Employment Assistance", to remain available until December 31, 1975: *Provided*, That this appropriation shall become available only upon enactment into law of H.R. 16596 or similar legislation by the Ninety-third Congress.

Mr. MAHON. Mr. Speaker, I would like to say to the House that we passed yesterday, as the Members know, the urgent supplemental appropriation bill. It provided $1 billion for public service jobs and $3 billion for extended unemployment compensation and coverage. The other body added $250 million for the job opportunity program of the Economic Development Administration. In the conference it was agreed that we would not increase the overall total of money provided in the bill which was sent to the other body by the House but that we would authorize the transfer of $125 million from the $1 billion provided for public service jobs.

The conferees were unanimous in adopting this position. In other words, they made no change in the total appropriated in the bill but there is some change by way of permitting this sum of $125 million to be transferred in connection with the Economic Development Administration.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Mr. Speaker, I just want to say the minority concurs in the conference report. It was a unanimous report. I hope we can expedite the proceedings here.

Mr. MAHON. I thank the distinguished ranking minority member of the committee.

CONGRESSIONAL ACTION OF THE FISCAL YEAR 1975 BUDGET

Mr. Speaker, it is customary at adjournment time for the Committee on Appropriations to report to the House on the appropriations business of the session. I shall not take the time of the House, due to the heavy legislative schedule, and under leave to extend shall insert such a statement.

APPROPRIATION BILLS REDUCED IN EXCESS OF $6.1 BILLION

Mr. Speaker, Congress, in its actions on 15 appropriation bills has reduced budget requests for fiscal year 1975 in excess of $6.1 billion.

OVERALL CONGRESSIONAL ACTION REDUCES SPENDING BY ABOUT $800 MILLION

Completed congressional action at this point in the session has resulted in an overall spending reduction of about $800 million.

The $6.1 billion congressional reduction of the budget in appropriation bills excludes the Foreign Assistance Appropriation and includes the effect of Conference action on the Agriculture-Environmental and Consumer Protection, Military Construction, and the 1975 Supplemental Appropriation bills. Through these actions, Congress has reduced the budget through the appropriation process in each of the last 22 years.

HOUSE AND SENATE ACTION ON APPROPRIATIONS BILLS

House-approved appropriation bills for fiscal year 1975 were under the budget by $4.8 billion. Senate-approved appropriation bills for fiscal 1975 were under the budget by $6.2 billion. The larger Senate reduction— a reversal of past Senate practice—of $1.4 billion was primarily in the Defense Appropriation Bill. In final congressional action 12 bills were reduced $6,576,100,000 and three bills were increased by $428,229,500 by the Congress. The largest item of increase was $400.5 million for education programs in the Supplemental Appropriation Bill. In a moment I shall include a table showing certain comparisons by bill.

PRIORITY SETTING IN APPROPRIATION BILLS

The total figures on congressional action on appropriation bills reflect literally thousands of changes in the budget, both increases and decreases. Thus it is easy to see that the Congress did set priorities through the appropriation process.

TOTAL SPENDING FOR FISCAL 1975

The President's February 4 estimate of $304.4 billion was revised upwards to $305.4 billion on May 30, and further increased to $305.8 billion on November 26. The November 26 reestimate was transmitted in a message which also included 6 different types of proposals to reduce spending by $4.6 billion. In the unlikely event that all the proposals are accepted, 1975 expenditures are estimated to be $302.2 billion.

The detail of the items revising the above estimates and proposed reductions follow:

[In billions]

1975 budget outlay estimate of February 4, 1974	$304.4
Revisions reflected in Mid-session Budget Review of May 30:	
Administration program changes:	
Unemployment benefits extension	+0.8
Veterans disability benefits	+0.4
Foreign military and economic assistance	+0.3
Unified transportation assistance	+0.3
Reestimates:	
Interest on the debt	+1.0
Unemployment trust fund	+0.8
Housing programs	+0.5
Food stamp and school lunch programs	+0.3
Offshore oil leases (increase in offsetting receipts)	−3.0
Farmers Home Administration (sale of assets)	−0.8
Other (net)	+0.1
Portion of congressional action included in May 30 revisions	+0.3
1975 budget outlay estimate of May 30	305.4
Revisions reflected in President's message of November 26, 1974:	
Administration program changes:	
National employment assistance (in addition to unemployment benefits extension previously proposed)	+0.7
Reestimates:	
Interest on the debt	+1.5
Unemployment benefits	+1.3
Environmental Protection Agency, construction grants	−0.8
Social security trust funds (including medicare)	−1.0
Education programs	−0.4
Other	+0.2
Portion of congressional action estimated to be included in November 26 revisions:	
Congressional changes	−0.9
Anticipated inaction on legislative proposals in the 1975 budget	+0.8
1975 budget outlay estimate as revised November 26, before application of reduction proposals below (current base)	306.8
Reduction proposals in President's message of November 26, 1974:	
Legislative proposals:	
New legislation transmitted	−1.8
Other legislation previously proposed and pending	−0.9
Appropriation requests:	
Modification of requests covered in pending bills (Labor-HEW, Agriculture, and the 1975 Supplemental)	−0.3
Revised requests not yet considered in appropriation bills	−0.1
Executive actions under current law	−1.0
Rescission of funds previously provided (outlay effect)	−0.2
Deferral of use of funds previously provided	−0.3
Subtotal, reduction proposals	−4.6
1975 budget outlay estimate of November 26, 1974	302.2

IMPACT OF CONGRESSIONAL ACTIONS ON SPENDING

Mr. Speaker, the spending reduction that will occur because of the reductions in appropriation bills is $3.7 billion. This is partially offset by spending increases resulting from legislative action on nonappropriation matters in the amount of $2.2 billion. The major nonappropriation increases are as follows:

[In millions]

Unemployment benefits extension	$667
Veterans educational benefits—extend delimiting period	618

[In millions]

Veterans educational benefits increase	$613
Child nutrition and school lunch	120
Civil Service minimum retirement	157
Veterans disability benefits increase	134.8
Veterans pension increase	104.1
Railroad retirement benefits	121

Congressional inaction on budgeted legislative proposals would result in additional spending of $667 million. Thus, the total impact of congressional action on the budget is a reduction of about $800 million.

REESTIMATE OF UNIFIED BUDGET DEFICIT

As I noted earlier, the spending estimate of $302.2 billion assumes approval of all the spending reductions proposed billion, which could bring the unified in the President's message of November 26 (H. Doc. 93-398). The message points out that without approval of these proposals the deficit in the unified budget is projected at $13.8 billion. Of course, the real debt, when borrowing from surplus trust funds is excluded, would be $22.6 billion. A table showing this in more detail follows my remarks.

The message also pointed out that if tax proposals, including a 5 percent surtax, are not enacted there will be a loss of $1 billion. In addition, it was stated in the message that income from offshore oil lease sales may be $3 billion less than anticipated. These two items would result in reduced receipts totaling about $4 deficit to almost $18 billion, or a real or Federal debt of $26.8 billion.

A WORD OF CAUTION

It is clear from the figures I have cited that the budget is subject to constant, sometimes sharp change, even without considering the actions of Congress. As a result of economic conditions and otherwise, interest payments on the debt and the swing in revenues have caused a much greater change in the budget than the $800 million net decrease in total spending estimates during the year.

Mr. Speaker, at this time I include the comparative table I referred to earlier together with a table reflecting the budget surplus and deficit situation since fiscal year 1968:

ACTIONS ON REQUESTS FOR NEW BUDGET AUTHORITY CONSIDERED IN APPROPRIATION BILLS, 93D CONG., 2D SESS.[1]

Revised to Dec. 19, 1974

[This table excludes "back-door" spending authority in legislative bills and permanent budget authority (Federal and Trust) available without further action by Congress]

Bill and fiscal year	House				Senate			Congress	
	Budget requests considered	Reported by committee	Approved by House	Compared with budget requests considered by House	Budget requests considered	Approved by Senate	Compared with budget requests considered by Senate	Approved by Congress	Compared with budget request
BILLS FOR FISCAL 1975									
1. Legislative (H.R. 14012)	$609,099,265	$603,221,280	$603,221,280	−$5,877,985	$722,472,385	$718,439,511	−$4,032,874	$708,275,650	−$14,196,735
2. Energy (H.R. 14434)	2,203,728,000	2,269,828,000	2,269,828,000	+66,100,000	2,203,728,000	2,219,716,000	+15,988,000	2,236,089,000	+32,361,000
3. Public Works—AEC (H.R. 15155)	4,412,251,000	4,475,410,000	4,475,410,000	+63,159,000	4,526,826,000	4,568,203,000	+41,377,000	4,505,472,000	−21,354,000
4. State-Justice-Commerce-Judiciary (H.R. 15404)	5,411,809,600	5,310,372,100	5,311,454,100	−100,355,500	5,452,799,600	5,262,502,000	−190,297,600	5,290,157,100	−162,642,500
5. Interior (H.R. 16027)	3,134,594,710	3,153,515,310	3,153,515,310	+18,920,600	3,154,004,710	3,170,394,310	+16,389,600	3,169,162,310	+15,157,600
6. Transportation (H.R. 15405)	3,538,938,552	3,307,239,000	3,182,239,000	−356,699,552	3,545,003,552	3,288,946,775	−256,056,777	3,288,504,000	−256,499,552
7. Agriculture-Environmental and Consumer Protection: (H.R. 15472)—Vetoed bill	(13,432,588,100)	(13,397,406,000)	(13,405,420,000)	(−27,168,100)	(13,432,863,100)	(13,667,397,300)	(+234,534,200)	(13,571,395,000)	(+138,531,900)
(H.R. 16901)—New bill	13,432,863,100	13,379,183,000	13,379,183,000	−53,680,100	13,448,534,100	13,394,854,000	−53,680,100	13,389,851,000	−58,683,100
8. HUD-Space-Science-Veterans (H.R. 15572)	20,887,851,000	20,846,332,000	20,846,332,000	−41,519,000	21,436,813,000	21,210,718,420	−226,094,580	21,215,812,000	−221,001,000
9. Treasury-Postal Service-General Government (H.R. 15544)	5,576,846,000	5,507,497,000	5,503,794,000	−73,052,000	5,618,196,000	5,565,508,000	−52,688,000	5,561,169,000	−57,027,000
10. Labor-HEW (H.R. 15580)	33,262,997,000	32,876,541,000	33,156,541,000	−106,456,000	33,531,095,000	33,111,142,000	−419,953,000	33,045,856,000	−485,239,000
11. District of Columbia (Federal funds) (H.R. 15581)	406,000,000	389,400,000	389,400,000	−16,600,000	406,000,000	379,400,000	−26,600,000	379,400,000	−26,600,000
12. Defense (H.R. 16243)	87,057,497,000	83,294,370,000	82,983,570,000	−4,073,927,000	87,057,497,000	81,584,258,000	−5,473,239,000	82,096,297,000	−4,961,200,000
13. Supplemental (H.R. 16900)	8,128,761,162	8,206,822,162	8,359,751,562	+230,990,400	8,278,641,178	8,753,726,678	+475,085,500	8,659,352,078	+380,710,900
14. Military Construction (H.R. 17468)	3,383,000,000	3,058,767,000	3,062,108,000	−320,892,000	3,383,000,000	3,082,480,000	−300,520,000	3,072,842,000	−310,158,000
15. Urgent supplemental (H.J. Res. 1180)	4,576,873,000	4,575,373,000	4,575,373,000	−1,500,000	4,576,873,000	4,825,373,000	+248,500,000	4,575,373,000	−1,500,000
Subtotal, bills approved	196,023,109,389	191,253,870,852	191,251,720,252	−4,771,389,137	197,341,483,525	191,135,661,694	−6,205,821,831	191,193,612,138	−6,147,871,387
16. Foreign Assistance	(5,215,326,000				(5,215,326,000)				
Total, bills for fiscal 1975, to date	(201,238,435,389)				(202,556,809,525)				
B. BILLS FOR FISCAL 1974									
1. Urgent Supplemental (H.J. Res. 941)	750,000,000	750,000,000	750,000,000		750,000,000	750,000,000		750,000,000	
2. 2d Supplemental (H.R. 14013)	10,532,735,943	8,657,162,043	8,811,662,043	−1,721,073,900	11,100,530,077	9,645,935,398	−1,454,594,679	9,301,474,398	−1,799,055,679
3. Further Urgent Supplemental (H.J. Res. 1061)	179,500,000	179,000,000	179,000,000	−500,000	179,500,000	179,000,000	−500,000	179,000,000	−500,000
Total, bills for fiscal 1974	11,462,235,943	9,586,162,043	9,740,662,043	−1,721,573,900	12,030,030,077	10,574,935,398	−1,455,094,679	10,230,474,398	−1,799,555,679
C. CUMULATIVE TOTALS FOR THE SESSION, TO DATE									
1. House	207,485,345,332	200,840,032,895	200,992,382,295	−6,492,963,037					
2. Senate					209,371,513,602	201,710,597,092	−7,660,916,510		
3. Enacted								201,424,086,536	−7,947,427,066

[1] Additionally, the Congress has considered requests to rescind fiscal year 1975 budget authority in the amount of $672,116,000; of that total, $131,481,000 has been rescinded (H.R. 17505).

Note: The Budget for 1975, as submitted Feb. 4, 1974, tentatively estimated total new budget authority for 1975 at $361,684,000,000 gross ($322,141,000,000 net of some $39,543,000,000 interfund and intergovernmental transactions and certain so-called proprietary receipts handled as offsets for budget purposes only). Of this total, an estimated $163,692,000,000 does not require current action by Congress; it involves permanent appropriations such as interest and various rust funds already provided in basic law. Virtually all of the remaining $197,992,000,000 is for consideration at this Session in the appropriation bills. About $9,024,000,000 of the $197,992,000,000 was shown in the January budget as being "for later transmittal" for supplemental requirements under present law, new legislation, and allowances for contingencies and civilian pay raises.

THE BUDGET SURPLUS AND DEFICIT SITUATION, FISCAL YEARS 1968–75

[In millions of dollars, may not add due to rounding]

	Federal funds	Trust funds	Total of the 2	Less intra-governmental transactions that wash out	(Unified budget)
A. The years 1968 and 1969:					
Fiscal 1968:					
Budget receipts	$114,726	$44,716	$159,442	−$5,771	$153,671
Budget outlays	143,105	41,499	184,604	−5,771	178,833
Surplus (+) or deficit (−)	−28,379	+3,217	−25,162		−25,162
Fiscal 1969:					
Budget receipts	143,321	52,009	195,330	−7,547	187,784
Budget outlays	148,811	43,284	192,095	−7,547	184,548
Surplus (+) or deficit (−)	−5,490	+8,725	+3,235		+3,236
B. The years 1970–75:					
Fiscal 1970:					
Budget receipts	143,158	59,362	202,520	−8,778	193,743
Budget outlays	156,301	49,065	205,366	−8,778	196,588
Surplus (+) or deficit (−)	−13,143	+10,297	−2,846		−2,845
Fiscal 1971:					
Budget receipts	133,785	66,193	199,978	−11,586	188,392
Budget outlays	163,651	59,361	223,012	−11,586	211,425
Surplus (+) or deficit (−)	−29,866	+6,832	−23,034		−23,033
Fiscal 1972:					
Budget receipts	148,846	72,959	221,805	−13,156	208,649
Budget outlays	177,959	67,073	245,032	−13,156	231,876
Surplus (+) or deficit (−)	−29,114	+5,886	−23,228		−23,227
Fiscal 1973:					
Budget receipts	$161,357	$92,193	$253,550	−$21,325	$232,225
Budget outlays	186,403	81,447	267,850	−21,325	246,526
Surplus (+) or deficit (−)	−25,046	+10,746	−14,300		−14,301
Fiscal 1974:					
Budget receipts	181,017	105,903	286,920	−22,072	264,847
Budget outlays	199,011	91,405	290,416	−22,072	268,343
Surplus (+) or deficit (−)	−17,994	+14,499	−3,496		−3,495
Fiscal 1975 (Revised estimate, November 1974; Current base): [1]					
Budget receipts (est.)	199,500	118,300	317,800	−24,800	293,000
Budget outlays (est.)	222,100	109,500	331,600	−24,800	306,800
Surplus (+) or deficit (−), (est.)	[2]−22,600	[2]+8,800	[2]−13,800		[2]−13,800
Fiscal 1975 (Revised estimate, November 1974; Current base with proposed reductions): [3]					
Budget receipts (est.)	199,500	118,300	317,800	−24,800	293,000
Budget outlays (est.)	218,200	108,800	327,000	−24,800	302,200
Surplus (+) or deficit (−), (est.)	[2]−18,700	[2]+9,500	[2]−9,200		[2]−9,200
6 Year Outlook:					
Surplus (+) or deficit (−), 1970–75, on above basis [1]	−137,763	+57,060	−80,704		−80,701
Surplus (+) or deficit (−), 1970–75, on above basis [2]	−133,863	+57,760	−76,104		−76,101

[1] Based on fiscal 1975 current base as estimated in the President's message to the Congress, Nov. 26, 1974; House Document No. 93–398.

[3] As compared to previous fiscal 1975 estimate, as follows (millions):

	Federal funds deficit	Trust funds surplus	Unified budget deficit
Original estimate, February 1974	17,878	8,433	9,445
Revised estimate, May 1974	19,891	8,491	11,400

[3] Based on fiscal 1975 current base with proposed reductions as estimated in the President's message to the Congress, Nov. 26, 1974; House Document No. 93–398.

Prepared by House Committee on Appropriations, Dec. 16, 1974.

TESTING OF COMPUTER SYSTEMS

Mr. Speaker, I would also like to provide the House with a progress report on the activities of the Appropriations Committee and others in testing computer systems and other procedures. We believe these tools are necessary to meet the very rigorous requirements imposed upon us by the Budget and Impoundment Control Act of 1974 (P.L. 93–344).

Even prior to the passage of that act, Mr. Speaker, we had begun a study in connection with the Legislative Reorganization Act of 1970—the so-called LRA. Title II of that act requires that a budgetary and fiscal information system be constructed for the use of the Congress and other parts of the Federal Government. The General Accounting Office, the Office of Management and Budget, the Department of Treasury were charged under Title II of the LRA to develop and maintain such a budgetary and fiscal information system. As chairman of the Appropriations Committee I felt that it would be helpful to assist these organizations in laying the groundwork for this development. As a matter of fact, Mr. Speaker, the General Accounting Office has issued several reports on their progress in this task and each and every one speaks to the importance of having available to the Congress budgetary and fiscal data. These reports also allude to the importance of procedures for tracking and keeping status on the appropriations process and other spending authorizations as they proceed through the Congress.

We decided, therefore, to cooperate as closely as we could with the Comptroller General, acting as the agent for the Congress, and his staff as steps were being taken to outline the requirements for this system. One of the first tasks begun was to undertake the development of more useful classifications of Government activities upon which to base budget justifications. Over the years, budget justifications for various programs have grown extremely detailed and specific—as required by members of the Appropriations and other committees in order to properly evaluate these activities and to make the crucial judgments that must be made about funding and other resource requirements. Many Government activities have become quite diverse and some have enlarged in scope. Some programs with similar objectives or goals are operated in different parts of the Federal bureaucracy: housing, research and development, economic and community development are but a few examples. A more standard classification of these programs may show unnecessary duplication, or cases where programs can be combined to operate more effectively in the public interest. General Accounting Office staff, therefore, have been working with several subcommittees of the Committee on Appropriations to explore possibilities that meaningful groupings of these Government programs and activities might be organized. Thus far, the GAO has been conducting this classification work on appropriation accounts and programs only in limited areas.

During my testimony last year before the Rules Committee concerning the then impending Budget Control legislation that had been recommended by the Joint Study Committee on Budget Control, I announced our intention to begin a study on the running budget. This is an effort, Mr. Speaker, to develop techniques to make long range estimates of outlay expenditures on the so-called mandated earned rights programs such as: Social

security, unemployment insurance compensation, civil service retirement, veterans benefits, and so forth. Since these programs and others similar to them comprise about 40 percent of governmental outlays in any one fiscal year and continue to grow at a rapid pace, I feel it is important to improve our capabilities to estimate the future year effects of these programs on the Budget and the national economy. To conduct this study we have enlisted the aid of the General Accounting Office and the Congressional Research Service. Staff reorganizations and new responsibilities placed upon the General Accounting Office because of the Budget and Impoundment Control Act of 1974 have severely impeded their participation in this study. I am pleased to report, however, that the Congressional Research Service has been successful in developing some long range forecasting techniques that show a great deal of promise. We hope that the GAO, CRS, and Office of Management and Budget will continue to share in the development of the running budget procedure.

Another of our ongoing activities deserves mention here, Mr. Speaker. This past July, Chairman WAYNE HAYS and I agreed to begin experimenting with the use of the computer operated by the Committee on House Administration with assistance provided by the House Information Systems staff. We also enlisted the aid of staff from the General Accounting Office and I asked Mr. Staats, the Comptroller General, to assist us. Thus far, these offices have provided an initial capability of handling, by computer techniques, the Federal budget as it is presented by the President each year. We have also developed a computerized data base of fiscal year 1975 budget data to which we gain access through remote computer terminals. The House Information Systems groups, the GAO and Appropriations Committee staff are currently developing procdeures to utilize this computer terminal system for the production of report tables that are placed into the appropriation bill reports that accompany each of our bills each year as they are considered by the House. These reports provide information on the current year enactment of budget authority, the President's request for new funding and actions taken by the House and Senate. Our objective in these efforts is to use the computer to assist us in producing and maintaining these comparative statements of budget authority for each of the 13 appropriation subcommittees and the bills they report each session beginning with the 94th Congress.

Although these efforts require much additional developmental work, we have already begun another parallel activity relating to budget control. We feel, Mr. Speaker, that the computerization of the budget data necessary to produce our report tables will also be useful in keeping track of the targets set by the House and Senate Budget Committees as required under the Budget and Impoundment Control Act of 1974. We have held discussions with staff of the House Budget Committee and others and hope that our joint efforts will result in further development of these analytical and mechanical capabilities.

Mr. Speaker, I want to commend Chairman HAYS and his staff for the very fine assistance and technical expertise they have contributed to these activities. In addition I want to thank the Comptroller General, for the efforts of his staff in collaborating with those that are working on these projects.

The final task I want to report on, Mr. Speaker, involves the use of computer terminals to assist us in the very complicated process of tracking the various actions under title X of Public Law 93–344. This is the Impoundment Control section of the law, the one that involves proposals from the President for the rescission or deferral of spending. We are using the computers to provide a useful source of information for Members and their offices and others on the status of rescission and deferral actions. Although still in a developmental stage we have begun to use some outputs from this system and have provided examples to interested parties in both the House and Senate.

Mr. Speaker, the task of guardianship of the Federal purse strings is an awesome one. It grows more complicated with each passing day, with each new program that is authorized, with each new problem which is identified and which the Government seeks to apply a solution either through legislation or rearranging on-going programs. In any case, these always lead to new spending requirements. It is in deciding on how the spending will be done that the real task of setting national priorities is carried out. The task will never become easy. We feel that the analytical and computer techniques that I have enumerated will reduce the magnitude of the task.

If computers can help us deal with the increasing complexities of the budget in a timely and orderly manner then their value will be important indeed. I am hopeful the efforts I have outlined here today will bring us closer to achieving those goals. At the very least we have taken a firm first step.

The motion was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on House Joint Resolution 1180, just agreed to, and that I may insert certain extraneous and tabular material.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

FORMER CONGRESSMAN FRANCIS EUGENE WORLEY

(Mr. MAHON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAHON. Mr. Speaker, on behalf of all my Texas colleagues, I find it my sad duty to report to the House the passing on December 17, this week, of Judge Francis Eugene Worley, formerly a Member of Congress from Texas and chief judge of the U.S. Court of Customs and Patent Appeals. Judge Worley was known to one and all as "Gene." I include the following biographical data in regard to the career of this distinguished west Texan:

Worley, Francis Eugene, a Representative from Texas; born in Lone Wolf, Kiowa County, Okla., October 10, 1908; moved to Shamrock, Tex., in 1922; attended the public schools, the Texas Agricultural and Mechanical College at College Station in 1927 and 1928, and the law school of the University of Texas at Austin 1930–1935; was admitted to the bar in 1935 and commenced practice in Shamrock, Tex.; member of the State house of representatives from 1935 to 1940, when he resigned, having been elected to Congress; served as a lieutenant commander in the United States Navy from December 1941 to August 1942, while a Member of Congress; elected as a Democrat to the Seventy-seventh and to the four succeeding Congresses and served from January 3, 1941, until his resignation, effective April 3, 1950; appointed an associate judge of the United States Court of Customs and Patent Appeals, Washington, D.C., and served from April 4, 1950, to May 4, 1959; appointed chief judge May 4, 1959 and retired June 26, 1972.

Mr. Speaker, Gene Worley was elected to Congress in 1940 and he was reelected for four additional terms. He left Congress to accept appointment as a member of the U.S. Court of Customs and Patent Appeals, being appointed by President Truman on March 9, 1950. He was appointed chief judge by President Dwight D. Eisenhower in 1959 and served on the court until 1972 when he assumed senior judge status.

Mrs. Mahon and I have held the Worleys in great esteem and affection throughout the years. Judge Worley and I represented adjoining districts throughout his congressional tenure, and we were warm political and personal friends.

Judge Worley was one of the most delightful and able men I have ever encountered. He was much beloved by his west Texas constituents, and he was much beloved by his innumerable friends in the Washington area.

Mrs. Mahon and I join with others in paying tribute to the memory of Gene Worley and expressing deepest sympathy to his lovely wife, Ann, and to all the family.

Mr. YOUNG of Texas. Mr. Speaker, I join my distinguished colleague, the gentleman from Texas (Mr. MAHON), in mourning the passing of our wonderful friend, Judge Francis Eugene Worley, who was a great jurist, a great lawyer, a great legislator, and a fine and wonderful family man.

We all miss him. We will miss him very much and we extend our sympathies and our condolences to his lovely wife, Ann, and to his fine children.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members

may revise and extend their remarks at this point in the RECORD on the life, character, and public service of the late Judge Francis Eugene Worley.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

EMERGENCY UNEMPLOYMENT COMPENSATION

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 17597) to provide a program of emergency unemployment compensation, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 11, strike out line 3 and insert: "of" but only with respect to compensation that would not have been payable if the State law's provisions as to the State "on" and "off" indicators omitted the 120 percent factor as provided for by Public Law 93-368 and by section 106 of this Act.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I would like to ask the acting chairman whether or not the amendment is germane and to explain the amendment.

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman.

Mr. ULLMAN. The extended and emergency unemployment insurance bill, passed by both the House and the Senate, contains a provision permitting State laws to substitute for a 2-year period 4 percent for the current 4.5-percent insured unemployment rate as a national "on" indicator for paying extended benefits. The bill also allows State laws to waive the 120-percent factor in State "on" indicators.

As an inducement for State legislatures to adopt the first of these options—the reduction in the National "on" indicator to 4 percent—the bill also provides that extended benefits payable as a result of choosing this option would be 100 percent reimbursed to the State funds from the Federal trust fund in the same manner as the bill's emergency benefits. As you know, the costs of extended benefits are normally borne 50 percent by the State funds and 50 percent by the Federal trust fund. The intent of the bill is to refrain from imposing upon State funds any unusual or extraordinary costs attributable solely to the expressed will of the Congress with respect to the national "on" indicator for paying extended benefits. It was not intended that the States' obligation to bear 50 percent of the cost of paying extended benefits be shifted to the Federal Government when its extended benefits would have been or could have been payable in any case and without regard to the reduction in the national "on" indicator.

Taken together, however, the provisions open a potential "loophole" in which a State, by taking the option with respect to the national "on" indicator but not the option to waive the 120-percent factor in the State "on" indicator could shift to the Federal trust fund its normal obligation to finance one-half the cost of extended benefits and nullify Congressional intent in this area. Admittedly, this is extremely unlikely to happen in the first year of the program, but it is a definite possibility in the second year when unemployment can be expected to decline.

The amendment added by the Senate to the otherwise identical version of the bill passed by the House merely closes this potential "loophole" and makes it clear that extended benefits will be reimbursed 100 percent only when attributable solely to the reduction in the national "on" indicator. It assures equity among the States by foreclosing the possibility that one or two States, by manipulation, could obtain an unfair advantage over other States.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. SCHNEEBELI. Mr. Speaker, I agree with the statement made by the gentleman from Oregon with respect to H.R. 17597 as amended by the other body.

The amendment simply closes what might be considered a "loophole" and does not alter the intent of our committee in developing this legislation.

As passed by the House, the bill included a provision lowering the national "trigger" permitting States to pay extended unemployment compensation benefits when the insured jobless rate reached 4 percent, instead of 4.5 percent. The measure also permitted States to waive the so-called 120-percent factor in paying extended benefits.

To encourage State legislatures to adapt their laws with respect to the lower national "trigger," the House bill provided that any extended benefits which would be paid because of the change in the "trigger" would be reimbursed 100 percent to State funds from the Federal Unemployment Compensation Trust Fund, in the same way as the emergency benefits' costs provided in the legislation would be reimbursed.

The intent was to avoid imposing on the States any unusual costs resulting from congressional action with respect to the national "trigger" for paying extended benefits. There was no intention to shift to the Federal Government the States' obligation to bear 50 percent of the cost of extended benefits when those benefits would have been payable anyway, regardless of the lowering of the national "trigger."

The provisions would have opened a possible "loophole," however, allowing a State to adopt the new national "trigger," but not to waive the 120-percent factor, and in so doing to shift to the Federal Trust Fund its obligation to finance half the cost of the extended benefits. In the other body, this "loophole" would be closed. The amendment should assure that extended benefits' costs would be reimbursed fully only when they were attributable solely to lowering of the national "trigger."

In all other respects, Mr. Speaker, H.R. 17597 as passed by the other body is identical to the bill which we passed on December 12, 1974. Therefore, I urge the House to agree to this amendment.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 421, DUTY FREE IMPORTATION OF UPHOLSTERY REGULATORS, NEEDLES AND PINS

Mr. ULLMAN submitted the following conference report and statement on the bill (H.R. 421) to amend the Tariff Schedules of the United States to permit the importation of upholstery regulators, upholsterer's regulating needles, and upholsterer's pins free of duty:

CONFERENCE REPORT (H. REPT. No. 93-1642)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 421) to amend the Tariff Schedules of the United States to permit the importation of upholstery regulators, upholsterer's regulating needles, and upholstered pins free of duty, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SECTION 1. AMENDMENT OF TARIFF SCHEDULES.

(a) IN GENERAL.—Schedule 6, part 3, subpart E of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended—

(1) by striking out "upholstery regulators, and", and by inserting "and upholstery regulators, upholsterer's regulating needles, and upholsterer's pins," after "other hand needles," in the item description preceding item 651.01;

(2) by striking out "and upholstery regulators" in item 651.04; and

(3) by inserting after item 651.05 the following new item:

" 651.06	Upholstery regulators, upholsterer's regulating needles, and upholsterer's pins	Free	Free ".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of enactment of this Act.

(c) STATUS OF NEW ITEM.—The duty free treatment applied to upholstery regulators, upholsterer's regulating needles, and upholsterer's pins under item 651.06 of the Tariff Schedules of the United States (as added by subsection (a)) shall be treated as not having the status of a statutory provision enacted by the Congress, but as having been proclaimed by the President as being required or appropriate to carry out foreign trade agreements to which the United States is a party.

SEC. 2. AMENDMENT OF INTERNAL REVENUE CODE.

Except as otherwise expressly provided, whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision, the reference is to a section or other provision of the Internal Revenue Code of 1954.

SEC. 3. EXTENSION BY ONE YEAR OF PERIOD DURING WHICH POLLUTION CONTROL FACILITIES, RAILROAD ROLLING STOCK, REHABILITATION HOUSING, AND COAL MINE SAFETY EQUIPMENT MAY QUALIFY FOR 5-YEAR AMORTIZATION.

(a) POLLUTION CONTROL FACILITIES.—Section 169(d)(4)(B) (defining new identifiable treatment facility) is amended by striking out "January 1, 1975" and inserting in lieu thereof "January 1, 1976".

(b) RAILROAD ROLLING STOCK.—Section 184(c) (relating to amortization of railroad rolling stock) is amended—

(1) by striking out "1975" in paragraph (1) and inserting in lieu thereof "1976", and

(2) by striking out "January 1, 1975" in paragraph (7) and inserting in lieu thereof "January 1, 1976".

(c) REHABILITATION OF LOW-INCOME RENTAL HOUSING.—Section 167(k)(1) (relating to expenditures to rehabilitate low-income rental housing) is amended by striking out "January 1, 1975" and inserting in lieu thereof "January 1, 1976".

(d) COAL MINING SAFETY EQUIPMENT.—Section 187(d)(3) (defining certified coal mine safety equipment) is amended by striking out "January 1, 1975" and inserting in lieu thereof "January 1, 1976".

SEC. 4. ACCRUAL OF VACATION PAY.

(a) IN GENERAL.—Subpart C of part II of subchapter E of chapter 1 (relating to taxable year for which deductions taken) is amended by adding at the end thereof the following new section:

"SEC. 463. ACCRUAL OF VACATION PAY.

"(a) ALLOWANCE OF DEDUCTION.—At the election of a taxpayer whose taxable income is computed under an accrual method of accounting, if the conditions of section 162(a) are otherwise satisfied, the deduction allowable under section 162(a) with respect to vacation pay shall be an amount equal to the sum of—

"(1) a reasonable addition to an account representing the taxpayer's liability for vacation pay earned by employees before the close of the taxable year and payable during the taxable year or within 12 months following the close of the taxable year; plus

"(2) the amount (if any) of the reduction at the close of the taxable year in the suspense account provided in subsection (c)(2).

Such liability for vacation pay earned before the close of the taxable year shall include amounts which, because of contingencies, would not (but for this section) be deductible under section 162(a) as an accrued expense. All payments with respect to vacation pay shall be charged to such account.

"(b) OPENING BALANCE.—The opening balance of the account described in subsection (a)(1) for its first taxable year shall, under regulations prescribed by the Secretary or his delegate, be—

"(1) in the case of a taxpayer who maintained a predecessor account for vacation pay under section 97 of the Technical Amendments Act of 1958, as amended, for his last taxable year ending before January 1, 1973, and who makes an election under this section for his first taxable year ending after December 31, 1972, the larger of—

"(A) the balance in such predecessor account at the close of such last taxable year, or

"(B) the amount determined as if the taxpayer had maintained an account described in subsection (a)(1) for such last taxable year, or

"(2) in the case of any taxpayer not described in paragraph (1), an amount equal to the largest closing balance the taxpayer would have had for any of the taxpayer's 3 taxable years immediately preceding such first taxable year if the taxpayer had maintained such account throughout such 3 immediately preceding taxable years.

"(c) SUSPENSE ACCOUNT FOR DEFERRED DEDUCTION.—

"(1) INITIAL SUSPENSE ACCOUNT.—The amount of the suspense account at the beginning of the first taxable year for which the taxpayer maintains under this section an account (described in subsection (a)(1)) shall be the amount of the opening balance described in subsection (b) minus the amount, if any, allowed as deductions for prior taxable years for vacation pay accrued but not paid at the close of the taxable year preceding such first taxable year.

"(2) ADJUSTMENTS IN SUSPENSE ACCOUNT.—At the close of each taxable year the suspense account shall be—

"(A) reduced by the excess, if any, of the amount in the suspense account at the beginning of the taxable year over the amount in the account described in subsection (a)(1) at the close of the taxable year (after making the additions and charges for such taxable year provided in subsection (a)), or

"(B) increased (but not to an amount greater than the initial balance of the suspense account) by the excess, if any of the amount in the account described in subsection (a)(1) at the close of the taxable year (after making the additions and charges for such taxable year provided in subsection (a)) over the amount in the suspense account at the beginning of the taxable year.

"(3) SECTION 381 ACQUISITIONS.—The application of this subsection to any acquisition to which section 381(a) applies shall be determined under regulations prescribed by the Secretary or his delegate.

"(d) ELECTION.—An election under this section shall be made at such time and in such manner as the Secretary or his delegate may by regulations prescribe.

"(e) CHANGES IN ACCOUNTING METHOD.—

"(1) ESTABLISHMENT OF ACCOUNT NOT CONSIDERED CHANGE.—The establishment of an account described in subsection (a)(1) shall not be considered a change in method of accounting for purposes of section 446(e) (relating to requirement respecting change of accounting method), and no adjustment shall be required under section 481 by reason of the establishment of such account.

"(2) CERTAIN TAXPAYERS TREATED AS HAVING INITIATED CHANGE.—If the taxpayer treated vacation pay under section 97 of the Technical Amendments Act of 1958, as amended, for his last taxable year ending before January 1, 1973, and if such taxpayer fails to make an election under this section for his first taxable year ending after December 31, 1972, then, for purposes of section 481, such taxpayer shall be treated as having initiated a change in method of accounting with respect to vacation pay for his first taxable year ending after December 31, 1972."

(b) CLERICAL AMENDMENT.—The table of sections for such subpart C is amended by adding at the end thereof the following:

"Sec. 463. Accrual of vacation pay."

"SEC. 81. CERTAIN INCREASES IN SUSPENSE ACCOUNT INCLUDED IN GROSS INCOME.—

(1) Section 81 is amended to read as follows:

"SEC. 81. CERTAIN INCREASES IN SUSPENSE ACCOUNTS.

"There shall be included in gross income for the taxable year for which an increase is required—

"(1) CERTAIN DEALERS' RESERVES.—The amount of any increase in the suspense account required by paragraph (4)(B)(ii) of section 166(g) (relating to certain debt obligations guaranteed by dealers).

"(2) VACATION PAY.—The amount of any increase in the suspense account required by paragraph (2)(B) of section 463(c) (relating to accrual of vacation pay)."

(2) The table of sections for part II of subchapter B of chapter 1 is amended by striking out the item relating to section 81 and inserting in lieu thereof the following:

"Sec. 81. Certain increases in suspense accounts.".

(d) EFFECTIVE DATES.—

(1) Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1973.

(2) If the taxpayer maintained an account for vacation pay under section 97 of the Technical Amendments Act of 1958, as amended, for his last taxable year ending before January 1, 1973, the amendments made by this section shall apply to taxable years ending after December 31, 1972.

SEC. 5. APPLICATION OF CLASS LIFE SYSTEM TO REAL PROPERTY.

(a) GENERAL RULE.—In the case of buildings and other items of section 1250 property (within the meaning of section 1250(c) of the Internal Revenue Code of 1954) placed in service before the effective date of the class lives first prescribed by the Secretary of the Treasury or his delegate under section 167(m) of such Code for the class in which such property falls, if an election under such section 167(m) applies to the taxpayer for the taxable year in which such property is placed in service, the taxpayer may, in accordance with regulations prescribed by the Secretary of the Treasury or his delegate, elect to determine the useful life of such property—

(1) under Revenue Procedure 62-21 (as amended and supplemented) as in effect on December 31, 1970, or

(2) on the facts and circumstances.

(b) REPEAL OF PRIOR TRANSITIONAL RULE.—Paragraph (1) of section 109(e) of the Revenue Act of 1971 (Public Law 92-178) is hereby repealed.

(c) CONFORMING AMENDMENT.—Section 1250(a)(1)(C)(ii) is amended by striking "January 1, 1975" and in lieu thereof inserting "January 1, 1976".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to property placed in service after December 31, 1973.

SEC. 6. REAL ESTATE INVESTMENT TRUSTS; TREATMENT OF FORECLOSURE PROPERTY.

(a) FORECLOSURE PROPERTY.—Section 856 (defining real estate investment trust) is amended by adding at the end thereof the following new subsection:

"(e) SPECIAL RULES FOR FORECLOSURE PROPERTY.—

"(1) FORECLOSURE PROPERTY DEFINED.—For purposes of this part, the term 'foreclosure property' means any real property (including interests in real property), and any personal property incident to such real property, acquired by the real estate investment trust as the result of such trust having bid in such property at foreclosure, or having otherwise reduced such property to ownership or possession by agreement or process of law, after there was default (or default was imminent) on a lease of such property or on an indebtedness which such property secured.

"(2) GRACE PERIOD.—Except as provided in paragraph (3), property shall cease to be foreclosure property with respect to the real estate investment trust on the date which is 2 years after the date such trust acquired such property.

"(3) EXTENSIONS.—If the real estate investment trust establishes to the satisfaction of the Secretary or his delegate that an extension of the grace period is necessary for the orderly liquidation of the trust's interest in such property, the Secretary or his delegate may extend the grace period for such property. Any such extension shall be for a period of not more than 1 year, and not more than 2 extensions shall be granted with respect to any property.

"(4) TERMINATION OF GRACE PERIOD IN CERTAIN CASES.—Any foreclosure property shall cease to be such on the first day (occurring on or after the day on which the real estate

investment trust acquired the property) on which—

"(A) a lease is entered into with respect to such property which, by its terms, will give rise to income which is not described in subsection (c)(3) (other than subparagraph (F) of such subsection), or any amount is received or accrued, directly or indirectly, pursuant to a lease entered into on or after such day which is not described in such subsection,

"(B) any construction takes place on such property (other than completion of a building, or completion of any other improvement, where more than 10 percent of the construction of such building or other improvement was completed before default became imminent), or

"(C) if such day is more than 90 days after the day on which such property was acquired by the real estate investment trust and the property is used in a trade or business which is conducted by the trust (other than through an independent contractor (within the meaning of section (d)(3)) from whom the trust itself does not derive or receive any income).

"(5) TAXPAYER MUST MAKE ELECTION.—Property shall be treated as foreclosure property for purposes of this part only if the real estate investment trust so elects (in the manner provided in regulations prescribed by the Secretary or his delegate) on or before the due date (including any extensions of time) for filing its return of tax under this chapter for the taxable year in which such trust acquires such property. Any such election shall be irrevocable."

(b) MODIFICATION OF HOLDING FOR SALE RULE.—Section 856(a)(4) (defining real estate investment trust) is amended by inserting after "property" the following: "(other than foreclosure property, as defined in subsection (e))".

(c) TAX ON INCOME FROM FORECLOSURE PROPERTY.—Section 857(b) (relating to method of taxation of real estate investment trusts, etc.) is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) INCOME FROM FORECLOSURE PROPERTY.—

"(A) IMPOSITION OF TAX.—There is hereby imposed for each taxable year on the net income from foreclosure property of every real estate investment trust a tax determined by applying section 11 to such income as if such income constituted the taxable income of a corporation taxable under section 11. For purposes of the preceding sentence, the surtax exemption shall be zero.

"(B) NET INCOME FROM FORECLOSURE PROPERTY.—For purposes of this part, the term 'net income from foreclosure property' means the excess of—

"(i) gain from the sale or other disposition of foreclosure property described in section 1221(1) and the gross income for the taxable year derived from foreclosure property (as defined in section 856(e)), but only to the extent such gross income is not described in subparagraph (A), (B), (C), (D), or (E) of section 856(c)(3), over

"(ii) the deductions allowed by this chapter which are directly connected with the production of the income referred to in clause (i)."

(d) TECHNICAL AMENDMENTS.—

(1) Paragraphs (2) and (3) of section 856(c) (relating to limitations) are each amended by striking out "and" at the end of subparagraph (D), by adding "and" at the end of subparagraph (E), and by adding at the end thereof the following new subparagraph:

"(F) income and gain derived from foreclosure property (as defined in subsection (e));".

(2) Section 857(a)(1) (relating to requirements applicable to real estate investment trusts) is amended to read as follows:

"(1) the deduction for dividends paid during the taxable year (as defined in section 561, but determined without regard to capital gains dividends) equals or exceeds the sum of—

"(A) 90 percent of the real estate investment trust taxable income for the taxable year (determined without regard to the deduction for dividends paid (as defined in section 561)); and

"(B) 90 percent of the excess of (i) the net income from foreclosure property over (ii) the tax imposed on such income by subsection (b)(4)(A), and".

(3) Section 857(b)(2) (defining real estate investment trust taxable income) is amended by adding at the end thereof the following new subparagraph:

"(F) There shall be excluded an amount equal to the net income from foreclosure property."

(4) Section 857(b)(2)(C) is amended by inserting before the period at the end thereof "and shall be computed without regard to that portion of such deduction which is attributable to the amount excluded under subparagraph (F)".

(e) EFFECTIVE DATE.—The amendments made by this section apply to foreclosure property acquired after December 31, 1973. Notwithstanding the provisions of section 856(e)(5) of the Internal Revenue Code of 1954 (as added by subsection (a) of this section) any taxpayer required to make an election with respect to foreclosure property sooner than 90 days after the date of enactment of this Act, may make that election at any time before the 91st day after the date of enactment of this Act.

SEC. 7. INCREASE IN INTEREST CHARGED AND PAID IN CONNECTION WITH DEFICIENCIES, ETC.

(a) INCREASE IN INTEREST RATE.—

(1) Chapter 67 (relating to interest) is amended by adding at the end thereof the following new subchapter:

"Subchapter C—DETERMINATION OF INTEREST RATE

"Sec. 6621. Determination of rate of interest.

"SEC. 6621. DETERMINATION OF RATE OF INTEREST.

"(a) IN GENERAL.—The rate of interest under sections 6601(a), 6602, 6611(a), 6332(c)(1), and 7426(g) of this title, and under section 2411(a) of title 28 is 9 percent per annum, or such adjusted rate as is established by the Secretary or his delegate under subsection (b).

"(b) ADJUSTMENT OF INTEREST RATE.—The Secretary or his delegate shall establish an adjusted rate of interest for the purpose of subsection (a) not later than October 15 of any year if the adjusted prime rate charged by banks during September of that year, rounded to the nearest full percent, is at least a full percentage point more or less than the interest rate which is then in effect. Any such adjusted rate of interest shall be equal to the adjusted prime rate charged by banks, rounded to the nearest full percent, and shall become effective on February 1 of the immediately succeeding year. An adjustment provided for under this subsection may not be made prior to the expiration of 23 months following the date of any preceding adjustment under this subsection which changes the rate of interest.

"(c) DEFINITION OF PRIME RATE.—For purposes of subsection (b), the term 'adjusted prime rate charged by banks' means 90 percent of the average predominant prime rate quoted by commercial banks to large businesses, as determined by the Board of Governors of the Federal Reserve System."

(2) The following provisions are each amended by striking out "the rate of 6 percent per annum" and inserting in lieu thereof the following: "an annual rate established under section 6621":

(A) section 6601(a) (relating to interest on underpayments),

(B) section 6602 (relating to interest on erroneous refunds recoverable by suit),

(C) section 6611(a) (relating to interest on overpayments),

(D) section 6332(c)(1) (relating to interest with respect to failure to surrender property subject to levy), and

(E) section 7426(g) (relating to interest on judgments with respect to property wrongfully levied upon).

Section 2411(a) of title 28 of the United States Code (relating to interest on judgments for overpayments of tax) is amended by striking out "the rate of 6 per centum per annum" and inserting in lieu thereof: "an annual rate established under section 6621 of the Internal Revenue Code of 1954".

(b) TERMINATION OF REDUCED INTEREST RATE IN CERTAIN CASES.—

(1) CERTAIN EXTENSIONS OF TIME.—Section 6601 is amended by striking out subsection (b) (relating to extensions of time in the case of certain estates) and subsection (j) (relating to extensions of time in the case of certain expropriation lesses), and by redesignating subsections (c), (d), (e), (f), (g), (h), (i), (k), and (l) as subsections (b), (c), (d), (e), (f), (g), (h), (i), and (j), respectively.

(2) DEBT-FINANCED PROPERTY.—Section 514(b)(3)(D) (relating to interest with respect to certain unrelated debt-financed income) is amended by striking out the last sentence.

(c) INCREASE IN PENALTY FOR FAILURE TO PAY ESTIMATED INCOME TAX.—Section 6654(a) (relating to failure by individuals to pay estimated income tax) and sections 6655(a) and (g)(1) (relating to failure by corporations to pay estimated income tax) are each amended by striking out "the rate of 6 percent per annum" and inserting in lieu thereof the following: "an annual rate established under section 6621".

(d) CONFORMING AMENDMENTS.—

(1) Section 6163(c) is amended to read as follows:

"(c) CROSS REFERENCE.—

"For authority of the Secretary or his delegate to require security in the case of an extension under this section, see section 6165."

(2) Sections 6166(g) and 6167(e) are each amended by striking out the last sentence.

(3) Sections 6166(k) and 6167(h) are each amended by striking out paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(4) Section 6504(15) is amended by striking out "6601(h)" and inserting in lieu thereof "6601(g)".

(5) The table of subchapters for chapter 67 is amended by adding at the end thereof the following:

"SUBCHAPTER C. Determination of Interest Rate.".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on July 1, 1975, and apply to amounts outstanding on such date or arising thereafter.

SEC. 8. INTEREST ON CERTAIN DEPOSITS, ETC., IN THE UNITED STATES.

The last sentence of section 861(c) (relating to interest on deposits, etc.) is amended by striking out "December 31, 1975," and inserting in lieu thereof "December 31, 1976,".

SEC. 9. EXCLUSION OF INTEREST ON CERTAIN OBLIGATIONS ISSUED PRIOR TO 1971.

(a) IN GENERAL.—Section 861(a)(1) (relating to income from sources within the United States) is amended—

(1) by striking out "and" at the end of subparagraph (F),

(2) by striking out the period at the end of subparagraph (G) and inserting in lieu thereof a comma and the word "and", and

(3) by adding at the end thereof the following new subparagraph:

"(H) interest on a debt obligation which was part of an issue which—

"(i) was part of an issue outstanding on April 1, 1971,

"(ii) was guaranteed by a United States person,

"(iii) was treated under chapter 41 as a debt obligation of a foreign obligor,

"(iv) as of June 30, 1974, had a maturity of not more than 15 years, and

"(v) when issued, was purchased by one or more underwriters for the purpose of distribution through resale.".

(b) CONFORMING AMENDMENT.—The last sentence of section 2104(c) (relating to debt obligations treated as property within the United States) is amended by striking out "or section 861(a)(1)(G)" and inserting in lieu thereof a comma and "section 861(a)(1)(G), or section 861(a)(1)(H)".

(c) EFFECTIVE DATE.—The amendment made by subsection (a) applies to interest paid after the date of enactment of this Act, and the amendment made by subsection (b) applies with respect to estates of decedents dying after such date.

SEC. 10. TAX ON CERTAIN INCOME OF POLITICAL ORGANIZATIONS.

(a) GENERAL RULE.—Subchapter F of chapter 1 (relating to exempt organizations) is amended by adding at the end thereof the following new part:

"PART VI—POLITICAL ORGANIZATIONS

"Sec. 527. Political organizations.

"SEC. 527. POLITICAL ORGANIZATIONS.

"(a) GENERAL RULE.—A political organization shall be subject to taxation under this subtitle only to the extent provided in this section. A political organization shall be considered an organization exempt from income taxes for the purpose of any law which refers to organizations exempt from income taxes.

"(b) TAX IMPOSED.—

"(1) IN GENERAL.—A tax is hereby imposed for each taxable year on the political organization taxable income of every political organization. Such tax shall consist of a normal tax and surtax computed as provided in section 11 as though the political organization were a corporation and as though the political organization taxable income were the taxable income referred to in section 11. For purposes of this subsection, the surtax exemption provided by section 11(d) shall not be allowed.

"(2) ALTERNATIVE TAX IN CASE OF CAPITAL GAINS.—If for any taxable year any political organization has a net section 1201 gain, then, in lieu of the tax imposed by paragraph (1), there is hereby imposed a tax (if such a tax is less than the tax imposed by paragraph (1)) which shall consist of the sum of—

"(A) a partial tax, computed as provided by paragraph (1), on the political organization taxable income determined by reducing such income by the amount of such gain, and

"(B) an amount determined as provided in section 1201(a) on such gain.

"(c) POLITICAL ORGANIZATION TAXABLE INCOME DEFINED.—

"(1) TAXABLE INCOME DEFINED.—For purposes of this section, the political organization taxable income of any organization for any taxable year as an amount equal to the excess (if any) of—

"(A) the gross income for the taxable year (excluding any exempt function income), over

"(B) the deductions allowed by this chapter which are directly connected with the production of the gross income (excluding exempt function income), computed with the modifications provided in paragraph (2).

"(2) MODIFICATIONS.—For purposes of this subsection—

"(A) there shall be allowed a specific deduction of $100,

"(B) no net operating loss deduction shall be allowed under section 172, and

"(C) no deduction shall be allowed under part VIII of subchapter B (relating to special deductions for corporations).

"(3) EXEMPT FUNCTION INCOME.—For purposes of this subsection, the term 'exempt function income' means any amount received as—

"(A) a contribution of money or other property,

"(B) membership dues, a membership fee or assessment from a member of the political organization, or

"(C) proceeds from a political fundraising or entertainment event, or proceeds from the sale of political campaign materials, which are not received in the ordinary course of any trade or business, to the extent such amount is segregated for use only for the exempt function of the political organization.

"(d) CERTAIN USES NOT TREATED AS INCOME TO CANDIDATE.—For purposes of this title, if any political organization—

"(1) contributes any amount to or for the use of any political organization which is treated as exempt from tax under subsection (a) of this section,

"(2) contributes any amount to or for the use of any organization described in paragraph (1) or (2) of section 509(a) which is exempt from tax under section 501(a), or

"(3) deposits any amount in the general fund of the Treasury or in the general fund of any State or local government,

such amount shall be treated as an amount not diverted for the personal use of the candidate or any other person. No deduction shall be allowed under this title for the contribution or deposit of any amount described in the preceding sentence.

"(e) OTHER DEFINITIONS.—For purposes of this section—

"(1) POLITICAL ORGANIZATION.—The term 'political organization' means a party, committee, association, fund, or other organization (whether or not incorporated) organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures, or both, for an exempt function.

"(2) EXEMPT FUNCTION.—The term 'exempt function' means the function of influencing or attempting to influence the selection, nomination, election, or appointment of any individual to any Federal, State, or local public office or office in a political organization, or the election of Presidential or Vice-Presidential electors, whether or not such individual or electors are selected, nominated, elected, or appointed.

"(3) CONTRIBUTIONS.—The term 'contributions' has the meaning given to such term by section 271(b)(2).

"(4) EXPENDITURES.—The term 'expenditures' has the meaning given to such term by section 271(b)(3).

"(f) EXEMPT ORGANIZATION WHICH IS NOT POLITICAL ORGANIZATION MUST INCLUDE CERTAIN AMOUNTS IN GROSS INCOME.—

"(1) IN GENERAL.—If an organization described in section 501(c) which is exempt from tax under section 501(a) expends any amount during the taxable year directly (or through another organization) for an exempt function (within the meaning of subsection (e)(2)), then, notwithstanding any other provision of law, there shall be included in the gross income of such organization for the taxable year, and shall be subject to tax under subsection (b) as if it constituted political organization taxable income, an amount equal to the lesser of

"(A) the net investment income of such organization for the taxable year, or

"(B) the aggregate amount so expended during the taxable year for such an exempt function.

"(2) NET INVESTMENT INCOME.—For purposes of this subsection, the term 'net investment income' means the excess of—

"(A) the gross amount of income from interest, dividends, rents, and royalties, plus the excess (if any) of gains from the sale or exchange of assets over the losses from the sale or exchange of assets, over

"(B) the deductions allowed by this chapter which are directly connected with the production of the income referred to in subparagraph (A).

For purposes of the preceding sentence, there shall not be taken into account items taken into account for purposes of the tax imposed by section 511 (relating to tax on unrelated business income).

"(3) CERTAIN SEPARATE SEGREGATED FUNDS.—For purposes of this subsection and subsection (e)(1), a separate segregated fund (within the meaning of section 610 of title 18 or of any similar State statute, or within the meaning of any State statute which permits the segregation of dues moneys for exempt functions (within the meaning of subsection (e)(2)) which is maintained by an organization described in section 501(c) which is exempt from tax under section 501(a) shall be treated as a separate organization.

"(g) TREATMENT OF NEWSLETTER FUNDS.—

"(1) IN GENERAL.—For purposes of this section, a fund established and maintained by an individual who holds, has been elected to, or is a candidate (within the meaning of section 41(c)(2)) for nomination or election to, any Federal, State, or local elective public office for use by such individual exclusively for the preparation and circulation of such individual's newsletter shall, except as provided in paragraph (2), be treated as if such fund constituted a political organization.

"(2) ADDITIONAL MODIFICATIONS.—In the case of any fund described in paragraph (1)—

"(A) the exempt function shall be only the preparation and circulation of the newsletter, and

"(B) the specific deduction provided by subsection (c)(2)(A) shall not be allowed."

(b) REQUIREMENT OF RETURN.—Section 6012(a) (relating to persons required to make returns of income) is amended by striking out "and" at the end of paragraph (4), by inserting "and" at the end of paragraph (5), and by inserting after paragraph (5) the following new paragraph:

"(6) Every political organization (within the meaning of section 527(e)(1)), and every fund treated under section 527(g) as if it constituted a political organization, which has political organization taxable income (within the meaning of section 527(c)(1)) for the taxable year;".

Section 6012(a) is amended by striking out the last sentence thereof.

(c) CONFORMING AMENDMENT.—Section 501(b) (relating to tax on unrelated business income and certain other activities) is amended by striking out "parts II and III" each place it appear and inserting in lieu thereof "parts II, III, and VI".

(d) CLERICAL AMENDMENT.—The table of parts for subchapter F is amended by adding at the end thereof the following new item:

"Part VI. Political Organizations.".

(e) EFFECTIVE DATE.—The amendments made by subsection (a), (b), (c), and (d) shall apply to taxable years beginning after December 31, 1974.

(f) EXEMPTION FROM FILING REQUIREMENT FOR PRIOR YEARS WHERE INCOME OF POLITICAL PARTY WAS $100 OR LESS.—In the case of a taxable year beginning after December 31, 1971, and before January 1, 1975, nothing in the Internal Revenue Code of 1954 shall be deemed to require any organization described in section 527(e)(1) of such Code to file a return for the taxable year under such Code if such organization would be exempt from so filing under section 6012(a)(6) of such Code if such section applied to such taxable year.

(g) TECHNICAL AMENDMENT.—The Act entitled "An Act to amend the Internal Reve-

nue Code of 1954 with respect to advertising in a convention program of a national political convention", approved June 18, 1968 (82 Stat. 183; Public Law 90-346) is repealed.

SEC. 11. EXTENSION OF EXISTING CREDIT AND DEDUCTION PROVISIONS FOR POLITICAL CONTRIBUTIONS TO CONTRIBUTIONS FOR NEWSLETTERS; TWO-YEAR RULE FOR ANNOUNCING CANDIDACY.

(a) GENERAL RULE.—Section 41(a) (relating to contributions to candidates for public office) is amended by inserting "and all newsletter fund contributions" after "all political contributions".

(b) VERIFICATION.—Section 41(b)(3) (relating to verification) is amended—

(1) by striking out "political contribution" the first place it appears and inserting in lieu thereof "political contribution or newsletter fund contribution", and

(2) by striking out "political contribution" the second place it appears and inserting in lieu thereof "contribution".

(c) DEFINITION.—Section 41(c) is amended by adding at the end thereof the following new paragraph:

"(5) NEWSLETTER FUND CONTRIBUTION.—The term 'newsletter fund contribution' means a contribution or gift of money to a fund established and maintained by an individual who holds, has been elected to, or is a candidate for nomination or election to, any Federal, State, or local elective public office for use by such individual exclusively for the preparation and circulation of a newsletter."

(d) CONFORMING AMENDMENTS IN DEDUCTION PROVISION.—Section 218 (relating to contributions to candidates for public office) is amended—

(1) by inserting "or newsletter fund contribution (as defined in section 41(c)(5))" after "section 41(c)(1)" in subsection (a); and

(2)(A) by striking out "political contribution" the first place it appears in subsection (b)(2) and inserting in lieu thereof "political contribution or newsletter fund contribution"; and

(B) by striking out "political contribution" the second place it appears in subsection (b)(2) and inserting in lieu thereof "contribution".

(e) TWO-YEAR RULE FOR ANNOUNCING CANDIDACY.—Section 41(c)(2)(A) (defining candidate) is amended by striking out "has publicly announced" and inserting in lieu thereof "publicly announces before the close of the calendar year following the calendar year in which the contribution or gift is made".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to any contribution payment of which is made after December 31, 1974, in taxable years beginning after such date.

SEC. 12. INCREASE IN POLITICAL CONTRIBUTIONS CREDIT AND DEDUCTION.

(a) INCREASE IN CREDIT.—Section 41(b)(1) (relating to maximum credit for contributions to candidates for public office) is amended to read as follows:

"(1) MAXIMUM CREDIT.—The credit allowed by subsection (a) for a taxable year shall not exceed $25 ($50 in the case of a joint return under section 6013)."

(b) INCREASE IN DEDUCTION.—Section 218(b)(1) (relating to amount of deduction for contributions to candidates for public office) is amended to read as follows:

"(1) AMOUNT.—The deduction under subsection (a) shall not exceed $100 ($200 in the case of a joint return under section 6013)."

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply with respect to any contribution the payment of which is made after December 31, 1974, in taxable years beginning after such date.

SEC. 13. TRANSFER OF APPRECIATED PROPERTY TO POLITICAL ORGANIZATIONS.

(a) INCLUSION IN GROSS INCOME OF TRANSFEROR.—

(1) IN GENERAL.—Part II of subchapter B of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end thereof the following new section:

"SEC. 84. TRANSFER OF APPRECIATED PROPERTY TO POLITICAL ORGANIZATIONS.

"(a) GENERAL RULE.—If—

"(1) any person transfers property to a political organization, and

"(2) the fair market value of such property exceeds its adjusted basis,

then for purposes of this chapter the transferor shall be treated as having sold such property to the political organization on the date of the transfer, and the transferor shall be treated as having realized an amount equal to the fair market value of such property on such date.

"(b) BASIS OF PROPERTY.—In the case of a transfer of property to a political organization to which subsection (a) applies, the basis of such property in the hands of the political organization shall be the same as it would be in the hands of the transferor, increased by the amount of gain recognized to the transferor by reason of such transfer.

"(c) POLITICAL ORGANIZATION DEFINED.—For purposes of this section, the term 'political organization' has the meaning given to such term by section 527(c)(1)."

(2) CLERICAL AMENDMENT.—The table of sections for such part II is amended by adding at the end thereof the following:

"Sec. 84. Transfer of Appreciated Property to Political Organizations."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to transfers made after May 7, 1974, in taxable years ending after such date.

(c) NONRECOGNITION OF GAIN OR LOSS WHERE ORGANIZATION SOLD CONTRIBUTED PROPERTY BEFORE AUGUST 2, 1973.—In the case of the sale or exchange before August 2, 1973, by an organization described in section 527(e)(1) of the Internal Revenue Code of 1954 of property which such organization acquired by contribution (within the meaning of section 271(b)(2) of such Code), no gain or loss shall be recognized by such organization.

SEC. 14. GIFT TAX NOT TO APPLY TO CONTRIBUTIONS TO POLITICAL ORGANIZATIONS.

(a) IN GENERAL.—Section 2501(a) (relating to taxable transfers for purposes of the gift tax) is amended by adding at the end thereof the following new paragraph:

"(5) TRANSFERS TO POLITICAL ORGANIZATIONS.—Paragraph (1) shall not apply to the transfer of money or other property to a political organization (within the meaning of section 527(e)(1)) for the use of such organization."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to transfers made after May 7, 1974.

And the Senate agree to the same.

AL ULLMAN,
JAMES A. BURKE,
DAN ROSTENKOWSKI,
PHIL M. LANDRUM,
H. T. SCHNEEBELI,
J. BROYHILL,
BARBER B. CONABLE,
Managers on the Part of the House.

RUSSELL B. LONG,
HERMAN E. TALMADGE,
VANCE HARTKE,
WALLACE F. BENNETT,
CARL T. CURTIS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 421) to amend the Tariff Schedules of the United States to permit the importation of upholstery regulators, upholsterer's regulating needles, and upholster's pins free of duty, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two houses on the amendments of the Senate to the bill (H.R. 421) to amend the tariff schedules relating to the duty-free importation of upholstery regulators and upholsterer's regulated needles and pins, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate struck out all of the House bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the Senate amendment and the House bill.

The differences between the text of the House bill, the Senate amendment thereto, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by reason of agreements reached by the conferees, and minor drafting, clarifying, and other technical changes.

The bill as passed by the House amends the Tariff Schedules relating to the duty-free importation of upholstery regulators and upholsterers' regulated needles and pins. Section 1 of the Senate amendment and section 1 of the conference substitute make no change in this provision of the House bill.

The House bill contains no provisions corresponding to the following provisions of the Senate amendment.

CLERICAL AMENDMENT

Section 2 of the Senate amendment contains a clerical amendment relating to references to the Internal Revenue Code of 1954.

The conference substitute adopts this provision of the Senate amendment.

ONE-YEAR EXTENSION OF AMORTIZATION PROVISIONS

Section 3 of the Senate amendment extends for one additional year through December 31, 1975, four 5-year amortization provisions. These four provisions are: (1) rehabilitation of low and moderate income housing; (2) pollution control facilities; (3) railroad rolling stock; and (4) certain coal mine safety equipment.

The conference substitute adopts the provisions of section 4 of the Senate amendment.

ACCRUAL OF VACATION PAY

Section 4 of the Senate amendment provides for a permanent solution for the treatment of accrued vacation pay. The Congress has been continuing the temporary treatment in this area pending a permanent solution. The last extension expired in 1973. This treatment allows an employer to take a deduction in the case of accrued vacation pay which, except for contingencies (such as termination of employment before vacation time arrives), has already been earned by the employees. However, to prevent a doubling up of deductions in the case of an employer who is newly going on to the accrual pay system, this provision of the bill provides that the employer may not currently take a deduction for contingent amounts

which accrued in years prior to the year in which he elected this treatment. This amount is held in suspense and is available as a deduction in subsequent years only to the extent that the end of the year liability for accrued vacation pay (on the new basis) is less than the beginning amount held in the suspense account.

The conference substitute adopts the provisions of section 4 of the Senate amendment.

EXTENSION OF REAL ESTATE DEPRECIATION RECAPTURE RULES ON FEDERALLY, STATE AND LOCALLY-ASSISTED HOUSING PROJECTS

Section 5 of the Senate amendment repeals the provision of present law (Revenue Act of 1971) requiring the application of the class life system to real property. Present law provides that after 1973 the class life system (sometimes referred to as the asset depreciation range or ADR provision) is to apply to real estate. The Treasury has not as yet devised a satisfactory class life system for real estate. The Senate amendment provides that the ADR system is not to apply to real estate until such time as the Treasury Department develops regulations on a class life system for real estate.

Section 5 of the Senate amendment also extends the real estate recapture rules on certain housing projects. The effect of the recapture rules is to tax the gain from such sales as ordinary income (rather than capital gain) to the extent of the deductions taken under accelerated depreciation in excess of straight-line depreciation. In the case of Federal, State, and locally assisted housing projects (which are limited as to the rate of return on the investment, such as the FHA 221(d)(3) and the FHA 236 programs) where the construction or acquisition occurs before January 1, 1975, there is to be full recapture during the first 20 months of holding and this is decreased by one percent a month thereafter (with no recapture at the end of 10 years). In the case of most housing, there is full recapture during the first 100 months after which there is a decrease of the amount recaptured by one percent a month (with no recapture after 16⅔ years). These general recapture rules apply to the governmentally assisted housing in the case of construction and acquisitions in 1975 and later years. The Senate amendment extends for one more year, until January 1, 1976, the shorter recapture period for the governmentally assisted housing projects.

The conference substitute adopts section 5 of the Senate amendment.

REAL ESTATE INVESTMENT TRUSTS: TREATMENT OF FORECLOSURE PROPERTY

Section 6 of the Senate amendment deals with some of the tax problems of real estate investment trusts. Under present law, a real estate investment trust (REIT), if it derives most of its income from real estate investments (and meets certain other requirements), is not taxed on its distributed income but instead is allowed "pass through" tax treatment whereby the income is taxed to the shareholders and not the trust. A series of revisions had been proposed for the tax treatment of real estate investment trusts to take account of current practices and economic problems faced by the industry. The Senate amendment deals only with the most pressing current problems of the industry, those relating to the tax treatment of foreclosure property. The Senate amendment, in general, provides that a REIT is not to be denied the "pass through" treatment because of income it receives from foreclosure property. In general, under the Senate amendment the REIT will be taxed as a corporation on the income from the foreclosure property and will have a period of time to sell the foreclosure property or convert it into qualified property.

Section 6 of the Senate amendment also takes into account the difficulty a REIT faces as a result of the provision of present law prohibiting it from holding any property for sale to customers. In this regard, the Senate provision modifies the rule to a limited extent to allow a REIT to hold foreclosure property for sale.

The conference substitute adopts the provisions of section 6 of the Senate amendment.

INCREASE IN INTEREST CHARGED AND PAID IN CONNECTION WITH DEFICIENCIES, ETC.

Section 7 of the Senate amendment increases the interest rate paid by taxpayers on tax deficiencies, and by the government on tax overpayments, from 6 percent to 9 percent per year effective for obligations outstanding on July 1, 1975. In addition to updating the tax interest at this time, the amendment provides a procedure whereby the interest rate in the future will be kept up to date with changes in the money market rates. It provides that the tax interest rate is to be adjusted as the prime rate quoted by commercial banks to large business changes. The government interest rate is to be 90 percent of this prime rate but to be at the nearest whole interest rate and not to be changed more than once every two years.

The conference substitute adopts the provisions of section 7 of the Senate amendment.

INTEREST ON CERTAIN OBLIGATIONS

Section 8 of the Senate amendment deals with the tax treatment of student loan funding programs. Present law exempts interest paid on most State and local governmental obligations from Federal income tax. The provision adds a new category to the list of obligations, the interest from which is exempt from Federal income tax. The category added is qualified scholarship funding bonds where the student loan programs are financed, at the request of governmental units, by nonprofit higher education authorities even though the bonds do not constitute a State or local government bond. In addition, the provision makes it clear that student loan incentive payments made by the Commissioner of Education under the Emergency Insured Student Loan Act of 1969 are not to result in the treatment of the obligations as arbitrage bonds and in this manner disqualify the financing of these student loan programs for tax-exempt status.

The conference substitute does not include the provisions of section 8 of the Senate amendment. The managers have been advised by the Treasury Department that new regulations under section 103(a) will be promulgated shortly. These regulations will provide for the exemption of interest on obligations issued to finance student loan programs where such obligations are authorized pursuant to State law and are issued by nonprofit higher educational authorities at the request of a State or local governmental unit.

The managers understand that in certain cases even if these obligations qualify under section 103 they nevertheless would not be exempt because they would be treated as arbitrage bonds (under sec. 103(d) of the Code). These obligations are treated as arbitrage bonds if the interest to be paid by students on their loans together with any incentive payments represent a yield that may be materially higher than the yield on the bonds issued to finance the student loan program. Many of these obligations may be treated as arbitrage bonds because certain student loan incentive payments made by the Commissioner of Education (HEW) to cover the expenses of the student loan program are taken into account in computing the yield (and other amounts appropriated under State law may be so taken into account). The temporary regulations provide that the yield on the proceeds from the acquired program obligations may not exceed the yield produced over the term of the obligations issued to finance student loans by more than 1½ percent or such higher percentage as is shown to be necessary to cover administrative expenses.

The managers further understand that when final Treasury regulations are issued under section 103(d) they will provide that student loan incentive payments made by the Commissioner of Education under the Emergency Insured Student Loan Act of 1969 or amounts appropriated under State law to cover the expenses of the student loan program are not to be taken into account for purposes of determining the yield under section 103(d). However, any incentive payments are to reduce any stated percentage limitation (or any higher allowance for costs) which may otherwise be permitted under Treasury regulations for such programs.

INTEREST ON CERTAIN DEPOSITS, ETC., IN THE UNITED STATES

Section 9 of the Senate amendment deals with the exclusion from gross income of interest on U.S. bank deposits held by nonresident aliens. Under present law, interest received by nonresident aliens from deposits with banks, with savings and loan institutions or other similar associations, and from amounts held by an insurance company under an agreement to pay interest is exempt from the 30-percent withholding tax on income or gain not effectively connected with the conduct of a trade or business within the United States. This provision, however, expires as of December 31, 1975. The Senate amendment extends the termination of this provision for one additional year to December 31, 1976.

The conference substitute adopts the provisions of section 9 of Senate amendment.

EXCLUSION OF INTEREST ON CERTAIN OBLIGATIONS ISSUED PRIOR TO 1971

Section 10 of the Senate amendment provides that (1) where companies had issues of indebtedness outstanding on the date of the enactment of the interest equalization tax, (2) which were guaranteed by U.S. persons, (3) which were treated under that Act as debt obligations of a foreign obligor, (4) the obligation does not have a maturity date exceeding 15 years as of June 30, 1974, and (5) the obligation has been purchased by one or more underwriters with the purpose of distribution through resale, then the interest on the obligations is to be treated as foreign source income and as a result exempt from the 30-percent withholding tax in the case of interest payments to nonresident aliens. In addition, these obligations are to be exempt from U.S. estate tax when held by nonresident aliens. Since the interest equalization tax (under which these obligations were exempted from withholding tax) is no longer in effect, the only way finance subsidiaries can continue to avoid payment of the withholding tax is for their U.S. parent company to assume these obligations. However, this would cause the finance subsidiaries to realize income from the discharge of indebtedness. For this reason, these types of obligations were made exempt from the 30-percent withholding tax.

The conference substitute adopts the provisions of section 10 of the Senate amendment.

TAX ON CERTAIN INCOME OF POLITICAL ORGANIZATIONS

Section 11 of the Senate amendment provides that political parties or committees (and separate campaign funds) are to be taxed on investment income and on income from a trade or business, but not on campaign contributions they receive. In addi-

tion, a $100 minimum is to be provided before any tax is payable on investment or business income. Generally, the political parties and committees are to be taxed as corporations but the surtax exemption is not to be allowed and the dividends received deduction is not to be available.

Generally, newsletter committees (and separate funds) are to be treated for tax purposes in the same manner as political campaign committees. That is, contributions received by the newsletter committees are not to be taxable to the individual or committee nor are the funds spent for a newsletter to be deductible. However, to the extent of any investment income or business income in the case of these funds, tax is to be imposed. Should funds be withdrawn from newsletter funds for personal purposes, however, tax is to be imposed at that time.

The conference substitute adopts the provisions of section 11 of the Senate amendment, with an amendment to clarify the provision regarding separate segregated campaign funds established by exempt organizations to conform to State laws. In such a case, where appropriate under the safeguards of the laws of the relevant State, a separate segregated fund is permitted to have dues monies transferred to it by the exempt organization to be used for political campaign purposes, without those funds being treated as expenditures made by that exempt organization.

EXTENSION OF EXISTING CREDIT AND DEDUCTION PROVISIONS FOR POLITICAL CONTRIBUTIONS TO CONTRIBUTIONS FOR NEWSLETTERS; 2-YEAR RULE FOR ANNOUNCING CANDIDACY

Section 12 of the Senate amendment extends the existing credit and deduction provisions for political contributions to contributions to newsletter funds.

Under the provisions of the Senate amendment, the limited credit or deduction allowed under present law for campaign contributions to individual candidates (and parties and committees) would be available only if a person has announced that he is a candidate for office in the year of the contribution. The provisions allow this credit or deduction in the year before a person announces his candidacy.

The conference substitute adopts the provisions of section 12 of the Senate amendment.

INCREASE IN POLITICAL CONTRIBUTIONS CREDIT AND DEDUCTIONS

Section 13 of the Senate amendment increases the maximum credit and deduction for contributions to candidates for public office. The maximum credit is increased from $12.50 ($25 in the case of a joint return) to $25 ($50 in the case of a joint return). The maximum deduction is increased from $50 ($100 in the case of a joint return) to $100 ($200 in the case of a joint return).

The conference substitute adopts the provisions of section 13 of the Senate amendment.

TRANSFER OF APPRECIATED PROPERTY TO POLITICAL ORGANIZATIONS

Under section 14 of the Senate amendment, appreciated property transferred by a taxpayer to a political party or committee, if occurring after May 7, 1974, is to be taxed to the donor at the time of the transfer. A ruling already issued by the Internal Revenue Services taxes appreciation in property given before that date to the political party or committee receiving the property. However, this ruling is not to apply before August 2, 1973.

The conference substitute adopts the provisions of section 14 of the Senate amendment.

GIFT TAX NOT TO APPLY TO CONTRIBUTIONS TO POLITICAL ORGANIZATIONS

Section 15 of the Senate amendment provides that gift taxes are not to apply to contributions to political parties or committees.

The conference substitute adopts the provisions of section 15 of the Senate amendment.

EXEMPTION OF INTEREST ON CERTAIN GOVERNMENTAL OBLIGATIONS

Section 16 of the Senate amendment exempts from Federal taxation the interest on obligations issued by the American Falls Reservoir District to finance and construct a dam and related facilities to replace the existing American Falls Dam of the Minidoka project, Idaho-Wyoming, pursuant to a contract with the Secretary of Interior under authority contained in the Act of December 28, 1973 (87 Stat. 904).

The conference substitute does not adopt the provisions of section 16 of the Senate amendment. The conferees were informed that there are several electric power companies and regional power systems that face this type of situation in which tax-exempt bonds may not be issued to finance electric generating facilities for an area that extends beyond two contiguous counties. The conferees believed that they would not be taking a constructive step now to enact this provision when a generalized approach is the proper course of action to follow. Therefore, the conferees have agreed that their respective committees will re-examine the present situation to provide a more general solution.

The action by the conferees should not be construed as a determination of the merits of the project or the issue of the exemption from taxation. However, the mention in the Internal Revenue Code of special situations is not favored. Moreover, the matter was not the subject of hearings in either the Senate or the House of Representatives. On the other hand, we understand the sense of urgency that prompted the offering of an amendment. We are informed that a delay of weeks now could mean a delay of one year in the construction schedule. As a result, whatever position it believes it should take, we urge the Internal Revenue Service to act expeditiously.

AL ULLMAN,
JAMES A. BURKE,
DAN ROSTENKOWSKI,
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J. BROYHILL,
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Managers on the Part of the House.

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WALLACE F. BENNETT,
CARL T. CURTIS,
Managers on the Part of the Senate.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 10710, DEVELOPMENT OF FAIR WORLD ECONOMIC SYSTEM

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 17045, SOCIAL SECURITY ACT

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 17045) to amend the Social Security Act to establish a consolidated program of Federal financial assistance to encourage provision of services by the States.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

ANNOUNCEMENT BY THE CHAIR

The SPEAKER. The Chair desires to announce that all the Members of the House have been invited to attend the swearing in of Vice President designate Nelson A. Rockefeller, to be held in the Senate Chamber at 10 p.m. tonight.

Members should enter the Senate Chamber through the south door at the end of the corridor leading from this Chamber to the Senate. Due to the limited space available in the Senate Chamber, only persons with privileges of the Senate floor, which includes House Members, will be permitted on the Senate floor.

The Chair desires further to announce that we will continue the business of the House.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BAUMAN. Mr. Speaker, does it make any difference how a Member voted on the nomination?

The SPEAKER. As far as the Chair is concerned, it does not make any difference.

AUTHORIZING ARCHITECT OF THE CAPITOL TO PERMIT CERTAIN TEMPORARY AND PERMANENT CONSTRUCTION WORK ON CAPITOL GROUNDS

Mr. GRAY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate Joint Resolution (S.J. Res. 262) authorizing the Architect of the Capitol to permit certain temporary and permanent construction work on the Capitol Grounds in connection with the erection of an addition to a building on privately owned property adjacent to the Capitol Grounds.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. GROSS. Mr. Speaker, reserving the right to object, let us have just a brief explanation of where this building is and what this is all about and the cost of the project.

Mr. GRAY. Mr. Speaker, for 7,300 days or for 20 years, I have had the privilege of serving in this great body, and this is the last time I will have the distinct privilege and satisfaction of yielding to by able friend and neighbor from Iowa—Mr. GROSS.

I will be happy to explain this Senate joint resolution. This resolution will not

cost the Government a penny. It was requested by the Architect of the Capitol to hold the Government free and harmless because the International Brotherhood of Teamsters is building an addition on to their headquarters building just north of the Capitol, and if they should disturb the sidewalk or any Government property in front of the building, the Government would be protected.

This is a resolution our friend from Iowa can support because it calls for no Federal expenditures.

Mr. GROSS. It calls for no Federal expenditures?

Mr. GRAY. None whatsoever.

Mr. GROSS. The gentleman will not be offended if I refer to him as Santa Claus?

Mr. GRAY. I will accept that in the spirit of Christmas.

Mr. GROSS. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 262

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) The Architect of the Capitol is hereby authorized to permit (1) the performance within the United States Capitol Grounds of excavation, temporary construction, or other work, that may be necessary for the construction of an addition to the national headquarters building, and other related facilities, of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers on D Street Northwest between New Jersey Avenue Northwest and Louisiana Avenue Northwest commencing at the westerly end of the existing headquarters building and extending westward to a point approximately thirty-five feet from the intersection of New Jersey Avenue and D Street Northwest, in the District of Columbia; and (2) the use of Capitol Grounds property located north of the street curb on D Street Northwest between New Jersey Avenue Northwest and Louisiana Avenue Northwest, for purposes of ingress and egress to and from the building site during such construction. No permanent construction shall extend into the United States Capitol Grounds except as otherwise provided in subsection (b) of this section.

(b) The Architect of the Capitol is hereby authorized to permit the following improvements of a permanent nature to be made on Capitol Grounds property located north of the street curb at D Street Northwest between New Jersey Avenue Northwest and Louisiana Avenue Northwest:

(1) the extension of existing sewers and the building of new manholes under the northern sidewalk of D Street Northwest between New Jersey Avenue Northwest and Louisiana Avenue Northwest, to accommodate service laterals from the proposed new building addition, and the installation of necessary laterals;

(2) the installation of service laterals from existing water mains under the northern sidewalk of D Street Northwest between New Jersey Avenue Northwest and Louisiana Avenue Northwest, as may be required for the proposed new building addition;

(3) the removal and replacement of existing sidewalks located on Capitol Grounds property north of the curbline on D Street Northwest between New Jersey Avenue Northwest and Louisiana Avenue Northwest, including the removal and replacement of a driveway into an existing parking lot, to serve building facilities after construction of the proposed new building addition;

(4) the planting of additional trees between the street curb and the new sidewalk along D Street Northwest between New Jersey Avenue Northwest and Louisiana Avenue Northwest, of a number and kind prescribed and selected by the Architect of the Capitol;

(5) the regrading and resodding of the remaining area between the street curb and the new sidewalk north on the curbline on D Street Northwest between New Jersey Avenue Northwest and Louisiana Avenue Northwest; and

(6) the plugging and filling of any portion of abandoned sewer and the repair and/or alteration of any active sewer which extend into the Capitol Grounds on D Street Northwest between New Jersey Avenue Northwest and Louisiana Avenue Northwest and which are encountered or damaged during excavation for, and construction of, the proposed new building addition.

SEC. 2. The United States shall not incur any expense or liability whatsoever, under or by reason of this joint resolution, or be liable under any claim of any nature or kind that may arise from anything that may be connected with or grow out of this joint resolution.

SEC. 3. No work shall be performed within the Capitol Grounds pursuant to this joint resolution until the Architect of the Capitol shall have been furnished with such assurances as he may deem necessary that all areas within such grounds, disturbed by reason of such construction, shall, except as otherwise provided in this joint resolution, be restored to their original condition without expense to the United States; and all work within the Capitol Grounds herein authorized shall be performed under conditions satisfactory to the Architect of the Capitol.

The Senate joint resolution was ordered to be read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

FRANK M. SCARLETT FEDERAL BUILDING IN BRUNSWICK, GA.

Mr. GINN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate bill (S. 2807) to name the Federal building, U.S. post office, U.S. courthouse, in Brunswick, Ga., as the "Frank M. Scarlett Federal Building."

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the Senate bill as follows:

S. 2807

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal building, United States post office, United States courthouse, at 801 Gloucester Street, Brunswick, Georgia, shall hereafter be known and designated as the "Frank M. Scarlett Federal Building". Any reference in a law, map, regulation, document, record, or other paper of the United States to such building shall be held to be a reference to the "Frank M. Scarlett Federal Building".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAKING IN ORDER REPORTS FOR COMMITTEE ON RULES AND AUTHORIZING SPEAKER TO DECLARE RECESSES

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 1520) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1520

Resolved, That it shall be in order at any time during the balance of this session to consider reports from the Committee on Rules as provided in clause 23, rule XI, except that the provision requiring a two-thirds vote to consider said reports is hereby suspended during that period; and it shall also be in order during the balance of the session for the Speaker to declare recesses subject to the call of the Chair.

The SPEAKER. The gentleman from California is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, this resolution actually provides that the Speaker may provide a recess at any time during the balance of this session. It also would permit the Committee on Rules to bring a resolution from the committee to the floor immediately and call it up and pass it with a simple majority, simply suspending the requirement for a two-thirds majority, without a 24-hour layover, for the balance of this session.

Those are the two very simple things that are accomplished if this resolution is passed.

Mr. Speaker, I would urge the passage of the resolution.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think the gentleman from California has adequately explained this rule. We are trying to adjourn this Congress. Without this resolution that might be impossible. We have in this resolution the suspension of a two-thirds vote required to take up the rule on the same day it is reported. This would waive that rule and also permit the Speaker to call a recess subject to the call of the chair.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I will be happy to yield to the gentleman from Maryland.

Mr. BAUMAN. Is this not the identical waiver of rules that was turned down on Monday when we voted on the resolution which contained this very same power?

Mr. LATTA. If the gentleman will yield, I will say this is exactly the same resolution that was rejected by the House on Monday. But this happens to be Thursday, and we are nearing adjournment of this Congress.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield further?

Mr. LATTA. Yes, I yield to the gentleman.

Mr. BAUMAN. The gentleman recalls that I and others made reference to last December, when this power was used to block the energy bill. Has the leadership on this side received any sort of assurance that this power will not be abused if we pass this resolution?

Mr. LATTA. I will say to the gentleman that I would not have voted for this resolution if I thought the power would be abused.

I refuse to yield further, Mr. Speaker.

Mr. Speaker, I have no further requests for time.

Mr. SISK. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the yeas appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 276, nays 58, not voting 100, as follows:

[Roll No. 717]

YEAS—276

Abzug	Delaney	Johnson, Pa.
Addabbo	Dellenback	Jones, Ala.
Alexander	Dellums	Jones, Okla.
Anderson, Calif.	Denholm	Jones, Tenn.
	Devine	Jordan
Anderson, Ill.	Dickinson	Karth
Andrews, N. Dak.	Dingell	Kastenmeier
	Donohue	Kazen
Annunzio	Downing	Kluczynski
Arends	Drinan	Koch
Ashley	Dulski	Kuykendall
Aspin	Duncan	Kyros
Badillo	du Pont	Landgrebe
Baker	Eckhardt	Latta
Barrett	Edwards, Ala.	Leggett
Bell	Esch	Lehman
Bennett	Evans, Colo.	Lent
Bergland	Findley	Litton
Bevill	Fish	Long, Md.
Biester	Fisher	Lott
Boggs	Flood	Lujan
Boland	Flowers	McClory
Bolling	Flynt	McCloskey
Bowen	Foley	McCormack
Breaux	Fountain	McDade
Breckinridge	Fraser	McEwen
Brinkley	Frelinghuysen	McFall
Brooks	Frenzel	McKay
Brotzman	Froehlich	Madden
Brown, Calif.	Fuqua	Mahon
Buchanan	Gaydos	Mallary
Burke, Calif.	Gettys	Mann
Burke, Fla.	Giaimo	Mathias, Calif.
Burke, Mass.	Gibbons	Mathis, Ga.
Burleson, Tex.	Gilman	Matsunaga
Burlison, Mo.	Ginn	Mazzoli
Burton, John	Goodling	Meeds
Butler	Gray	Metcalfe
Byron	Green, Oreg.	Mezvinsky
Carney, Ohio	Green, Pa.	Michel
Carter	Gubser	Milford
Casey, Tex.	Gunter	Minish
Cederberg	Guyer	Mink
Chappell	Hamilton	Mitchell, Md.
Chisholm	Hanley	Mizell
Clancy	Hanrahan	Moakley
Clausen, Don H.	Harsha	Mollohan
	Hastings	Montgomery
Cleveland	Hechler, W. Va.	Moorhead, Pa.
Cohen	Heckler, Mass.	Moss
Collins, Ill.	Heinz	Murphy, Ill.
Conable	Helstoski	Murphy, N.Y.
Conte	Henderson	Murtha
Conyers	Hicks	Natcher
Corman	Hinshaw	Nedzi
Cronin	Hogan	Nelsen
Daniel, Dan	Holifield	Nichols
Daniel, Robert W., Jr.	Holtzman	Nix
	Horton	Obey
Daniels, Dominick V.	Hosmer	O'Brien
	Hungate	O'Hara
Danielson	Hutchinson	O'Neill
Davis, Ga.	Ichord	Passman
Davis, S.C.	Johnson, Calif.	Patman
de la Garza	Johnson, Colo.	Patten
Pepper	Ryan	Udall
Perkins	St Germain	Ullman
Pettis	Sandman	Van Deerlin
Peyser	Sarbanes	Vander Jagt
Pike	Schneebeli	Vander Veen
Poage	Sebelius	Vanik
Preyer	Seiberling	Vigorito
Price, Ill.	Shriver	Waggonner
Pritchard	Shuster	Waldie
Quie	Sikes	Wampler
Quillen	Sisk	Ware
Railsback	Skubitz	Whalen
Randall	Slack	White
Rangel	Smith, Iowa	Whitehurst
Reid	Smith, N.Y.	Whitten
Reuss	Stanton, J. William	Wiggins
Rhodes		Williams
Riegle	Steed	Wilson, Bob
Rinaldo	Steele	Wilson, Charles, Tex.
Roberts	Steelman	
Rodino	Stephens	Wolff
Rogers	Stokes	Wydler
Roncalio, Wyo.	Stratton	Yates
Rostenkowski	Stubblefield	Yatron
Roush	Stuckey	Young, Ga.
Roy	Studds	Young, Ill.
Roybal	Symington	Young, Tex.
Runnels	Taylor, N.C.	Zablocki
Ruppe	Teague	
Ruth	Thornton	

NAYS—58

Abdnor	Forsythe	Parris
Armstrong	Frey	Price, Tex.
Ashbrook	Gonzalez	Regula
Bafalis	Gross	Robinson, Va.
Bauman	Gude	Rooney, Pa.
Blackburn	Hammer-schmidt	Rousselot
Bray		Sarasin
Brown, Mich.	Hillis	Snyder
Brown, Ohio	Holt	Spence
Broyhill, N.C.	Hudnut	Steiger, Ariz.
Burgener	Hunt	Steiger, Wis.
Clawson, Del	Kemp	Symms
Cochran	Ketchum	Taylor, Mo.
Collins, Tex.	Lagomarsino	Thone
Conlan	McCollister	Towell, Nev.
Coughlin	Miller	Treen
Crane	Mitchell, N.Y.	Veysey
Dennis	Moorhead, Calif.	Wylie
Derwinski		Young, Alaska
Dorn	Myers	Young, S.C.

NOT VOTING—100

Adams	Haley	Robison, N.Y.
Andrews, N.C.	Hanna	Roe
Archer	Hansen, Idaho	Roncallo, N.Y.
Beard	Hansen, Wash.	Rooney, N.Y.
Biaggi	Harrington	Rose
Bingham	Hawkins	Rosenthal
Blatnik	Hays	Satterfield
Brademas	Hébert	Scherle
Brasco	Howard	Schroeder
Broomfield	Huber	Shipley
Broyhill, Va.	Jarman	Shoup
Burton, Phillip	Jones, N.C.	Staggers
Camp	King	Stanton, James V.
Carey, N.Y.	Landrum	
Chamberlain	Long, La.	Stark
Clark	Luken	Sullivan
Clay	McKinney	Talcott
Collier	McSpadden	Thompson, N.J.
Cotter	Macdonald	Thomson, Wis.
Culver	Madigan	Tiernan
Davis, Wis.	Maraziti	Traxler
Dent	Martin, Nebr.	Walsh
Diggs	Martin, N.C.	Widnall
Edwards, Calif.	Mayne	Wilson, Charles H., Calif.
Eilberg	Melcher	
Erlenborn	Mills	
Eshleman	Minshall, Ohio	Winn
Evins, Tenn.	Morgan	Wright
Fascell	Mosher	Wyatt
Ford	Owens	Wyman
Fulton	Pickle	Young, Fla.
Goldwater	Podell	Zion
Grasso	Powell, Ohio	Zwach
Griffiths	Rarick	
Grover	Rees	

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of the clerks,

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 13296) entitled "An act to authorize appropriations for the fiscal year 1975 for certain maritime programs of the Department of Commerce."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14449) entitled "An act to provide for the mobilization of community development and assistance services and to establish a Community Action Administration in the Department of Health, Education, and Welfare to administer such programs."

The message also announced that the Senate agrees to the report of the committee of further conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 15977) entitled "An act to amend the Export-Import Bank Act of 1945, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2994) entitled "An act to amend the Public Health Service Act to assure the development of a national health policy and of effective State and area health planning and resources development programs, and for other purposes."

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 17085. An act to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training.

The message also announced that the Senate insists upon its amendments to the joint resolution (H. Res. 1178) entitled "A joint resolution making further continuing appropriations for the fiscal year 1975, and for other purposes," asks a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCCLELLAN, Mr. MAGNUSON, Mr. PASTORE, Mr. STENNIS, Mr. MCGEE, Mr. MONTOYA, Mr. INOUYE, Mr. YOUNG, Mr. HRUSKA, Mr. COTTON, Mr. CASE, Mr. BROOKE, and Mr. HATFIELD, to be the conferees on the part of the Senate.

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

S. 544. An act to amend title 18 of the United States Code to permit the transportation, mailing, and broadcasting of advertising, information, and materials concerning lotteries authorized by law and conducted by a State, and for other purposes.

S. 2314. An act for the relief of Jiri Emanuel Huebner;

S. 2406. An act for the relief of Dr. Jesus Fernandez Tirao and his wife, Benylin-Lynda Obiena Tirao;

S. 2792. An act to amend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes;

S. 3922. An act to amend the Coastal Zone Management Act of 1972 to provide more flexibility in the allocation of administrative grants to coastal States, and for other purposes; and

S. 4242. An act to amend the Rail Passenger Service Act.

HOOVER INSTITUTION ON WAR, REVOLUTION, AND PEACE

Mr. NEDZI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 17580) to recognize the 50 years of extraordinary and selfless public service of Herbert Hoover, including his many great humanitarian endeavors, his chairmanship of two Commissions of the Organization of the Executive Branch, and his service as 31st President of the United States, and in commemoration of the 100th anniversary of his birth on August 10, 1974, by providing grants to the Hoover Institution on War, Revolution, and Peace.

The Clerk read as follows:

H.R. 17580

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in order to establish an appropriate memorial to the late President Herbert Hoover, the Secretary of the Treasury (hereinafter referred as the "Secretary") is authorized to make grants, in accordance with the provisions of this Act, to the Hoover Institution on War, Revolution, and Peace, Stanford University, Stanford, California.

(b) No grant may be made under this Act for any fiscal year unless—

(1) the Secretary determines that the total of such grants for that year will not exceed the total amount of gifts, bequests, and devises of money, securities, and other property, made after the date of enactment of this Act, for that year for the benefit of the Hoover Institution on War, Revolution, and Peace; and

(2) the Hoover Institution on War, Revolution, and Peace furnishes to the Secretary such information at such times and in such manner as he may require.

(c) Grants made under this Act may be used for the construction of a new educational building to be used by the Hoover Institution on War, Revolution, and Peace, and for the equipment of such building.

SEC. 2. (a) The Congress finds that, if a facility constructed with the aid of any grant under this Act is used as an educational facility for twenty years following completion of such construction, the public benefit accruing to the United States from such use will equal in value the amount of such grant or grants. The period of twenty years after completion of such construction shall, therefore, be deemed to be the period of Federal interest in such facility for the purposes of this Act.

(b) If, within twenty years after completion of construction of an educational facility which has been constructed in part with a grant or grants under this Act—

(1) the Hoover Institution on War, Revolution, and Peace (or its successor in title or possession) ceases or fails to be a nonprofit institution, or

(2) the facility ceases to be used as an educational facility, unless the Secretary determines that there is good cause for releasing the institution from its obligation,

the United States shall be entitled to recover from such Institution (or successor) an amount which bears to the then value of the facility the same ratio as the amount of such Federal grant or grants bore to the development cost of the facility (as determined by the Secretary) financed with the aid of such grant or grants. Such value shall be determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated.

(c) Notwithstanding the provisions of subsections (a) and (b), no facility constructed with assistance under this Act shall ever be used for religious worship or a sectarian activity or for a school or department of divinity.

SEC. 3. The Comptroller General of the United States, or any of his duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the Hoover Institution on War, Revolution, and Peace that are pertinent to the grant received.

SEC. 4. The Hoover Institution on War, Revolution, and Peace shall, annually, prepare and furnish to the President and the Congress a report on the expenditure of funds received by the Institution in the previous fiscal year during the period for which grants are made under this Act.

SEC. 5. There are authorized to be appropriated to the Secretary for making grants in accordance with this Act amounts not to exceed $7,000,000. Funds appropriated pursuant to this Act shall be available without fiscal year limitation, for the period beginning on the date of enactment of this Act and ending five years after such date.

SEC. 6. Grants made pursuant to this Act shall be the sole Federal memorial to the late President Herbert Hoover.

The SPEAKER. Is a second demanded?

Mr. FRENZEL. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Michigan (Mr. NEDZI) will be recognized for 20 minutes, and the gentleman from Minnesota (Mr. FRENZEL) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Michigan (Mr. NEDZI).

Mr. NEDZI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Herbert Hoover devoted a major portion of his adult life to Government service, philanthrophy and humanitarian endeavors. Prior to becoming the 31st President, he was Secretary of Commerce, administered food relief during the Boxer rebellion, organized the Commission for Relief in Belgium, served as World War I Food Administrator and was delegate to the Paris Peace Conference. Following his term as President, he headed an economic commission to Germany and was chairman of two highly successful bipartisan commissions on reorganization of the executive branch of Government.

H.R. 17580 would authorize the Secretary of Treasury to make grants to the Hoover Institution, a part of Stanford University, for the construction of a new memorial building to be used by the institution and for the equipment of such building. These grants would be made over a 5-year period in amounts matching private gifts made to the institution for any purpose in a given year. In no event would the aggregate amount of the Federal grants exceed $7 million.

The bill contains a recapture provision by which the United States would be entitled to recover from the institution or its successor an amount which bears to the then-value of the facility the same ratio as the amount of Federal grants bore to the total construction cost, if within 20 years after construction either of these two situations occur: if the institution ceases to be a nonprofit enterprise or the facility ceases to be used for educational purposes unless the Secretary determines that there is good cause for releasing the institution from this obligation.

The bill expressly prohibits the use of this facility for religious worship, sectarian activity, or for a department of divinity.

The facility to be constructed with the aid of such grants to be the sole Federal memorial to Herbert Hoover. Since the building would be located on Stanford University land and would be a part of the institution, the Federal Government would have no maintenance responsibility.

The Comptroller General would have access to any papers or records of the institution that are pertinent to any grants made. Further, the institution would be requested to furnish an annual report to the President and the Congress relative to the expenditure of grant funds received.

The Senate bill authorized the grants not to exceed $5 million for these purposes. The Committee on House Administration has endorsed an amendment to increase this authorization to $7 million, to reflect inflation since the Senate bill was drafted more than 2 years ago. The institution has advised that construction could not begin before 15 months after enactment and that total construction costs are expected to exceed $7 million by a substantial amount. Accordingly, the institution has pledged to make up the deficit itself; presumably this can be done with private gifts.

The Hoover Institution was founded by Herbert Hoover in 1919. It has come to to be renowned as an educational and research organization.

Favorable reports on the bill have been received from the Department of the Treasury, the Department of Health, Education, and Welfare, and the Office of Management and Budget. The committee agrees that these Federal grants would make possible a fitting memorial to former President Hoover. While the institution is obviously well established and on sound footing, the bill's matching and recapture provisions will insure maximum private participation and the appropriate use of the facility once constructed.

It is altogether appropriate that President Hoover be memorialized by Federal participation in the construction at the institution which he founded over a half century ago and which has become a renowned international study center. Accordingly, I urge favorable consideration of H.R. 17580.

Mr. FRENZEL. Mr. Speaker, I yield 2 minutes to the able gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Speaker, I am opposed to this bill. I understand it would provide $7 million for seed money, probably for the construction of a building at

Stanford University to bear the name of Herbert Hoover. I am convinced that if Herbert Hoover were alive today, the situation being what it is in this country financially, with inflation eating the eyeballs out of this country, that he would say that this could be postponed to a better day. That is what ought to happen.

Mr. Speaker, I yield back the remainder of my time.

Mr. FRENZEL. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. DELLENBACK).

Mr. DELLENBACK. I thank the gentleman for yielding.

Mr. Speaker, this is the third time this week that the House has discussed memorials to former Presidents. Yesterday, the House approved a $30 million Truman Memorial Scholarship program. Earlier this year another authorization and appropriation was made for Eisenhower College. And today my hope is that we will overwhelmingly approve a memorial for former President Hoover.

Each Member probably has different ideas about what a Presidential memorial should be. Let me briefly share mine:

First. I believe a memorial should ideally represent something unique—a one-of-its-kind—and not something that can be found in any number of places.

Second. I believe a memorial should ideally benefit individuals in some concrete way—and I mean more than something only to be looked at or to take pictures of.

Third. I believe a memorial should ideally contribute to the advancement of our national heritage and culture.

Fourth. I believe a memorial should ideally require only a one-time Federal expenditure—which amount should be reasonable in light of similar memorials—so that the Government is not held responsible for open-ended, recurring financial obligations.

The proposed Hoover memorial qualifies on each of these points. We are proposing to match private funds with Federal dollars to help construction and equip a new educational building at the Hoover Institution on War, Revolution, and Peace.

The Hoover Institution is unique. It was founded in 1919 by Herbert Hoover himself. It has become one of the world's great centers of research on the political, economic, and social problems of man in the 20th century. Over 1¼ million bound volumes, 2,400 journals, and 3,500 archival collections of documents and personal papers are housed in the existing two buildings at the Hoover Institution. Last year, more than 1,100 scholars from 38 States and 27 foreign countries spent a few weeks or months at the institution. It has certainly proven successful in its commitment to carry out Mrs. Hoover's wishes that the work of the institution "promote peace" and "be of benefit to the American people and to mankind." The proposed new structure will allow the Hoover Institution to expand its valuable services to many others.

Mr. Speaker, this proposal has been carefully considered in both Houses. It passed the Senate last year. It will not cost the Federal Government anything this year and probably nothing next year as well. Once construction is underway, Federal dollars will match private contributions, but in no event will the Federal contribution exceed a total of $7 million. And that can be appropriated over 5 years. So we are not talking here about a big "budget busting" or "deficit spending" item. It is one of the most reasonable proposals for a Presidential memorial we are likely to see.

In summary, I have heard no substantive argument against this proposal which convinces me that we should either delay or disapprove this proposal. It has the endorsement of the administration and the leadership on both sides of the aisle in the House and in the Senate. It has the full concurrence of the Hoover family. I urge that we give this proposal our overwhelming, bipartisan approval.

Mr. Speaker, I yield back the remainder of my time.

Mr. FRENZEL. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. GUBSER).

Mr. GUBSER. I thank the gentleman for yielding.

This is the season for rejoicing. Christmas is almost here. Adjournment is with us. We will soon be back with our families, and as much as I have enjoyed hearing my stentorian tones echo through this Chamber the last 22 years, this is the last speech my colleagues are going to hear from me.

I want to thank the Speaker. I want to thank the minority leader. I want to thank everybody, the majority, and all the people who worked so diligently for this House, for being so kind to me for 22 years, and for putting up with me. I only ask one last favor: I hope the Members unanimously support the bill before us.

Mr. FRENZEL. Mr. Speaker, I have no further request for time and I yield back the balance of my time.

Mr. NEDZI. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. SYMINGTON).

Mr. SYMINGTON. Mr. Speaker, I thank the gentleman for yielding.

Those who were present during the discussion of the Truman memorial bill will recall the support we received from the other side, particularly from the gentleman from Oregon (Mr. DELLENBACK) and, through his leadership many of his colleagues.

I would like to say that while a vote for this modest sum of money for an educational purpose would not necessarily constitute an endorsement of all of the economic policies of President Hoover, it would certainly reflect on my part at least a tremendous respect for his leadership of the American Relief Commission during World War I and shortly following the war in bringing food and clothing to millions of people in Europe—and for that matter, Russia. During my tenure in the food for peace program of the 1960's, I studied his achievement, and it was remarkable.

I believe he actually set the pace for the kind of organized effort the world is going to have to mount today, given the spectre of hunger that stalks humanity.

I think in recognition of this, as well as of the interest and support demonstrated by so many of our friends on the other side of the aisle for President Truman's memorial we can wholeheartedly reciprocate by voting affirmatively on this bill.

Mr. NEDZI. Mr. Speaker, I have no further request for time.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. NEDZI) that the House suspend the rules and pass the bill H.R. 17580.

The question was taken.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER. If the gentleman from Iowa will look around the room, he will see that a quorum is present.

Mr. GROSS. Mr. Speaker, I am going to do it anyway.

Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order a quorum is not present.

I suggest the Speaker look around.

The SPEAKER. The Chair will count.

Two hundred twenty-four Members are present, a quorum.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor be discharged from further consideration of the Senate bill (S. 1418) to recognize the 50 years of extraordinary and selfless public service of Herbert Hoover, including his many great humanitarian endeavors, his chairmanship of two commissions of the organization of the executive branch, and his service as 31st President of the United States, and in commemoration of the 100th anniversary of his birth on August 10, 1974, by providing grants to the Hoover Institution on War, Revolution, and Peace.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1418

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in order to establish an appropriate memorial to the late President Herbert Hoover, the Secretary of the Treasury (hereinafter referred to as the "Secretary") is authorized to make grants, in accordance with the provisions of this Act, to the Hoover Institution on War, Revolution, and Peace, Stanford University, Stanford, California.

(b) No grant may be made under this Act for any fiscal year unless—

(1) the Secretary determines that the total of such grants for that year will not exceed the total amount of gifts, bequests, and devises of money, securities, and other property, made after the date of enactment of this Act, for that year for the benefit of the

Hoover Institution on War, Revolution, and Peace; and

(2) the Hoover Institution on War, Revolution, and Peace furnishes to the Secretary such information at such times and in such manner as he may require.

(c) Grants made under this Act may be used for the construction of a new educational building to be used by the Hoover Institution on War, Revolution, and Peace, and for the equipment of such building.

SEC. 2. (a) The Congress finds that, if a facility constructed with the aid of any grant under this Act is used as an educational facility for twenty years following completion of such construction, the public benefit accruing to the United States from such use will equal in value the amount of such grant or grants. The period of twenty years after completion of such construction shall, therefore, be deemed to be the period of Federal interest in such facility for the purposes of this Act.

(b) If, within twenty years after completion of construction of an educational facility which has been constructed in part with a grant or grants under this Act—

(1) the Hoover Institution on War, Revolution, and Peace (or its successor in title or possession) ceases or fails to be a nonprofit institution, or

(2) the facility ceases to be used as an educational facility, unless the Secretary determines that there is good cause for releasing the institution from its obligation,

the United States shall be entitled to recover from such Institution (or successor) an amount which bears to the then value of the facility the same ratio as the amount of such Federal grant or grants bore to the development cost of the facility (as determined by the Secretary) financed with the aid of such grant or grants. Such value shall be determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated.

(c) Notwithstanding the provisions of subsections (a) and (b), no facility constructed with assistance under this Act shall ever be used for religious worship or a sectarian activity or for a school or department of divinity.

SEC. 3. The Comptroller General of the United States, or any of his duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the Hoover Institution on War, Revolution, and Peace that are pertinent to the grant received.

SEC. 4. The Hoover Institution on War, Revolution, and Peace shall, annually, prepare and furnish to the President and the Congress a report on the expenditure of funds received by the Institution in the previous fiscal year during the period for which grants are made under this Act.

SEC. 5. There are authorized to be appropriated to the Secretary for making grants in accordance with this Act amounts not to exceed $5,000,000. Funds appropriated pursuant to this Act shall be available without fiscal year limitation, for the period beginning on the date of enactment of this Act and ending five years after such date.

SEC. 6. Grants made pursuant to this Act shall be the sole Federal memorial to the late President Herbert Hoover.

MOTION OFFERED BY MR. NEDZI

Mr. NEDZI. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NEDZI moves to strike out all after the enacting clause of S. 1418 and insert in lieu thereof the provisions of H.R. 17580, as passed.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "To recognize the 50 years of extraordinary and selfless public service of Herbert Hoover, including his many great humanitarian endeavors, his chairmanship of two Commissions of the Organization of the Executive Branch, and his service as 31st President of the United States, and in commemoration of the 100th anniversary of his birth on August 10, 1974, by providing grants to the Hoover Institution on War, Revolution, and Peace."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 17580) was laid on the table.

AMENDING TITLE 18 OF THE UNITED STATES CODE CONCERNING LOTTERIES

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1492 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1492

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6668) to amend title 18 of the United States Code to permit the transportation, mailing, and broadcasting of advertising, information, and materials concerning lotteries authorized by law and conducted by a State, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from California (Mr. SISK) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1492 provides for a open rule with 1 hour of general debate on H.R. 6668, a bill to amend title 18 of the United States Code to permit the transportation, mailing, and broadcasting of advertising, information, and materials concerning lotteries authorized by law and conducted by a State.

H.R. 6668 permits the broadcasting of advertising, lists of prizes, or information concerning a State-conducted lottery by a radio or television station licensed to operate in a State conducting a lottery under the authority of State law. The bill also permits the mailing of newspapers published in the State containing advertisements, lists of prizes, or information concerning a State-conducted lottery and permits the transportation or mailing of tickets and other materials concerning a State-conducted lottery within the State to addresses within the State.

Mr. Speaker, I urge the adoption of House Resolution 1492 in order that we may discuss and debate H.R. 6668.

Mr. LATTA. Mr. Speaker, I support this rule.

As previously explained, House Resolution 1492 provides for 1 hour of general debate on H.R. 6668—the State lotteries bill, and that the bill will be open to all germane amendments.

The purpose of H.R. 6668 is to amend existing law to permit the broadcasting of advertising, lists of prizes, or information concerning a State-conducted lottery, by radio or TV station licensed to a location in a State conducting a lottery under State law. The bill would also allow the mailing of newspapers published in the State containing advertisements, lists of prizes, or information concerning a State-conducted lottery. Also permitted is transportation or mailing of tickets and other material concerning a State lottery within the State to addresses within the State.

At present, there are 13 States which have State lotteries. They are Connecticut, Delaware, Illinois, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, and Rhode Island. Twenty-five States have authorized lotteries conducted by someone other than a State government. They are: Arizona, Colorado, Delaware, Florida, Illinois, Iowa, Louisiana, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Montana, Nebraska, New Hampshire, New Jersey, Ohio, Oklahoma, Oregon, South Dakota, Tennessee, Virginia, Washington, and Wisconsin. At least 11 of these States have a licensing requirement.

The committee report states that it is not possible to predict what impact or change these provisions will have in terms of cost to the Government.

Mr. Speaker, I have no requests for time.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 17409, REDUCING CRIME BY SPEEDY TRIALS

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1494 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1494

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 17409) to assist in reducing crime and the danger of recidivism by requiring speedy trials and by strengthening the supervision over persons released pending trial, and for

other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 17409, the Committee on the Judiciary shall be discharged from the further consideration of the bill S. 754, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 17409 as passed by the House.

The SPEAKER. The gentleman from Florida is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1494 provides for an open rule with 1 hour of general debate on H.R. 17409, the Speedy Trial Act of 1974.

House Resolution 1494 provides that the bill shall be read for amendment under the 5-minute rule by titles instead of by sections. House Resolution 1494 also provides that after the passage of House Resolution 17409, the Committee on the Judiciary shall be discharged from the further consideration of the bill S. 754, and it shall then be in order in the House to move to strike out all after the enacting clause of S. 754 and insert in lieu thereof the provisions contained in House Resolution 17409 as passed by the House.

House Resolution 17409 provides that all defendants charged with criminal offenses be brought to trial within 100 days of arrest or service of a summons, subject to certain exclusions for necessary delay. The time limits are divided into three segments; the period between arrest and filing of an indictment or information would be 30 days, the period between indictment and arraignment, 10 days, and the period between arraignment and trial, 60 days. These time standards do not become effective until the fifth year after enactment and an intervening 4-year, phase-in period is provided in order to give the courts adequate time to increase their resources and to determine how best to alleviate problems in each district.

H.R. 17409 creates, on a demonstration basis in 10 judicial districts, pretrial service agencies to supervise, control, and provide supportive services for defendants released on bail. The Chief Justice of the United States will choose the 10 districts. At the direction of the court in the 10 districts, the agencies are to collect and verify information pertaining to eligibility of defendants for release, supervision, and control of released persons. All information collected by the agencies is to be used for the determination of bail.

H.R. 17409 provides that, in the interests of a speedy trial, no continuance shall be granted for reasons of general court congestion, or lack of diligent preparation, or failure to obtain available witnesses on the part of the attorney for the Government.

Mr. Speaker, passage of this bill will implement and revitalize the sixth amendment right to a speedy trial. I urge the adoption of House Resolution 1494 in order that we may discuss, debate, and pass H.R. 17409.

Mr. Speaker, this legislation is recommended by the House Select Committee on Crime. After extensive hearings, it was unanimously reported out by the distinguished gentleman from Michigan (Mr. CONYERS) and his subcommittee, and by the Judiciary Committee.

It is very meritorious legislation. I am sure the House would want to adopt it, and I urge adoption of the rule so that the House can debate and, I hope, adopt this speedy trial bill brought out by the Judiciary Committee.

Mr. LATTA. Mr. Speaker, I would like to point out to the House the need for a change in our rules. I think we ought to do away with glorified titles of legislation and designate them by numbers only, because once again we not only have a bill mistitled, but I think it is misleading.

I think we ought to take a look at it before we act on it, because instead of calling this the Speedy Trial Act of 1974, it probably should be referred to as the "Let the Criminal Go Act of 1974."

What are we talking about in this legislation? We are talking about letting criminals go who are not brought to trial within a period of 100 days, with prejudice—with prejudice. That means we cannot retry them. I do not think the American people want this type of legislation. They do not want these criminals out in society to redo their crimes. To call this a Speedy Trial Act of 1974, I think, does this House an injustice.

When this legislation comes up, I certainly hope, and I have heard some rumors to the effect that an amendment will be adopted which will provide that if we let these criminals go, they are going to go without prejudice, meaning that they can be retried.

I also hasten to state that the Attorney General of the United States is opposed to this legislation.

He submitted a letter dated December 9, 1974, that I am going to submit for the RECORD so that the Members can read it in its entirety. He is the chief legal officer of the United States, and he is opposed to this legislation.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., December 9, 1974.

HON. RAY J. MADDEN,
Chairman, Committee on Rules, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I would like to express to you the strenuous and urgent opposition of the Department of Justice to H.R. 17409, the "Speedy Trial Act of 1974." As you know, the Senate version of this bill (S. 754) passed the Senate on July 29, 1974, and the House Judiciary Committee favorably reported out an amended version, H.R. 17409, on November 27, 1974.

The Department of Justice has supported and will continue to support all meaningful proposals to achieve speedy justice. We have, however, opposed both S. 754 and H.R. 17409 because of this Department's sincere apprehension over the potential adverse impact of this legislation on the criminal justice system. I urge the Rules Committee to consider the following reasons for our opposition to the legislation:

(1) Under Rule 50(b) of the Federal Rules of Criminal Procedure all district courts now have "speedy trial" plans including rules relating to time limits within which procedures prior to trial, the trial itself, and sentencing must take place. According to the Administrative Office of U.S. Courts, Rule 50(b) is working.

(2) Mandatory dismissal of criminal cases not tried within 60 days can only serve to injure the public by releasing persons charged with crime without an adjudication. This injures the public not only because the persons may pose a danger to the public welfare, but also because it undermines the public's confidence in the criminal justice system to see persons charged with crimes released without trial.

(3) There are no provisions in the bill for additional judges, prosecutors or public defenders. No new judgeships have been created in more than four years although the Judicial Conference in September of 1972 recommended the creation of 51 judgeship positions in 32 separate districts.

(4) The bill, because of its complicated structure and vague terminology (e.g., "complex cases," "ends of justice") will result in numerous interpretation hearings and appeals, further clogging the courts.

(5) Short time limits in the bill and the burdens placed upon the Government to justify continuances of the time limits will discourage U.S. Attorneys from bringing complicated cases—white collar criminals may go uncharged and the tendency will be to prosecute only the most serious crimes.

(6) Our system of criminal justice presently depends on the guilty pleas. Under this bill, criminals who would ordinarily plead guilty may insist on jury trial to take advantage of the automatic dismissal after sixty days. The system would be overwhelmed and wholesale dismissals would follow.

Although we continue to oppose this bill, we support the following amendments:

(1) Amendment to delete the provisions making dismissal under the bill a bar to further prosecutions. Deletion of this language would still result in dismissal of cases for failure to meet time limits but would permit charges to be brought under a new information or indictment. Under this amendment a judge could still dismiss with prejudice for denial of Sixth Amendment rights to speedy trial or dismiss with prejudice where he believes circumstances warrant a dismissal.

(2) Amendments adding thirty days to the time permitted between arrest and indictment and between arraignment and the beginning of trial. The shorter time limits now in the bill are unreasonably short and could result in an undue number of dismissals. The longer time limits would still allow less than six months total time for the processing of a case, excluding allowable delays now provided for in the bill.

(3) Amendment establishing a "Readiness Rule" whereby dismissal will occur where undue delay is attributable to the federal prosecutor. The prosecutor would be required

to be ready for trial within sixty days of arraignment of the defendant; if the government is not ready, a day certain would be set for trial and the case would be dismissed if the government was not ready at that time. This rule is already working in the 2nd Circuit.

The House version differs in material respects from the Senate version. Most notably, H.R. 17409 provides for the dismissal of cases with prejudice for failure to meet the time limits for indictment or for trial of defendants, this sanction to be in effect after the fourth year following enactment. S. 754 has no prejudicial dismissal provision but rather provides for a seven year phase in period, with dismissal without prejudice after the fourth year and a dismissal without prejudice with a special burden on the government for reprosecution after the sixth year following enactment. The House version contains a "Judicial Emergency" section (Section 3174) whereby time limits between indictment and trial may be suspended for one year in the event of an emergency, whereas the Senate version has no such provision. The Senate version contains a provision establishing appropriated pilot planning districts which has been deleted in the House version. Other differences between the two bills concern time periods for filing indictments, planning process administration, and pretrial service administration.

The Department of Justice recently invited comments from U.S. Attorneys on S. 754, the Senate-passed version of the Speedy Trial Act of 1974. Responses were received from all 94 districts and the U.S. Attorneys unanimously expressed their opposition to enactment. I am enclosing a copy of their comments.

I believe this matter should be deferred until the next Congress when time and circumstances will permit an orderly resolution of these most important issues. Thank you for your consideration.

Sincerely,

WM. B. SAXBE,
Attorney General.

This just is not another piece of legislation to be hurriedly passed in the closing days of this session. Your wife, your sister, your child, or even you, may be subjected to the horrors which might come about by the passage of this legislation called the Speedy Trial Act of 1974.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I will be happy to yield to my friend from Iowa.

Mr. GROSS. Mr. Speaker, the gentleman is making an excellent statement.

CALL OF THE HOUSE

Mr. GROSS. I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Without objection, a call of the House is ordered.

There was no objection.

The call was taken by electronic device, and the following Members failed to respond.

[Roll No. 718]

Adams	Bingham	Burton, Phillip
Alexander	Blackburn	Camp
Andrews, N.C.	Brademas	Carey, N.Y.
Archer	Brasco	Cederberg
Ashley	Broomfield	Chamberlain
Badillo	Brotzman	Chappell
Beard	Brown, Mich.	Clark
Biaggi	Broyhill, Va.	Clay
Collier	Johnson, Colo.	Rees
Collins, Ill.	Johnson, Pa.	Reid
Cotter	Jones, Ala.	Riegle
Crane	Jones, N.C.	Roncallo, N.Y.
Culver	Jones, Okla.	Rooney, N.Y.
Daniels, Dominick V.	Karth	Rose
	Kastenmeier	Rosenthal
Davis, Ga.	King	Ruppe
Davis, Wis.	Kluczynski	Ruth
Dellums	Kuykendall	Ryan
Dent	Kyros	St Germain
Derwinski	Landgrebe	Sandman
Dickinson	Landrum	Satterfield
Diggs	Lehman	Scherle
Drinan	Lent	Schroeder
Dulski	Long, La.	Shipley
Edwards, Calif.	Lujan	Shoup
Eilberg	Luken	Sikes
Erlenborn	McEwen	Smith, N.Y.
Esch	McKinney	Staggers
Eshleman	McSpadden	Stanton, James V.
Evins, Tenn.	Macdonald	
Fascell	Madigan	Stark
Flowers	Maraziti	Steele
Flynt	Martin, Nebr.	Steelman
Ford	Martin, N.C.	Steiger, Ariz.
Forsythe	Mathias, Calif.	Stephens
Fountain	Mayne	Stuckey
Frey	Melcher	Sullivan
Fulton	Mills	Talcott
Gettys	Minshall, Ohio	Thompson, N.J.
Goldwater	Moakley	Thomson, Wis.
Grasso	Montgomery	Tiernan
Griffiths	Moorhead, Pa.	Traxler
Grover	Morgan	Veysey
Gubser	Mosher	Walsh
Haley	Moss	Whitehurst
Hanna	Murphy, N.Y.	Widnall
Hansen, Idaho	Nelsen	Wilson, Bob
Hansen, Wash.	Nichols	Wilson, Charles H., Calif.
Harrington	Nix	
Hastings	O'Brien	
Hawkins	O'Hara	Wilson, Charles, Tex.
Hays	Owens	
Hébert	Parris	Winn
Heckler, Mass.	Pickle	Wright
Hillis	Podell	Wyatt
Holifield	Powell, Ohio	Wydler
Horton	Price, Tex.	Wyman
Howard	Railsback	Young, Fla.
Huber	Rangel	Zwach
Jarman	Rarick	

The SPEAKER. On this rollcall 260 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PROVIDING FOR THE CONSIDERATION OF H.R. 17409, REDUCING CRIME BY SPEEDY TRIALS

The SPEAKER. The Chair recognizes the gentleman from Florida (Mr. PEPPER).

Mr. PEPPER. Mr. Speaker, I would inquire has the gentleman from Ohio (Mr. LATTA) concluded?

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, I merely wish to point out to the Members of the House before they vote on the rule on this very important matter that it is an open rule. With respect to the letter which my friend and colleague, the gentleman from Ohio read from, signed by the Attorney General, Mr. Saxbe, objecting to this legislation, he stated that—

The Department of Justice supports an amendment to Section 3162 of H.R. 17409 deleting the bar to further prosecution following dismissal under that section.

He then went on to say:

Adoption of this amendment by the Congress would resolve the most significant difficulty in this legislation, and would enable the Department to effectively administer the provisions of H.R. 17409.

I merely wish to advise the Members of the House that the gentleman from Maine, a member of the Committee on the Judiciary, is prepared to offer an amendment that in effect would give the trial judge discretion to dismiss one of these cases either with or without prejudice, thereby, it seems to me, curing the principal objection set forth in the letter by the Attorney General. I think it is important that the House should have that information. I hope the Members will support the adoption of the resolution.

Mr. PEPPER. Mr. Speaker, I am told that the committee will accept the amendment, although the gentleman from California or others may wish to comment on that.

Mr. DENNIS. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I will be glad to yield to the gentleman from Indiana.

Mr. DENNIS. Mr. Speaker, it is my understanding from talking to the authors of the bill that the only objection is that on the adoption of the rule that further debate on the bill and opportunity for amendment will be deferred until tomorrow.

Am I correctly advised on that, if the gentleman knows?

Mr. LATTA. As far as I know, that is correct.

Mr. DENNIS. Mr. Speaker, if the gentleman will yield still further, the reason I am interested in this is I have an amendment also to present to the bill in addition to that discussed by the gentleman from Illinois. My amendment does not go to the principle of the bill, but it would extend the time limit, and it is offered mostly in the interest, in my judgment, of defendants, and people who are trying to act as attorneys for defendants, and who may have several cases in court, and in my judgment under this bill the time pressure will be so severe that they cannot take care of them.

I want to have ample opportunity to present that amendment tomorrow and discuss it. I am not opposed to the rule as long as that happens.

I thank the gentleman.

Mr. LATTA. I would like to say in response to what the gentleman just said, I am unalterably opposed to this rule unless we have a statement by the author of this bill—I am prepared to yield to him at this time—as to whether he will accept those amendments.

I yield to the gentleman from Michigan.

Mr. CONYERS. I will say to my friend on the Committee on Rules, and more recently on our Committee on the Judiciary, the gentleman from Ohio (Mr. LATTA), that I would hesitate to try to commit myself to an extension of the time period that has been suggested by the gentleman from Indiana. I would like to have, as he indicated, ample time for us to discuss his amendment and examine it. I think it would be improper

for us to try to dispose of that tonight under consideration of the rule.

Mr. LATTA. Let me ask the gentleman specifically on the matter of discussing these indictments with or without prejudice.

Mr. CONYERS. The matter we have gone through numerous times, as the gentleman knows. The American Bar Association has endorsed dismissal with prejudice since 1967, but this subcommittee, because of the pressures that have been raised by the distinguished gentleman and others, is prepared, with some reluctance I must say, to yield to that amendment. We would like to have ample discussion to make clear to the Members what we are doing and why, because since this bill does not take operational effect until 1980, there may be time during the planning provisions of the Speedy Trial Act for us to consider it.

So my answer is, reluctantly, yes, we will accept the amendment.

Mr. LATTA. I thank the gentleman.

Mr. WIGGINS. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from California.

Mr. WIGGINS. I thank the gentleman for yielding.

This bill generated controversy in the committee. It again centered around the dismissal-with-prejudice bit. The bill as reported out with prejudice language requires a dismissal with prejudice if the time limits extended under the bill are not met. If that language remains in the bill, the bill should be defeated, in my opinion. There is agreement on both sides that the dismissal-with-prejudice language will be removed. If that language is in fact removed, as I expect it to be, then perhaps 90 percent of the legitimate objection to the bill will have been resolved and the bill on balance becomes worthy of the Members' support.

In any event, Mr. Speaker, tonight the rule should be adopted, and any reservation in the Members' minds concerning the propriety of a dismissal with or without prejudice should not prevent them from voting affirmatively on the rule. We will resolve that matter tomorrow.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. DEVINE).

Mr. DEVINE. Mr. Speaker, I rise in opposition to the rule on this legislation. The legislation is of such importance that I do not think we should try to get into it during the atmosphere we have when we are trying to wind up the 93d Congress. This is something I think we should have studied consideration on to have proper consideration of amendments.

The Members know the inclination of the courts these days is to become completely preoccupied with the rights of the wrongdoers to the exclusion of the rights of the honest, hard-working, taxpaying citizens of the United States who are the victims of crime. This is another indication of the do-gooders, the bleeding hearts, the hand-wringers, the deep-breathers, showing their concern for the poor, downtrodden, oppressed criminal.

Let us legislate in an atmosphere of calm and quiet emotions, defeat this rule, and get at it in the 94th Congress.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Delaware (Mr. DU PONT).

Mr. DU PONT. Mr. Speaker, did I hear the gentleman from Michigan say this bill will not take effect until 1980?

Mr. CONYERS. If the gentleman will yield, I thank the gentleman for raising that question. They call this the Speedy Trial Act of 1974. In fact, it is the Speedy Trial Act of 1980.

Mr. DU PONT. Will the gentleman tell me, if it is not going to take effect until 1980, why it is so important to pass this legislation at 10 o'clock on the last night of the last session in 1974?

Mr. CONYERS. Because we have been trying to consider a Speedy Trial Act since 1967. It has been examined for 3 years and we are trying to start it off 1 year, as soon as we can, so we will not be waiting until 1981 or 1982 for the Speedy Trial Act.

Mr. DU PONT. I will say with all the majority the gentleman is going to have on his side in the next Congress he ought to be able to get it through then.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Massachusetts.

(Mr. O'NEILL asked and was given permission to speak out of order.)

LEGISLATIVE PROGRAM

Mr. O'NEILL. Mr. Speaker, I ask the gentleman to yield and I ask permission to speak out of order so I may announce the legislative program, and later I will ask unanimous consent that when we adjourn tonight, we adjourn to meet at 9 o'clock tomorrow morning.

This is the legislation which we have remaining, and tomorrow we will have:

H.R. 17409, speedy trials, under an open rule, with 1 hour of debate;

H.R. 10710, the trade bill conference report;

H.R. 17045, the social services conference report;

H.R. 421, upholstery needles conference report;

H.R. 6668, State lotteries, under an open rule, with 1 hour of debate;

H.R. 14449, Office of Economic Opportunity conference report;

H.R. 620, additional Assistant Secretary for Indian Affairs conference report;

H.R. 14791, wild and scenic rivers conference report;

S. 2994, health planning conference report;

H.R. 13296, maritime authorization conference report;

Then we will have under suspensions:

S. 3289, Kaniksu National Forest; and

H.R. 17346, historic properties.

Actually that is a very small schedule, and of course we must say we had not anticipated this rule would take as much time or we would not have brought it up.

In view of the fact that the Members want to get off to the Senate, we will take no longer with this.

REQUEST FOR ADJOURNMENT TO 9 O'CLOCK ON FRIDAY, DECEMBER 20

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 9 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

Mr. PEPPER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 221, nays 69, answered "present" 2, not voting 142, as follows:

[Roll No. 719]

YEAS—221

Abzug	Dingell	Latta
Addabbo	Donohue	Leggett
Anderson, Calif.	Dorn	Lent
Anderson, Ill.	Downing	Litton
Andrews, N. Dak.	Drinan	Long, Md.
Annunzio	Duiski	McClory
Ashley	Duncan	McCloskey
Aspin	du Pont	McCormack
Badillo	Eckhardt	McDade
Barrett	Edwards, Ala.	McEwen
Bell	Esch	McFall
Bennett	Findley	McKay
Bergland	Fish	Madden
Bevill	Flood	Mallary
Biester	Flowers	Mann
Boggs	Foley	Matsunaga
Boland	Fraser	Mayne
Bolling	Frenzel	Mazzoli
Bowen	Frey	Meeds
Breaux	Fuqua	Metcalfe
Breckinridge	Gettys	Mezvinsky
Brinkley	Giaimo	Michel
Brooks	Gibbons	Miller
Brotzman	Gilman	Minish
Brown, Calif.	Ginn	Mink
Brown, Mich.	Gonzalez	Mitchell, Md.
Broyhill, N.C.	Gray	Mitchell, N.Y.
Buchanan	Green, Pa.	Mollohan
Burgener	Gubser	Moorhead, Pa.
Burke, Calif.	Gude	Murphy, Ill.
Burke, Mass.	Gunter	Murphy, N.Y.
Carney, Ohio	Guyer	Natcher
Carter	Hamilton	O'Brien
Chamberlain	Hammer-schmidt	O'Neill
Chappell	Hanley	Parris
Chisholm	Hansen, Idaho	Patten
Cleveland	Harsha	Pepper
Cochran	Hastings	Perkins
Cohen	Hechler, W. Va.	Pettis
Collins, Ill.	Heckler, Mass.	Peyser
Collins, Tex.	Heinz	Preyer
Conable	Helstoski	Price, Ill.
Conlan	Hicks	Pritchard
Conte	Hinshaw	Quie
Conyers	Hogan	Railsback
Corman	Holtzman	Randall
Coughlin	Hudnut	Rangel
Daniel, Dan	Hutchinson	Regula
Daniels, Dominick V.	Ichord	Reid
Danielson	Johnson, Calif.	Reuss
Davis, S.C.	Johnson, Colo.	Rhodes
de la Garza	Jones, Tenn.	Rinaldo
Delaney	Jordan	Robison, N.Y.
Dellenback	Karth	Rodino
Denholm	Kastenmeier	Roe
Dennis	Kazen	Rogers
Derwinski	Kemp	Roncalio, Wyo.
	Koch	Rooney, Pa.
	Kyros	Rostenkowski
		Roush

Roy	Steelman	Wampler
Roybal	Steiger, Wis.	Whalen
St Germain	Stephens	White
Sandman	Stokes	Whitehurst
Sarasin	Stubblefield	Wiggins
Sarbanes	Stuckey	Wilson, Bob
Schneebeli	Studds	Wolff
Seiberling	Symington	Wylie
Sikes	Thornton	Yates
Sisk	Towell, Nev.	Yatron
Skubitz	Ullman	Young, Ga.
Slack	Van Deerlin	Young, Ill.
Smith, Iowa	Vander Jagt	Young, Tex.
Stanton, J. William	Vander Veen	Zablocki
Steele	Vigorito	
	Waldie	

NAYS—69

Abdnor	Froehlich	Roberts
Armstrong	Goldwater	Robinson, Va.
Ashbrook	Goodling	Rousselot
Bafalis	Green, Oreg.	Ruth
Baker	Gross	Satterfield
Bauman	Hanrahan	Sebelius
Blackburn	Henderson	Shriver
Bray	Holt	Shuster
Brown, Ohio	Hosmer	Snyder
Burke, Fla.	Hunt	Spence
Burleson, Tex.	Jones, Okla.	Steed
Burlison, Mo.	Ketchum	Stratton
Butler	Lagomarsino	Symms
Byron	Lott	Taylor, Mo.
Casey, Tex.	McCollister	Taylor, N.C.
Clancy	Mahon	Teague
Clawson, Del	Mathis, Ga.	Thone
Crane	Milford	Treen
Cronin	Moorhead, Calif.	Waggonner
Daniel, Robert W., Jr.	Passman	Ware
Devine	Pike	Whitten
Forsythe	Poage	Williams
Fountain	Quillen	Young, S.C.

ANSWERED "PRESENT"—2

Arends	Obey

NOT VOTING—142

Adams	Harrington	Pickle
Alexander	Hawkins	Podell
Andrews, N.C.	Hays	Powell, Ohio
Archer	Hébert	Price, Tex.
Beard	Hillis	Rarick
Biaggi	Holifield	Rees
Bingham	Horton	Riegle
Blatnik	Howard	Roncallo, N.Y.
Brademas	Huber	Rooney, N.Y.
Brasco	Hungate	Rose
Broomfield	Jarman	Rosenthal
Broyhill, Va.	Johnson, Pa.	Runnels
Burton, John	Jones, Ala.	Ruppe
Burton, Phillip	Jones, N.C.	Ryan
Camp	King	Scherle
Carey, N.Y.	Kluczynski	Schroeder
Cederberg	Kuykendall	Shipley
Clark	Landgrebe	Shoup
Clausen, Don H.	Landrum	Smith, N.Y.
Clay	Lehman	Staggers
Collier	Long, La.	Stanton, James V.
Cotter	Lujan	Stark
Culver	Luken	Steiger, Ariz.
Davis, Ga.	McKinney	Sullivan
Davis, Wis.	McSpadden	Talcott
Dellums	Macdonald	Thompson, N.J.
Dent	Madigan	Thomson, Wis.
Dickinson	Maraziti	Tiernan
Diggs	Martin, Nebr.	Traxler
Edwards, Calif.	Martin, N.C.	Udall
Eilberg	Mathias, Calif.	Vanik
Erlenborn	Melcher	Veysey
Eshleman	Mills	Walsh
Evans, Colo.	Minshall, Ohio	Widnall
Evins, Tenn.	Mizell	Wilson, Charles H., Calif.
Fascell	Moakley	Wilson, Charles, Tex.
Fisher	Montgomery	Winn
Flynt	Morgan	Wright
Ford	Mosher	Wyatt
Frelinghuysen	Moss	Wydler
Fulton	Murtha	Wyman
Gaydos	Myers	Young, Alaska
Grasso	Nedzi	Young, Fla.
Griffiths	Nelsen	Zion
Grover	Nichols	Zwach
Haley	Nix	
Hanna	O'Hara	
Hansen, Wash.	Owens	
	Patman	

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Hays with Mr. Blatnik.
Mr. Hébert with Mr. Carey of New York.
Mr. Shipley with Mr. Culver.
Mr. Howard with Mr. Davis of Georgia.
Mr. Macdonald with Mr. Fisher.
Mr. Thompson of New Jersey with Mrs. Griffiths.
Mr. Cotton with Mr. Hanna.
Mr. Hawkins with Mrs. Grasso.
Mr. Phillip Burton with Mr. Holifield.
Mr. Kluczynski with Mr. Luken.
Mr. Rooney of New York with Mr. Madigan.
Mr. John L. Burton with Mr. Landgrebe.
Mr. Rees with Mr. King.
Mr. Morgan with Mr. Huber.
Mr. Dent with Mr. Davis of Wisconsin.
Mr. Hungate with Mr. Collier.
Mr. Bingham with Mr. Frelinghuysen.
Mr. Biaggi with Mr. Broomfield.
Mr. Adams with Mr. Grover.
Mr. Dellums with Mr. Clark.
Mr. Clay with Mrs. Hansen of Washington.
Mr. O'Hara with Mr. Hillis.
Mr. Nichols with Mr. Broyhill of Virginia.
Mr. Diggs with Mr. Owens.
Mr. Moakley with Mr. Eshleman.
Mr. Alexander with Mr. Camp.
Mr. Nix with Mr. Maraziti.
Mr. Jarman with Mr. Beard.
Mr. Montgomery with Mr. Horton.
Mr. James V. Stanton with Mr. Dickinson.
Mrs. Sullivan with Mr. Cederberg.
Mr. Moss with Mr. Johnson of Pennsylvania.
Mr. Charles H. Wilson of California with Mr. Kuykendall.
Mr. Wright with Mr. Don H. Clausen.
Mr. Traxler with Mr. Lujan.
Mr. Stark with Mr. Erlenborn.
Mr. Runnels with Mr. McKinney.
Mr. Pickle with Mr. Shoup.
Mr. Edwards of California with Mr. Minshall of Ohio.
Mr. Riegle with Mr. Mathias of California.
Mr. Eilberg with Mr. Roncallo of New York.
Mr. Fascell with Mr. Steiger of Arizona.
Mr. Evins of Tennessee with Mr. Wydler.
Mr. Flynt with Mr. Thomson of Wisconsin.
Mr. Ford with Mr. Price of Texas.
Mr. Gaydos with Mr. Nelsen.
Mr. Haley with Mr. Martin of North Carolina.
Mr. Harrington with Mr. Young of Florida.
Mr. Rose with Mr. Scherle.
Mr. Rosenthal with Mr. Mosher.
Mr. Jones of Alabama with Mr. Zwach.
Mr. Ryan with Mr. Veysey.
Mr. Staggers with Mr. Ruppe.
Mr. Jones of North Carolina with Mr. Martin of Nebraska.
Mr. Landrum with Mr. Talcott.
Mr. Udall with Mr. Smith of New York.
Mr. Vanik with Mr. Archer.
Mr. Long of Louisiana with Mr. Myers.
Mr. Lehman with Mr. Mizell.
Mr. Murtha with Mr. Powell of Ohio.
Mr. Charles Wilson of Texas with Mr. Walsh.
Mrs. Schroeder with Mr. Zion.
Mr. Brademas with Mr. Wyatt.
Mr. Evans of Colorado with Mr. McSpadden.
Mr. Fulton with Mr. Patman.
Mr. Melcher with Mr. Mills.
Mr. Nedzi with Mr. Tiernan.
Mr. Winn with Mr. Wyman.
Mr. Young of Alaska with Mr. Widnall.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 17045, SOCIAL SERVICES AMENDMENTS OF 1974

Mr. ULLMAN submitted the following conference report and statement on the bill (H.R. 17045) to amend the Social Security Act to establish a consolidated program of Federal financial assistance to encourage provision of services by the States:

CONFERENCE REPORT (H. REPT. No. 93-1643)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 17045) to amend the Social Security Act to establish a consolidated program of Federal financial assistance to encourage provision of services by the States, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Social Services Amendments of 1974".

PART A—SOCIAL SERVICES AMENDMENTS

SEC. 2. The Social Security Act is amended by inserting at the end thereof the following new title:

"TITLE XX—GRANTS TO STATES FOR SERVICES

"APPROPRIATION AUTHORIZED

"SEC. 2001. For the purpose of encouraging each State, as far as practicable under the conditions in that State, to furnish services directed at the goal of—

"(1) achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency,

"(2) achieving or maintaining self-sufficiency, including reduction or prevention of dependency,

"(3) preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating, or reuniting families,

"(4) preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care, or

"(5) securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions,

there is authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this title. The sums made available under this section shall be used for making payments to States under section 2002.

"PAYMENTS TO STATES

"SEC. 2002. (a) (1) From the sums appropriated therefor, the Secretary shall, subject to the provisions of this section and section 2003, pay to each State, for each quarter, an amount equal to 90 per centum of the total expenditures during that quarter for the provision of family planning services and 75 per centum of the total expenditures during that quarter for the provision of other services directed at the goal of—

"(A) achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency,

"(B) achieving or maintaining self-sufficiency, including reduction or prevention of dependency,

"(C) preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating, or reuniting families,

"(D) preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care, or

"(E) securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions,

including expenditures for administration (including planning and evaluation) and

personnel training and retraining directly related to the provision of those services (including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions). Services that are directed at these goals include, but are not limited to, child care services, protective services for children and adults, services for children and adults in foster care, services related to the management and maintenance of the home, day care services for adults, transportation services, training and related services, employment services, information, referral, and counseling services, the preparation and delivery of meals, health support services, and appropriate combinations of services designed to meet the special needs of children, the aged, the mentally retarded, the blind, the emotionally disturbed, the physically handicapped, and alcoholics and drug addicts.

"(2) (A) No payment with respect to any expenditures other than expenditures for personnel training or retraining directly related to the provision of services may be made under this section to any State for any fiscal year in excess of an amount which bears the same ratio to $2,500,000,000 as the population of that State bears to the population of the fifty States and the District of Columbia. The Secretary shall promulgate the limitation applicable to each State for each fiscal year under this paragraph prior to the first day of the third month of the preceding fiscal year, as determined on the basis of the most recent satisfactory data available from the Department of Commerce.

"(B) Each State with respect to which a limitation is promulgated under subparagraph (A) for any fiscal year shall, at the earliest practicable date after the commencement of such fiscal year (and in accordance with regulations prescribed by the Secretary), certify to the Secretary whether the amount of its limitation is greater or less than the amount needed by the State, for uses to which the limitation applies, for such fiscal year and, if so, the amount by which the amount of such limitation is greater or less than such need.

"(C) If any State certifies, in accordance with subparagraph (B), that the amount of its limitation for any fiscal year is greater than its need for such year, then the amount of the limitation of such State for such year shall be reduced by the excess of its limitation amount over its need, and the amount of such reduction shall be available for allotment as provided in subparagraph (D).

"(D) Of the amounts made available, pursuant to subparagraph (C), for allotment for any fiscal year, the Secretary (i) shall allot to the jurisdiction of Puerto Rico $15,000,000, to the jurisdiction of Guam $500,000, and to the jurisdiction of the Virgin Islands $500,000, which shall be available to each such jurisdiction in addition to amounts available under section 1108 for purposes of matching the expenditures of such jurisdictions for services pursuant to sections 3(a)(4) and (5), 403(a)(3), 1003(a)(3) and (4), 1403(a)(3) and (4), and 1603(a)(4) and (5): *Provided*, That if the amounts made available, pursuant to subparagraph (C), are insufficient to meet the requirements of this clause, then such amounts as are available shall be allotted to each of the three jurisdictions in proportion to their respective populations.

"(3) No payment may be made under this section to any State with respect to any expenditure for the provision of any service to any individual unless—

"(A) the State's services program planning meets the requirements of section 2004, and

"(B) the final comprehensive annual services plan in effect when the service is provided to the individual includes the provision of that service to a category of individuals which includes that individual in the descriptions required by section 2004(2) (B) and (C) of the services to be provided under the plan and the categories of individuals to whom the services are to be provided.

The Secretary may not deny payment under this section to any State with respect to any expenditure on the ground that it is not an expenditure for the provision of a service or is not an expenditure for the provision of a service directed at a goal described in paragraph (1) of this subsection.

"(4) So much of the aggregate expenditures with respect to which payment is made under this section to any State for any fiscal year as equals 50 per centum of the payment made under this section to the State for that fiscal year must be expended for the provision of services to individuals—

"(A) who are receiving aid under the plan of the State approved under part A of title IV or who are eligible to receive such aid, or

"(B) whose needs are taken into account in determining the needs of an individual who is receiving aid under the plan of the State approved under part A of title IV, or who are eligible to have their needs taken into account in determining the needs of an individual who is receiving or is eligible to receive such aid, or

"(C) with respect to whom supplemental security income benefits under title XVI or State supplementary payments, as defined in section 2007(1), are being paid, or who are eligible to have such benefits or payments paid with respect to them, or

"(D) whose income and resources are taken into account in determining the amount of supplemental security income benefits or State supplementary payments, as defined in section 2007(1), being paid with respect to an individual, or whose income and resources would be taken into account in determining the amount of such benefits or payments to be paid with respect to an individual who is eligible to have such benefits or payments paid with respect to him, or

"(E) who are eligible for medical assistance under the plan of the State approved under title XIX.

"(5) No payment may be made under this section to any State with respect to any expenditure for the provision of any service to any individual—

"(A) who is receiving, or whose needs are taken into account in determining the needs of an individual who is receiving, aid under the plan of the State approved under part A of title IV, or with respect to whom supplemental security income benefits under title XVI or State supplementary payments, as defined in section 2007(1) are being paid, or

"(B) who is a member of a family the monthly gross income of which is less than the lower of—

"(i) 80 per centum of the median income of a family of four in the State, or

"(ii) the median income of a family of four in the fifty States and the District of Columbia,,

adjusted, in accordance with regulations prescribed by the Secretary, to take into account the size of the family,

if any fee or other charge (other than a voluntary contribution) imposed on the individual for the provision of that service is not consistent with such requirements (including requirements prohibiting the imposition of any such fee or charge) as the Secretary shall prescribe.

"(6) No payment may be made under this section to any State with respect to any expenditure for the provision of any service, other than an information or referral service or a service directed at the goal of preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, to any individual who is not an individual described in paragraph (5), and—

"(A) who is a member of a family the monthly gross income of which exceeds 115 per centum of the median income of a family of four in the State, adjusted, in accordance with regulations prescribed by the Secretary, to take into account the size of the family, or

"(B) who is a member of a family the monthly gross income of which—

"(i) exceeds the lower of—

"(I) 80 per centum of the median income of a family of four in the State, or

"(II) the median income of a family of four in the fifty States and the District of Columbia,

adjusted, in accordance with regulations prescribed by the Secretary, to take into account the size of the family, and

"(ii) does not exceed 115 per centum of the median income of a family of four in the State, adjusted, in accordance with regulations prescribed by the Secretary, to take into account the size of the family,

unless a fee or other charge reasonably related to income is imposed on the individual for the provision of the service.

The Secretary shall promulgate the median income of a family of four in each State and the fifty States and the District of Columbia applicable to payments with respect to expenditures in each fiscal year prior to the first day of the third month of the preceding fiscal year.

"(7) No payment may be made under this section to any State with respect to any expenditure—

"(A) for the provision of medical or any other remedial care, other than family planning services, unless it is an integral but subordinate part of a service described in paragraph (1) of this subsection and Federal financial participation with respect to the expenditure is not available under the plan of the State approved under title XIX; or

"(B) for the purchase, construction, or major modification of any land, building or other facility, or fixed equipment; or

"(C) which is in the form of goods or services provided in kind by a private entity; or

"(D) which is made from donated private funds, unless such funds—

"(i) are transferred to the State and are under its administrative control. and

"(ii) are donated to the State without restrictions as to use, other than restrictions as to the services with respect to which the funds are to be used imposed by a donor who is not a sponsor or operator of a program to provide those services, or the geographic area in which the services with respect to which the contribution is used are to be provided, and

"(iii) do not revert to the donor's facility or use if the donor is other than a nonprofit organization; or

"(E) for the provision of room or board (except as provided by paragraph (11)(C)) other than room or board provided for a period of not more than six consecutive months as an integral but subordinate part of a service described in paragraph (1) of this subsection.

"(8) No payment may be made under this section with respect to any expenditure if payment is made with respect to that expenditure under section 403 or 422 of this Act.

"(9)(A) No payment may be made under this section with respect to any expenditure in connection with the provision of any child day care service, unless—

"(i) in the case of care provided in the child's home, the care meets standards established by the State which are reasonably in accord with recommended standards of

national standard-setting organizations concerned with the home care of children, or

"(ii) in the case of care provided outside the child's home, the care meets the Federal interagency day care requirements as approved by the Department of Health, Education, and Welfare and the Office of Economic Opportunity on September 23, 1968; except that (I) subdivision III of such requirements with respect to educational services shall be recommended to the States and not required, and staffing standards for school-age children in day care centers may be revised by the Secretary, (II) the staffing standards imposed with respect to such care in the case of children under age 3 shall conform to regulations prescribed by the Secretary, and (III) the staffing standards imposed with respect to such care in the case of children aged 10 to 14 shall require at least one adult for each 20 children, and in the case of school-aged children under age 10 shall require at least one adult for each 15 children, except as provided in subparagraph (B).

"(B) The Secretary shall submit to the President of the Senate and the Speaker of the House of Representatives, after December 31, 1976, and prior to July 1, 1977, an evaluation of the appropriateness of the requirements imposed by subparagraph (A), together with any recommendations he may have for modification of those requirements. No earlier than ninety days after the submission of that report, the Secretary may, by regulation, make such modifications in the requirements imposed by subparagraph (A) as he determines are appropriate.

"(C) The requirements imposed by this paragraph are in lieu of any requirements that would otherwise be applicable under section 522(d) of the Economic Opportunity Act of 1964 to child day care services with respect to which payment is made under this section.

"(10) No payment may be made under this section with respect to any expenditure for the provision of any educational service which the State makes generally available to its residents without cost and without regard to their income.

"(11) No payment may be made under this section with respect to any expenditure for the provision of any service to any individual living in any hospital, skilled nursing facility, or intermediate care facility (including any such hospital or facility for mental diseases or for the mentally retarded), any prison, or any foster family home except—

"(A) any expenditure for the provision of a service that (i) is provided by other than the hospital, facility, prison, or foster family home in which the individual is living, and (ii) is provided, under the State's program for the provision of the services described in paragraph (1), to individuals who are not living in a hospital, skilled nursing facility, intermediate care facility, prison, or foster family home,

"(B) any expenditure which is for the cost, in addition to the cost of basic foster care, of the provision, by a foster family home, to an individual living in that home, of a service which meets a special need of that individual, as determined under regulations prescribed by the Secretary, and

"(C) any expenditure for the provision of emergency shelter provided to a child, for not in excess of thirty days, as a protective service.

"(12) No payment may be made under this section with respect to any expenditure for the provision of cash payments as a service.

"(13) No payment may be made under this section with respect to any expenditure for the provision of any service to any individual to the extent that the provider of the service or the individual receiving the service is eligible to receive payment under title XVIII with respect to the provision of the service.

"(b)(1) Prior to the beginning of each quarter the Secretary shall estimate the amount to which a State will be entitled under this section for that quarter on the basis of a report filed by the State containing its estimate of the amount to be expended during that quarter with respect to which payment must be made under this section, together with an explanation of the bases for that estimate.

"(2) The Secretary shall then pay to the State, in such installments as he may determine, the amount so estimated, reduced or increased to the extent of any overpayment or underpayment which the Secretary determines was made under this section to the State for any prior quarter and with respect to which adjustment has not already been made under this subsection.

"(3) Upon the making of any estimate by the Secretary under this subsection, any appropriations available for payments under this section shall be deemed obligated.

"PROGRAM REPORTING

"SEC. 2003. (a) Each State which participates in the program established by this title shall make such reports concerning its use of Federal social services funds as the Secretary may by regulation provide."

"(b) Each State which participates in the program established by this title shall assure that the aggregate expenditures from appropriated funds from the State and political subdivisions thereof for the provision of services during each services program year (as established under the requirements of section 2002(a)(3)) with respect to which payment is made under section 2002 is not less than the aggregate expenditures from such appropriated funds for the provision of those services during the fiscal year ending June 30, 1973, or the fiscal year ending June 30, 1974, with respect to which payment was made under the plan of the State approved under title I, VI, X, XIV, or XVI, or part A of title IV, whichever is less, except that the requirements of this subsection shall not apply to any State for any services program year if the payment to the State under section 2002, for each fiscal year any part of which is included in that services program year, with respect to expenditures other than expenditures for personnel training or retraining directly related to the provision of services, equals the allotment of the State for that fiscal year under section 2002(a)(2).

"(c)(1) If the Secretary, after reasonable notice and an opportunity for a hearing to the State, finds that there is a substantial failure to comply with any of the requirements imposed by subsections (a) and (b) of this section, he shall, except as provided in paragraph (2), notify the State that further payments will not be made to the State under section 2002 until he is satisfied that there will no longer be any such failure to comply, and until he is so satisfied he shall make no further payments to the State.

"(2) The Secretary may suspend implementation of any termination of payments under paragraph (1) for such period as he determines appropriate and instead reduce the amount otherwise payable to the State under section 2002 for expenditures during that period by 3 per centum for each of subsections (a) and (b) of this section with respect to which there was a finding of substantial noncompliance and with respect to which he is not yet satisfied that there will no longer be any such failure to comply.

"(d)(1) Each State which participates in the program established by this title shall have a plan applicable to its program for the provision of the services described in section 2002(a)(1) which—

"(A) provides that an opportunity for a fair hearing before the appropriate State agency will be granted to any individual whose claim for any service described in section 2002(a)(1) is denied or is not acted upon with reasonable promptness;

"(B) provides that the use or disclosure of information obtained in connection with administration of the State's program for the provision of the services described in section 2002(a)(1) concerning applicants for and recipients of those services will be restricted to purposes directly connected with the administration of that program, the plan of the State approved under part A of title IV, the plan of the State developed under part B of that title, the supplemental security income program established by title XVI, or the plan of the State approved under title XIX;

"(C) provides for the designation, by the chief executive officer of the State or as otherwise provided by the laws of the State, of an appropriate agency which will administer or supervise the administration of the State's program for the provision of the services described in section 2002(a)(1);

"(D) provides that the State will, in the administration of its program for the provision of the services described in section 2002(a)(1), use such methods relating to the establishment and maintenance of personnel standards on a merit basis as are found by the Secretary to be necessary for the proper and efficient operation of the program, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, or compensation of any individual employed in accordance with such methods;

"(E) provides that no durational residency or citizenship requirement will be imposed as a condition to participation in the program of the State for the provision of the services described in section 2002(a)(1);

"(F) provides, if the State program for the provision of the services described in section 2002(a)(1) includes services to individuals living in institutions or foster homes, for the establishment or designation of a State authority or authorities which shall be responsible for establishing and maintaining standards for such institutions or homes which are reasonably in accord with recommended standards of national organizations concerned with standards for such institutions or homes, including standards related to admissions policies, safety, sanitation, and protection of civil rights;

"(G) provides, if the State program for the provision of the services described in section 2002(a)(1) includes child day care services, for the establishment or designation of a State authority or authorities which shall be responsible for establishing and maintaining standards for such services which are reasonably in accord with recommended standards of national organizations concerned with standards for such services, including standards related to admission policies for facilities providing such services, safety, sanitation, and protection of civil rights;

"(H) provides that the State's program for the provision of the services described in section 2002(a)(1) will be in effect in all political subdivisions of the State; and

"(I) provides for financial participation by the State in the provision of the services described in section 2002(a)(1).

Notwithstanding clause (C), if on December 1, 1974, the State agency which administered or supervised the administration of the portion of the plan of the State for services to the aged, blind, or disabled approved under title VI of this Act which related to blind individuals was different from the agency which administered or supervised the administration of the rest of that plan, the State agency which administered or super-

vised the administration of the portion of the plan of the State for services to the aged, blind, or disabled related to blind individuals may be designated to administer or supervise the administration of the portion of the State's program for the provision of the services described in section 2002(a)(1) related to blind individuals and a separate State agency may be designated to administer or supervise the administration of the rest of the program; and in such case the part of the program which each agency administers, or the administration of which each agency supervises, shall be regarded as a separate program for the provision of the services described in section 2002(a)(1) for purposes of this title. The date selected by the State pursuant to section 2004(1) as the beginning of the services program year for each of the separate programs shall be the same.

"(2) The Secretary shall approve any plan which complies with the provisions of paragraph (1).

"(e)(1) No payment may be made under section 2002 to any State which does not have a plan approved under subsection (g).

"(2) In the case of any State plan which has been approved by the Secretary under subsection (d), if the Secretary, after reasonable notice and an opportunity for a hearing to the State, finds—

"(A) that the plan no longer complies with the provisions of subsection (d)(1), or

"(B) that in the administration of the plan there is a substantial failure to comply with any such provision,

the Secretary shall, except as provided in paragraph (3), notify the State that further payments will not be made to the State under section 2002 until he is satisfied that there will no longer be any such failure to comply, and until he is so satisfied he shall make no further payments to the State.

"(3) The Secretary may suspend implementation of any termination of payments under paragraph (2) for such period as he determines appropriate and instead reduce the amount otherwise payable to the State under section 2002 for expenditures during that period by 3 percent for each clause of subsection (d)(1) with respect to which there is a finding of noncompliance and with respect to which he is not yet satisfied that there will no longer be any such failure to comply.

"SERVICES PROGRAM PLANNING

"SEC. 2004. A State's services program planning meets the requirements of this section if, for the purpose of assuring public participation in the development of the program for the provision of the services described in section 2002(a)(1) within the State—

"(1) the beginning of the fiscal year of either the Federal Government or the State government is established as the beginning of the State's services program year; and

"(2) at least ninety days prior to the beginning of the State's services program year, the chief executive officer of the State, or such other official as the laws of the State provide, publishes and makes generally available (as defined in regulations prescribed by the Secretary after consideration of State laws governing notice of actions by public officials) to the public a proposed comprehensive annual services program plan prepared by the agency designated pursuant to the requirements of section 2003(d)(1)(C) and, unless the laws of the State provide otherwise, approved by the chief executive officer, which sets forth the State's plan for the provision of the services described in section 2002(a)(1) during that year, including—

"(A) the objectives to be achieved under the program,

"(B) the services to be provided under the program, including at least one service directed at at least one of the goals in each of the five categories of goals set forth in section 2002(a)(1) (as determined by the State) and including at least three types of services (selected by the State) for individuals who are recipients of supplemental security income benefits under title XVI and who are in need of such services, together with a definition of those services and a description of their relationship to the objectives to be achieved under the program and the goals described in section 2002(a)(1),

"(C) the categories of individuals to whom those services are to be provided, including any categories based on the income of individuals or their families,

"(D) the geographic areas in which those services are to be provided, and the nature and amount of the services to be provided in each area,

"(E) a description of the planning, evaluation, and reporting activities to be carried out under the program,

"(F) the sources of the resources to be used to carry out the program,

"(G) a description of the organizational structure through which the program will be administered, including the extent to which public and private agencies and volunteers will be utilized in the provision of services,

"(H) a description of how the provision of services under the program will be coordinated with the plan of the State approved under part A of title IV, the plan of the State developed under part B of that title, the supplemental security income program established by title XVI, the plan of the State approved under title XIX, and other programs for the provision of related human services within the State, including the steps taken to assure maximum feasible utilization of services under these programs to meet the needs of the low income population,

"(I) the estimated expenditures under the program, including estimated expenditures with respect to each of the services to be provided, each of the categories of individuals to whom those services are to be provided, and each of the geographic areas in which those services are to be provided, and a comparison between estimated non-Federal expenditures under the program and non-Federal expenditures for the provision of the services described in section 2002(a)(1) in the State during the preceding services program year, and

"(J) a description of the steps taken, or to be taken, to assure that the needs of all residents of, and all geographic areas in, the State were taken into account in the development of the plan; and

"(3) public comment on the proposed plan is accepted for a period of at least forty-five days; and

"(4) at least forty-five days after publication of the proposed plan and prior to the beginning of the State's services program year, the chief executive officer of the State, or such other official as the laws of the State provide, publishes a final comprehensive annual services program plan prepared by the agency designed pursuant to the requirements of section 2003(d)(1)(C) and, unless the laws of the State provide otherwise, approved by the chief executive officer, which sets forth the same information required to be included in the proposed plan, together with an explanation of the differences between the proposed and final plan and the reasons therefor; and

"(5) any amendment to a final comprehensive services program plan is prepared by the agency designated pursuant to section 2003(d)(1)(C), approved by the chief executive officer of the State unless the laws of the State provide otherwise, and published by the chief executive officer of the State, or such other official as the laws of the State provide, as a proposed amendment on which public comment is accepted for a period of at least thirty days, and then prepared by the agency designated pursuant to section 2003(d)(1)(C), approved by the chief executive officer of the State unless the laws of the State provide otherwise, and published by the chief executive officer of the State, or such other official as the laws of the State provide, as a final amendment, together with an explanation of the differences between the proposed and final amendment and the reasons therefor.

"EFFECTIVE DATE OF REGULATIONS PUBLISHED BY THE SECRETARY

"SEC. 2005. No final regulation published by the Secretary under this title shall be effective with respect to payments under section 2002 for expenditures during any quarter commencing before the beginning of the first services program year established by the State under the requirements of section 2002(a)(3) which begins at least sixty days after the publication of the final regulation.

"EVALUATION; PROGRAM ASSISTANCE

"SEC. 2006. (a) The Secretary shall provide for the continuing evaluation of State programs for the provision of the services described in section 2002(a)(1).

"(b) The Secretary shall make available to the States assistance with respect to the content of their services program, and their services program planning, reporting, administration, and evaluation.

"(c) Within six months after the close of each fiscal year, the Secretary shall submit to the Congress a report on the operation of the program established by this title during that year, including—

"(1) the evaluations carried out under subsection (a) and the results obtained therefrom, and

"(2) the assistance provided under subsection (b) during that year.

"DEFINITIONS

"SEC. 2007. For purposes of this title—

"(1) the term 'State supplementary payment' means any cash payment made by a State on a regular basis to an individual who is receiving supplemental security income benefits under title XVI or who would but for his income be eligible to receive such benefits, as assistance based on need in supplementation of such benefits, as determined by the Secretary, and

"(2) the term 'State' means the fifty States and the District of Columbia.".

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 3. (a)(1) Section 402(a)(5) of the Social Security Act is amended by striking out "(A)" and striking out everything after "proper and efficient operation of the plan" and inserting "; and" in lieu thereof.

(2) Section 402(a) of that Act is further amended by striking out paragraphs (13) and (14).

(3) Section 403(a)(3) of that Act is amended to read as follows:

"(3) in the case of any State, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan—

"(A) 75 per centum of so much of such expenditures as are for the training of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision, and

"(B) one-half of the remainder of such expenditures,

except that no payment shall be made with respect to amounts expended in connection with the provision of any service described in section 2002(a)(1) of this Act other than services the provision of which is required by section 402(a)(19) to be included in the plan of the State; and"

(4) Section 403 of that Act is further amended by striking out subsection (e).

(5) Section 406 of that Act is amended by striking out subsection (d).

(6) Section 422 (a)(1)(A)(i) of that Act is amended by striking out "the State agency designated pursuant to section 402(a)(3) to administer or supervise the administration of the plan of the State approved under part of this title" and inserting "the individual or agency designated pursuant to section 2003 (d)(1)(C) to administer or supervise the administration of the State's services program" in lieu thereof.

(7) Section 422(a)(1)(A)(ii) of that Act is amended by striking out "the organizational unit in such State or local agency established pursuant to section 402(a)(15)" and inserting "a single organizational unit in such State or local agency, as the case may be," in lieu thereof.

(8) Section 402(a)(15) of that Act is amended by inserting "as part of the program of the State for the provision of services under title XX" immediately after "provide".

(b) Title VI of the Social Security Act is repealed.

(c) Section 1115 of the Social Security Act is amended by—

(1) striking out "or XIX" and inserting "XIX, or XX" in lieu thereof,

(2) striking out "or 1902" in clause (a) and inserting "1902, 2002, 2003, or 2004" in lieu thereof,

(3) striking out "or 1903" in clause (b) and inserting "1903, or 2002" in lieu thereof, and

(4) inserting "or expenditures with respect to which payment shall be made under section 2002," immediately after "administration of such State plan or plans," in clause (b).

(d) Section 1116 of the Social Security Act is amended by—

(1) striking out "of XIX" in subsections (a)(1) and (b) and inserting "XIX or XX" in lieu thereof,

(2) striking out "or 1904" and inserting "1904, or 2003" in lieu thereof in subsection (a)(3), and

(3) inserting "XX," immediately after "XIX," in subsection (d).

(e) (1) Section 1130 of the Social Security Act is repealed.

(2) Sections 3(a), 403(a), 1003(a), 1403(a), and 1603(a) of that Act (relating to payments to States with approved State plans) are each amended by striking out "(subject to section 1130)".

(f) Any child day care service provided under any plan of a State approved under part A, or developed under part B, of title IV of the Social Security Act must meet the requirements applicable, under subsection (a)(9) of section 2002 of the Social Security Act, as amended by this Act, to child day care services with respect to which payment is made under that section. The requirements imposed by this subsection are in lieu of any requirements that would otherwise be applicable under section 522(d) of the Economic Opportunity Act of 1964 to child day care services provided under any plan of a State approved under part A, or developed under part B, of title IV of the Social Security Act.

(g) Section 12(a) of Public Law 93-233 is amended by striking out "January 1, 1975" and inserting "October 1, 1975" in lieu thereof. Notwithstanding the provisions of section 12(a) of Public Law 93-233, the Secretary may make any modification in any regulation described in that section if the modification is necessary to implement the provisions of this part.

(h) Section 422 of the Social Security Act is amended by inserting at the end thereof the following new subsection:

"(c) If on December 1, 1974, the agency of a State administering its plan under this part was not the agency designated pursuant to section 402(a)(3), subsection (a)(1)(A) of this section shall not apply with respect to such agency but only so long as such agency is not the agency designated under section 2003(1)(1)(C), and if on December 1, 1974, the local agency administering the plan of a State under this part in a subdivision of the State is not the local agency in such subdivision administering the plan of such State under part A of this title, subsection (a)(1)(A) of this section shall not apply with respect to such local agency but only so long as such local agency is not the local agency administering the program of the State for the provision of services under title XX."

(i) Section 1108(a) of the Social Security Act is amended by striking out "The total amount" and inserting in lieu thereof "Except as provided in 2002(a)(2)(D), the total amount".

(j) Notwithstanding the provisions of paragraph (2) of section 2002(a) of the Social Security Act, as amended by this Act, the limitation imposed by such paragraph (2) for the fiscal year beginning July 1, 1975, with respect to any State shall be the allotment of the State for that fiscal year as determined under section 1130 of the Social Security Act. In determining, for the purposes of that limitation, the total amount of the payments made to any State with respect to expenditures during the fiscal year beginning July 1, 1975, there shall be included the amount of any payments made to the State that are chargeable against the allotment of the State for the fiscal year beginning July 1, 1975, under such section 1130.

REPORT BY THE SECRETARY

SEC. 4. Prior to July 1, 1977, the Secretary shall submit to the Congress a report on the effectiveness of the program established by title XX of the Social Security Act, as amended by this Act, during calendar years 1975 and 1976, together with recommendations, if any, for improvements in that program.

PAYMENTS TO STATES FOR EDUCATIONAL PURPOSES

SEC. 5. (a) Section 3(a)(4)(A)(iv) of the Social Security Act (as applicable to Puerto Rico, the Virgin Islands, and Guam) is amended by inserting "(including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions)" following "training".

(b) Section 403(a)(3)(A)(iii) of the Social Security Act is amended by inserting "(including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions)" following "training".

(c) Section 1003(a)(3)(A)(iv) of the Social Security Act (as applicable to Puerto Rico, the Virgin Islands, and Guam) is amended by inserting "(including both short and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions)" following "training".

(d) Section 1403(a)(3)(A)(iv) of the Social Security Act (as applicable to Puerto Rico, the Virgin Islands, and Guam) is amended by inserting "(including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions)" following "training".

(e) Section 1603(a)(4)(A)(iv) of the Social Security Act (as applicable to Puerto Rico, the Virgin Islands, and Guam) is amended by inserting "(including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled at such institutions)" following "training".

DEFINITION OF SECRETARY

SEC. 6. As used in this Part and the amendments made by this Part, the term "Secretary" means, unless the context otherwise requires, the Secretary of Health, Education, and Welfare.

EFFECTIVE DATES

SEC. 7. (a)(1) The amendments made by sections 2 and 5 of this Act shall be effective with respect to payments for quarters commencing after September 30, 1975.

(2) Notwithstanding the provisions of section 2004 of the Social Security Act, as amended by this Act, the first services program year of each State shall begin on October 1, 1975, and end with the close of, at the option of the State—

(A) the day in the twelve-month period beginning October 1, 1975, or

(B) the day in the twelve-month period begnning October 1, 1976,

which is the last day of the twelve-month period established by the State as its services program year under that section. Notwithstanding the provisions of subsection (b) of section 2003 of the Social Security Act, as amended by this Act, the aggregate expenditures required by that subsection with respect to the first services program year of each State shall be the amount which bears the same ratio to the amount that would otherwise be required under that subsection as the number of months in the State's first services program year bears to twelve.

(b) The amendments made by section 3 of this Act shall be effective with respect to payments under sections 403 and 603 of the Social Security Act for quarters commencing after September 30, 1975, except that the amendments made by section 3(a) shall not be effective with respect to the Commonwealth of Puerto Rico, the Virgin Islands, or Guam.

PART B—CHILD SUPPORT PROGRAMS

CHILD SUPPORT AND ESTABLISHMENT OF PATERNITY

In General

SEC. 101. (a) Title IV of the Social Security Act is amended by adding after part C the following new part:

"PART D—CHILD SUPPORT AND ESTABLISHMENT OF PATERNITY

"APPROPRIATION

"SEC. 451. For the purpose of enforcing the support obligations owed by absent parents to their children, locating absent parents, establishing paternity, and obtaining child support, there is hereby authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this part.

"DUTIES OF THE SECRETARY

"SEC. 452. (a) The Secretary shall establish, within the Department of Health, Education, and Welfare a separate organizational unit, under the direction of a designee of the Secretary, who shall report directly to the Secretary and who shall—

"(1) establish such standards for State programs for locating absent parents, establishing paternity, and obtaining child support as he determines to be necessary to assure that such programs will be effective;

"(2) establish minimum organizational and staffing requirements for State units engaged in carrying out such programs under plans approved under this part;

"(3) review and approve State plans for such programs;

"(4) evaluate the implementation of State

programs established pursuant to such plan, conduct such audits of State programs established under the plan approved under this part as may be necessary to assure their conformity with the requirements of this part, and, not less often than annually, conduct a complete audit of the programs established under such plan in each State and determine for the purposes of the penalty provision of section 403(h) whether the actual operation of such programs in each State conforms to the requirements of this part;

"(5) assist States in establishing adequate reporting procedures and maintain records of the operations of programs established pursuant to this part in each State;

"(6) maintain records of all amounts collected and disbursed under programs established pursuant to the provisions of this part and of the costs incurred in collecting such amounts;

"(7) provide technical assistance to the States to help them establish effective systems for collecting child support and establishing paternity;

"(8) receive applications from States for permission to utilize the courts of the United States to enforce court orders for support against absent parents and, upon a finding that (A) another State has not undertaken to enforce the court order of the originating State against the absent parent within a reasonable time, and (B) that utilization of the Federal courts is the only reasonable method of enforcing such order, approve such applications;

"(9) operate the Parent Locator Service established by section 453; and

"(10) not later than June 30 of each year beginning after December 31, 1975, submit to the Congress a report on all activities undertaken pursuant to the provisions of this part.

"(b) The Secretary shall, upon the request of any State having in effect a State plan approved under this part, certify the amount of any child support obligation assigned to such State to the Secretary of the Treasury for collection pursuant to the provisions of section 6305 of the Internal Revenue Code of 1954. No amount may be certified for collection under this subsection except the amount of the delinquency under a court order for support and upon a showing by the State that such State has made diligent and reasonable efforts to collect such amounts utilizing its own collection mechanisms, and upon an agreement that the State will reimburse the United States for any costs involved in making the collection. The Secretary after consultation with the Secretary of the Treasury may, by regulation, establish criteria for accepting amounts for collection and for making certification under this subsection including imposing such limitations on the frequency of making such certifications under this subsection.

"(c)(1) There is hereby established in the Treasury a revolving fund which shall be available to the Secretary without fiscal year limitation, to enable him to pay to the States for distribution in accordance with the provisions of section 457 such amounts as may be collected and paid (subject to paragraph (2)) into such fund under section 6305 of the Internal Revenue Code of 1954.

"(2) There is hereby appropriated to the fund, out of any moneys in the Treasury not otherwise appropriated, amounts equal to the amounts collected under section 6305 of the Internal Revenue Code of 1954, reduced by the amounts credited or refunded as overpayments of the amounts so collected. The amounts appropriated by the preceding section shall be transferred at least quarterly from the general fund of the Treasury to the fund on the basis of estimates made by the Secretary of the Treasury. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

"PARENT LOCATOR SERVICE

"SEC. 453. (a) The Secretary shall establish and conduct a Parent Locator Service, under the direction of the designee of the Secretary referred to in section 452(a), which shall be used to obtain and transmit to any authorized person (as defined in subsection (c)) information as to the whereabouts of any absent parent when such information is to be used to locate such parent for the purpose of enforcing support obligations against such parent.

"(b) Upon request, filed in accordance with subsection (d) of any authorized person (as defined in subsection (c)) for the most recent address and place of employment of any absent parent, the Secretary shall, notwithstanding any other provision of law, provide through the Parent Locator Service such information to such person, if such information—

"(1) is contained in any files or records maintained by the Secretary or by the Department of Health, Education, and Welfare; or

"(2) is not contained in such files or records, but can be obtained by the Secretary, under the authority conferred by subsection (e), from any other department, agency, or instrumentality, or the United States or of any State.

No information shall be disclosed to any person if the disclosure of such information would contravene the national policy or security interests of the United States or the confidentiality of census data. The Secretary shall give priority to requests made by any authorized person described in subsection (c)(1).

"(c) As used in subsection (a), the term 'authorized person' means—

"(1) any agent or attorney of any State having in effect a plan approved under this part, who has the duty or authority under such plans to seek to recover any amounts owed as child support (including, when authorized under the State plan, any official of a political subdivision);

"(2) the court which has authority to issue an order against an absent parent for the support and maintenance of a child, or any agent of such court; and

"(3) the resident parent, legal guardian, attorney, or agent of a child (other than a child receiving aid under part A of this title) (as determined by regulations prescribed by the Secretary) without regard to the existence of a court order against an absent parent who has a duty to support and maintain any such child.

"(d) A request for information under this section shall be filed in such manner and form as the Secretary shall by regulation prescribe and shall be accompanied or supported by such documents as the Secretary may determine to be necessary.

"(e)(1) Whenever the Secretary receives a request submitted under subsection (b) which he is reasonably satisfied meets the criteria established by subsections (a), (b), and (c), he shall promptly undertake to provide the information requested from the files and records maintained by any of the departments, agencies, or instrumentalities of the United States or of any State.

"(2) Notwithstanding any other provision of law, whenever the individual who is the head of any department, agency, or instrumentality of the United States receives a request from the Secretary for information authorized to be provided by the Secretary under this section, such individual shall promptly cause a search to be made of the files and records maintained by such department, agency, or instrumentality with a view to determining whether the information requested is contained in any such files or records. If such search discloses the information requested, such individual shall immediately transmit such information to the Secretary, except that if any information is obtained the disclosure of which would contravene national policy or security interests of the United States or the confidentiality of census data, such information shall not be transmitted and such individual shall immediately notify the Secretary. If such search fails to disclose the information requested, such individual shall immediately so notify the Secretary. The costs incurred by any such department, agency, or instrumentality of the United States or of any State in providing such information to the Secretary shall be reimbursed by him. Whenever such services are furnished to an individual specified in subsection (c)(3), a fee shall be charged such individual. The fee so charged shall be used to reimburse the Secretary or his delegate for the expense of providing such services.

"(f) The Secretary, in carrying out his duties and functions under this section, shall enter into arrangements with State agencies administering State plans approved under this part for such State agencies to accept from resident parents, legal guardians, or agents of a child described in subsection (c)(3) and, after determining that the absent parent cannot be located through the procedures under the control of such State agencies, to transmit to the Secretary requests for information with regard to the whereabouts of absent parents and otherwise to cooperate with the Secretary in carrying out the purposes of this section.

"STATE PLAN FOR CHILD SUPPORT

"SEC. 454. A State plan for child support must—

"(1) provide that it shall be in effect in all political subdivisions of the State;

"(2) provide for financial participation by the State;

"(3) provide for the establishment or designation of a single and separate organizational unit, which meets such staffing and organizational requirements as the Secretary may by regulation prescribe, within the State to administer the plan;

"(4) provide that such State will undertake—

"(A) in the case of a child born out of wedlock with respect to whom an assignment under section 402(a)(26) of this title is effective, to establish the paternity of such child, and

"(B) in the case of any child with respect to whom such assignment is effective, to secure support for such child from his parent (or from any other person legally liable for such support), utilizing any reciprocal arrangements adopted with other States, except that when such arrangements and other means have proven ineffective, the State may utilize the Federal courts to obtain or enforce court orders for support;

"(5) provide that, in any case in which child support payments are collected for a child with respect to whom an assignment under section 402(a)(26) is effective, such payments shall be made to the State for distribution pursuant to section 457 and shall not be paid directly to the family except that this paragraph shall not apply to such payments (except as provided in section 457(c)) for any month in which the amount collected is sufficient to make such family ineligible for assistance under the State plan approved under part A;

"(6) provide that (A) the child support collection or paternity determination services established under the plan shall be made available to any individual not otherwise eligible for such services upon application filed by such individual with the State, (B) an application fee for furnishing such services may be imposed, except that the amount of any such application fee shall be reasonable, as determined under regulations of the Secretary, and (C) any costs in excess of the

fee so imposed may be collected from such individual by deducting such costs from the amount of any recovery made;

"(7) provide for entering into cooperative arrangements with appropriate courts and law enforcement officials (A) to assist the agency administering the plan, including the entering into of financial arrangements with such courts and officials in order to assure optimum results under such program, and (B) with respect to any other matters of common concern to such courts or officials and the agency administering the plan;

"(8) provide that the agency administering the plan will establish a service to locate absent parents utilizing—

"(A) all sources of information and available records, and

"(B) the Parent Locator Service in the Department of Health, Education, and Welfare;

"(9) provide that the State will, in accordance with standards prescribed by the Secretary, cooperate with any other State—

"(A) in establishing paternity, if necessary,

"(B) in locating an absent parent residing in the State (whether or not permanently) against whom any action is being taken under a program established under a plan approved under this part in another State.

"(C) in securing compliance by an absent parent residing in such State (whether or not permanently) with an order issued by a court of competent jurisdiction against such parent for the support and maintenance of a child or children of such parent with respect to whom aid is being provided under the plan of such other State, and

"(D) in carrying out other functions required under a plan approved under this part;

"(10) provide that the State will maintain a full record of collections and disbursements made under the plan and have an adequate reporting system;

"(11) provide that amounts collected as child support shall be distributed as provided in section 457;

"(12) provide that any payment required to be made under section 456 or 457 to a family shall be made to the resident parent, legal guardian, or caretake relative having custody of or responsibility for the child or children; and

"(13) provide that the State will comply with such other requirements and standards as the Secretary determines to be necessary to the establishment of an effective program for locating absent parents, establishing paternity, obtaining support orders, and collecting support payments.

"PAYMENTS TO STATES

"SEC. 455. From the sums appropriated therefor, the Secretary shall pay to each State for each quarter, beginning with the quarter commencing July 1, 1975, an amount equal to 75 percent of the total amounts expended by such State during such quarter for the operation of the plan approved under section 454 except that no amount shall be paid to any State on account of furnishing collection services (other than parent locator services) to individuals under section 454(6) during any period beginning after June 30, 1976.

"SUPPORT OBLIGATIONS

"SEC. 456. (a) The support rights assigned to the State under section 402(a)(26) shall constitute an obligation owed to such State by the individual responsible for providing such support. Such obligation shall be deemed for collection purposes to be collectible under all applicable State and local processes.

"(1) The amount of such obligation shall be—

"(A) the amount specified in a court order which covers the assigned support rights, or

"(B) if there is no court order, an amount determined by the State in accordance with a formula approved by the Secretary, and

"(2) Any amounts collected from an absent parent under the plan shall reduce, dollar for dollar, the amount of his obligation under paragraphs (1) (A) and (B).

"(b) A debt which is a child support obligation assigned to a State under section 402(a)(26) is not released by a discharge in bankruptcy under the Bankruptcy Act.

"DISTRIBUTION OF PROCEEDS

"SEC. 457. (a) The amounts collected as child support by a State pursuant to a plan approved under this part during the 15 months beginning July 1, 1975, shall be distributed as follows:

"(1) 40 per centum of the first $50 of such amounts as are collected periodically which represent monthly support payments shall be paid to the family without any decrease in the amount paid as assistance to such family during such month;

"(2) such amounts as are collected periodically which are in excess of any amount paid to the family under paragraph (1) which represent monthly support payments shall be retained by the State to reimburse it for assistance payments to the family during such period (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing);

"(3) such amounts as are in excess of amounts retained by the State under paragraph (2) and are not in excess of the amount required to be paid during such period to the family by a court order shall be paid to the family; and

"(4) such amounts as are in excess of amounts required to be distributed under paragraphs (1), (2), and (3) shall be (A) retained by the State (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing) as reimbursement for any past assistance payments made to the family for which the State has not been reimbursed or (B) if no assistance payments have been made by the State which have not been repaid, such amounts shall be paid to the family.

"(b) The amounts collected as child support by a State pursuant to a plan approved under this part during any fiscal year beginning after September 30, 1976, shall be distributed as follows:

"(1) such amounts as are collected periodically which represent monthly support payments shall be retained by the State to reimburse it for assistance payments to the family during such period (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing);

"(2) such amounts as are in excess of amounts retained by the State under paragraph (1) and are not in excess of the amount required to be paid during such period to the family by a court order shall be paid to the family; and

"(3) such amounts as are in excess of amounts required to be distributed under paragraphs (1) and (2) shall be (A) retained by the State (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing) as reimbursement for any past assistance payments made to the family for which the State has not been reimbursed or (B) if no assistance payments have been made by the State which have not been repaid, such amounts shall be paid to the family.

"(c) Whenever a family for whom child support payments have been collected and distributed under the plan ceases to receive assistance under part A of this title, the State may—

"(1) continue to collect such support payments from the absent parent for a period of not to exceed three months from the month following the month in which such family ceased to receive assistance under part A of this title, and pay all amounts so collected to the family; and

"(2) at the end of such three-month period, if the State is authorized to do so by the individual on whose behalf the collection will be made, continue to collect such support payments from the absent parent and pay the net amount of any amount so collected to the family after deducting any costs incurred in making the collection from the amount of any recovery made.

"INCENTIVE PAYMENT TO LOCALITIES

"SEC. 458. (a) When a political subdivision of a State makes, for the State of which it is a political subdivision, or one State makes, for another State, the enforcement and collection of the support rights assigned under section 402(a)(26) (either within or outside of such State), there shall be paid to such political subdivision or such other State from amounts which would otherwise represent the Federal share of assistance to the family of the absent parent—

"(1) an amount equal to 25 per centum of any amount collected (and required to be distributed as provided in section 457 to reduce or repay assistance payments) which is attributable to the support obligation owed for 12 months; and

"(2) an amount equal to 10 per centum of any amount collected (and required to be distributed as provided in section 457 to reduce or repay asssistance payments) which is attributable to the support obligation owed for any month after the first twelve months for which such collections are made.

"(b) Where more than one jurisdiction is involved in such enforcement or collection, the amount of the incentive payment determined under paragraphs (1) and (2) of subsection (a) shall be allocated among the jurisdictions in a manner to be prescribed by the Secretary.

"CONSENT BY THE UNITED STATES TO GARNISHMENT AND SIMILAR PROCEEDINGS FOR ENFORCEMENT OF CHILD SUPPORT AND ALIMONY OBLIGATIONS

"SEC. 459. Notwithstanding any other provision of law, effective January 1, 1975, moneys (the entitlement to which is based upon remuneration for employment) due from, or payable by, the United States (including any agency or instrumentality thereof and any wholly owned Federal corporation) to any individual, including members of the armed services, shall be subject, in like manner and to the same extent as if the United States were a private person, to legal process brought for the enforcement, against such individual, of his legal obligations to provide child support or make alimony payments.

"CIVIL ACTIONS TO ENFORCE CHILD SUPPORT OBLIGATIONS

"SEC. 460. The district courts of the United States shall have jurisdiction, without regard to any amount in controversy, to hear and determine any civil action certified by the Secretary of Health, Education, and Welfare under section 452(a)(8) of this Act. A civil action under this section may be brought in any judicial district in which the claim arose, the plaintiff resides, or the defendant resides."

Collection of Child Support Obligations

(b)(1) Subchapter A of chapter 64 of the Internal Revenue Code of 1954 (relating to collection of taxes) is amended by adding at the end thereof the following new section:

"SEC. 6305. COLLECTION OF CERTAIN LIABILITY.

"(a) IN GENERAL.—Upon receiving a certification from the Secretary of Health, Education, and Welfare, under section 452(b) of the Social Security Act with respect to any individual, the Secretary or his delegate shall assess and collect the amount certified by the Secretary of Health, Education, and Welfare, in the same manner, with the same powers, and (except as provided in this section) sub-

ject to the same limitations as if such amount were a tax imposed by subtitle C the collection of which would be jeopardized by delay, except that—

"(1) no interest or penalties shall be assessed or collected,

"(2) for such purposes, paragraphs (4), (6), and (8) of section 6334(a) (relating to property exempt from levy) shall not apply,

"(3) there shall be exempt from levy so much of the salary, wages, or other income of an individual as is being withheld therefrom in garnishment pursuant to a judgment entered by a court of competent jurisdiction for the support of his minor children, and

"(4) in the case of the first assessment against an individual or delinquency under a court order against such individual for a particular person or persons, the collection shall be stayed for a period of 60 days immediately following notice and demand as described in section 6303.

"(b) REVIEW OF ASSESSMENTS AND COLLECTIONS.—No court of the United States, whether established under article I or article III of the Constitution, shall have jurisdiction of any action, whether legal or equitable, brought to restrain or review the assessment and collection of amounts by the Secretary or his delegate under subsection (a), nor shall any such assessment and collection be subject to review by the Secretary or his delegate in any proceeding. This subsection does not preclude any legal, equitable, or administrative action against the State by an individual in any State court or before any State agency to determine his liability for any amount assessed against him and collected, or to recover any such amount collected from him, under this section.".

(2) The table of sections for such subchapter is amended by adding at the end thereof the following new item:

"Sec. 6305. Collection of certain liability.".

Amendments to Part A of Title IV

(c)(1) Notwithstanding the provisions of section 402(a) of the Social Security Act, in addition to the amounts required to be disregarded under clause (8)(A) of such section, there is imposed the requirement (and the State plan shall be deemed to include the requirement) that for the 15 months beginning July 1, 1975, in making the determination under clause (7), the State agency shall with respect to any month in such year and in addition to the amounts required to be disregarded under clause (8)(A), disregard amounts payable under section 457(a)(1).

(2) Section 402(a)(9) is amended to read as follows:

"(9) provide safeguards which permit the use or disclosure of information concerning applicants or recipients only to (A) public officials who require such information in connection with their official duties, or (B) other persons for purposes directly connected with the administration of aid to families with dependent children;".

(3) Section 402(a)(10) is amended by inserting immediately before "be furnished" the following: ", subject to paragraphs (25) and (26),".

(4) Section 402(a)(11) is amended to read as follows:

"(11) provide for prompt notice (including the transmittal of all relevant information) to the State child support collection agency (established pursuant to part D of this title) of the furnishing of aid to families with dependent children with respect to a child who has been deserted or abandoned by a parent (including a child born out of wedlock without regard to whether the paternity of such child has been established);".

(5) Section 402(a) is further amended—

(A) by striking out "and" at the end of paragraph (23);

(B) by inserting immediately before the first word in paragraph (24) the following: "provide that"; and

(C) by striking out the period at the end of paragraph (24) and inserting in lieu thereof a semicolon and the following:

"(25) provide (A) that, as a condition of eligibility under the plan, each applicant for or recipient of aid shall furnish to the State agency his social security account number (or numbers, if he has more than one such number), and (B) that such State agency shall utilize such account numbers, in addition to any other means of identification it may determine to employ in the administration of such plan;

"(26) provide that, as a condition of eligibility for aid, each applicant or recipient will be required—

"(A) to assign the State any rights to support from any other person such applicant may have (i) in his own behalf or in behalf of any other family member for whom the applicant is applying for or receiving aid, and (ii) which have accrued at the time such assignment is executed,

"(B) to cooperate with the State (i) in establishing the paternity of a child born out of wedlock with respect to whom aid is claimed, and (ii) in obtaining support payments for such applicant and for a child with respect to whom such aid is claimed, or in obtaining any other payments or property due such applicant or such child and that, if the relative with whom a child is living is found to be ineligible because of failure to comply with the requirements of subparagraphs (A) and (B) of this paragraph, any aid for which such child is eligible will be provided in the form of protective payments as described in section 406(b)(2) (without regard to subparagraphs (A) through (E) of such section); and

"(27) provide, that the States have in effect a plan approved under part D and operate a child support program in conformity with such plan.".

(6)(A) Section 403 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(h) Notwithstanding any other provision of this Act, the amount payable to any State under this part for quarters in a fiscal year shall with respect to quarters beginning after December 31, 1976, be reduced by 5 per centum of such amount if such State is found by the Secretary as the result of the annual audit to have failed to have an effective program meeting the requirements of section 402(a)(27) in any fiscal year beginning after September 30, 1976 (but, in the case of the fiscal year beginning October 1, 1976, only considering the second, third, and fourth quarters thereof).".

(B) Section 404 of such Act is amended by adding at the end thereof the following new subsections:

"(c) No State shall be found, prior to January 1, 1977, to have failed substantially to comply with the requirements of section 402(a)(27) if, in the judgment of the Secretary, such State is making a good faith effort to implement the program required by such section.

"(d) After December 31, 1976, in the case of any State which is found to have failed substantially to comply with the requirements of section 402(a)(27), the reduction in any amount payable to such State required to be imposed under section 403(h) shall be imposed in lieu of any reduction, with respect to such failure, which would otherwise be required to be imposed under this section."

(7) Section 406 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(f) Notwithstanding the provisions of subsection (b), the term 'aid to families with dependent children' does not mean payments with respect to a parent (or other individual whose needs such State determines should be considered in determining the need of the child or relative claiming aid under the plan of such State approved under this part) of a child who fails to cooperate with any agency or official of the State in obtaining such support payments for such child. Nothing in this subsection shall be construed to make an otherwise eligible child for protective payments because of the failure of such parent (or such other individual) to so cooperate.".

(8) Section 402(a)(17), (18), (21), and (22), and section 410 of such Act are repealed.

Conforming Amendments to Title XI

(d) Section 1106 of such Act is amended—

(1) by striking out the period at the end of the first sentence of subsection (a) and inserting in lieu thereof the following: "and except as provided in Part D of title IV of this Act.";

(2) by adding at the end of subsection (b) the following new sentence: "Notwithstanding the preceding provisions of this subsection, requests for information made pursuant to the provisions of part D of title IV of this Act for the purpose of using Federal records for locating parents shall be complied with and the cost incurred in providing such information shall be paid for as provided in such part D of title IV."; and

(3) by striking out subsection (c).

Authorization of Appropriations

(e) There are authorized to be appropriated to the Secretary of Health, Education, and Welfare such sums as may be necessary to plan and prepare for the implementation of the program established by this section.

Effective Date

(f) The amendments made by this section shall become effective on July 1, 1975, except that section 459 of the Social Security Act, as added by subsection (a) of this section shall become effective on January 1, 1975, and subsection (e) of this section shall become effective upon the date of enactment of this Act.

And the Senate agree to the same.

AL ULLMAN,
JAMES A. BURKE,
MRS. GRIFFITHS,
DAN ROSTENKOWSKI,
H. T. SCHNEEBELI,
BARBER CONABLE,
JERRY L. PETTIS,
Managers on the Part of the House.

RUSSELL B. LONG,
VANCE HARTKE,
ABE RIBICOFF,
W. F. MONDALE,
PAUL FANNIN,
CLIFFORD P. HANSEN,
ROBERT DOLE,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 17045) to amend the Social Security Act to establish a consolidated program of Federal financial assistance to encourage provision of services by the States, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for

clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

The social services provisions generally follow the House bill, which provides the conditions for State entitlement to social services funds under a new title XX of the Social Security Act with the following exceptions:

The Senate provisions requiring that three types of services be available to recipients of supplemental security income and that family planning services be offered to each appropriate person receiving aid to families with dependent children were accepted.

The House provision for fees for services for families and individuals with incomes between 80 and 115 percent of the State's median family income was retained with a provision that the Secretary of Health, Education, and Welfare is to issue regulations relating to fees for those with incomes below this level and for welfare recipients.

The conferees agreed to the Senate provisions regarding standards for child care with respect to the ratio of adults to children of various ages and making the educational component of child care recommended rather than mandatory. In the case of children under three, the ratio is left to regulations of the Secretary of Health, Education, and Welfare.

The Senate bill included provision for Puerto Rico, the Virgin Islands, and Guam to share in the $2.5 billion ceiling for Federal expenditures for social services on the basis of their populations in relation to that of the States. Money would be available for them only if it remained unused in the amount available for allotment to the States. There was no comparable provision in the House bill. The conference agreement provides that Puerto Rico may receive up to $15 million for social services (if it is available after the States have received their allotments) and Guam and the Virgin Islands may each receive up to $500,000 under the same circumstances.

The conferees agreed to that part of the Senate amendment which would retain provisions of existing law with respect to separate agencies which have been authorized to administer services to the blind and child welfare services. The House bill contained no explicit provision on this subject.

The conference agreement eliminates many of the requirements in the House bill regarding program reporting, evaluation and audit, permitting the Secretary to require reports concerning the uses of service funds which shall be the basis of his annual report to the Congress. The House provision for a hearing to the State on the issue of failure to comply under the requirements is retained, and the Secretary is given the alternative of terminating payments to the State or imposing a reduction of three percent for each area of activity in which there is substantial noncompliance.

The provisions of the House bill regarding maintenance of effort were retained but clarified so that they applied only to appropriated funds and not to donated funds.

The effective date was advanced from July 1, 1975, to October 1, 1975, with the existing moratorium on regulations remaining in effect until that time.

A Senate provision regarding the funding of social work training made existing law explicit by specifying that States might make such grants to persons in educational institutions and to the institutions.

The Senate amendment providing a tax credit for low-income workers and families was dropped by the conferees.

The conference agreement generally accepts the Senate provisions on child support with the following modifications. It does not require appointment of an Assistant Secretary for child support but does require the Secretary of Health, Education, and Welfare to designate a person in charge of an organizational unit responsible for child support activities. It provides that the Internal Revenue Service shall be used for collection of child support obligations only based on noncompliance with a court order and only after a one-time 60-day notice to a parent of the intent to enforce payments under this procedure. The procedures for child support apply equally to absent fathers and absent mothers. A provision in the Senate amendment for the establishment of regional laboratories to perform the blood-typing work necessary for the purposes of establishing paternity was deleted.

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Managers on the Part of the House.

CONFERENCE REPORT ON H.R. 10710, TRADE REFORM ACT OF 1973

Mr. ULLMAN submitted the following conference report and statement on the bill H.R. 10710, to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 1644)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 21, 22, 34, 36, 66, 67, 135, 170, 180, 181, 201, 235, 251, 273, 292, 346, 348, 351, 397, 398, and 399.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 4, 6, 7, 8, 9, 11, 15, 16, 17, 19, 20, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 38, 39, 40, 41, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 81, 82, 83, 84, 85, 86, 87, 88, 89, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 140, 141, 142, 143, 144, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 160, 162, 163, 164, 165, 166, 167, 168, 169, 171, 173, 175, 176, 177, 178, 179, 182, 183, 184, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 200, 202, 203, 204, 205, 206, 208, 211, 212, 213, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 250, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 274, 275, 276, 277, 278, 279, 280, 282, 283, 284, 285, 286, 287, 288, 290, 291, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 321, 323, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 344, 345, 349, 350, 353, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 371, 372, 373, 374, 375, 376, 377, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 390, 391, 392, 395, 403, 404, 405, 406, 408, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 432, 433, and 434, and agree to the same.

That the House recede from its disagreement to the title of the bill and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with the following amendments:

On page 5 of the Senate engrossed amendments, in the table of contents for title IV, strike out all beginning with "Sec. 409" and insert the following:

Sec. 409. Freedom to emigrate to join a very close relative in the United States.
Sec. 410. East-West Trade Statistics Monitoring System.
Sec. 411. East-West Foreign Trade Board.

On page 5 of the Senate engrossed amendments, at the end of the table of contents for title VI, insert the following:

Sec. 613. Limitation on credit to Russia.

And the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate Numbered 3, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

The purposes of this Act are, through trade agreements affording mutual benefits,—

(1) to foster the economic growth of and full employment in the United States and to strengthen economic relations between the United States and foreign countries through open and nondiscriminatory world trade;

(2) to harmonize, reduce, and eliminate barriers to trade on a basis which assures substantially equivalent competitive opportunities for the commerce of the United States;

(3) to establish fairness and equity in international trading relations, including reform of the General Agreement on Tariffs and Trade;

(4) to provide adequate procedures to safeguard American industry and labor against unfair or injurious import competition, and to assist industries, firm, workers, and communities to adjust to changes in international trade flows;

(5) to open up market opportunities for United States commerce in nonmarket economies; and

(6) to provide fair and reasonable access to products of less developed countries in the United States market. ; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with the following amendments:

On page 9, line 4, of the Senate engrossed amendments, strike out "50 percent" and insert the following: 40 percent.

On page 9, line 8, of the Senate engrossed amendments, strike out "10 percent" and insert the following: 5 percent.

And the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with the following amendments:

On page 10, line 5, of the Senate engrossed amendments, strike out "(I)".

On page 10 of the Senate engrossed amendments, beginning with line 19, strike out all through line 13 on page 11.

On page 12 of the Senate engrossed amendments, strike out lines 9 through 21 and insert the following: with a draft of an implementing bill (described in section 151(b))

and a statement of any administrative action proposed to implement such agreement, to the Congress as provided in subsection (e), and such agreement shall enter into force with respect to the United States only if the provisions of subsection (e) are complied with and the implementing bill submitted by the President is enacted into law.

And the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows:

On page 15, lines 22 and 23, of the Senate engrossed amendments, strike out "and consistent with the provisions of section 103"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows:

On page 16, line 20, of the Senate engrossed amendments, strike out "principal"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows:

On page 17, line 3, of the Senate engrossed amendments, strike out "principal"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

(1) a reduction of 3 percent ad valorem or a reduction of one-tenth of the total reduction, whichever is greater, had taken effect on the effective date of the first reduction proclaimed pursuant to section 101(a) (2) to carry out such agreement with respect to such article, and

(2) a reduction equal to the amount applicable under paragraph (1) had taken effect at 1 year intervals after the effective date of such first reduction.

And the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with the following amendments:

On page 22, line 10, of the Senate engrossed amendments, strike out "(12)" and insert the following: (11).

On page 22, line 14, of the Senate engrossed amendments, after the comma insert the following: and.

And the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

(12) consistent with the provisions of section 107, any revisions necessary to establish within the GATT an international agreements on articles (including footwear), including the creation of regular and institutionalized mechanisms for the settlement of disputes, and of a surveillance body to monitor all international shipments in such articles.

And the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows:

On page 24, line 21, of the Senate engrossed amendments, strike out "180" and insert the following: 150; and the Senate agreed to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

(c) Before entering into any trade agreement under this section with any foreign country or instrumentality, the President shall consider whether such country or instrumentality has violated trade concessions of benefit to the United States and such violation has not been adequately offset by the action of the United States or by such country or instrumentality.

And the Senate agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 90, and agree to the same with an amendment, as follows:

On page 32, line 12, of the Senate engrossed amendments, strike out "July" and insert the following: January; and the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment, as follows:

On page 32, line 21, of the Senate engrossed amendments, strike out "shall" and insert the following: may; and the Senate agree to the same.

Amendment numbered 104: That the House recede from its disagreement to the amendment of the Senate numbered 104, and agree to the same with an amendment, as follows:

On page 34, line 13, of the Senate engrossed amendments, after "agreements" insert the following: entered into under this Act.

On page 34, line 17, of the Senate engrossed amendments, after "agreements" insert the following: entered into under this Act.

And the Senate agree to the same.

Amendment numbered 105: That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

(c) If the President determines under subsection (b) that a major industrial country has not made concessions under trade agreements entered into under this Act which provide substantially equivalent competitive opportunities for the commerce of the United States, he shall, either generally with respect to such country or by article produced by such country, in order to restore equivalence of competitive opportunities, recommend to the Congress—

(1) legislation providing for the termination or denial of the benefits of concessions of trade agreements entered into under this Act made with respect to rates of duty or other import restrictions by the United States; and

(2) that any legislation necessary to carry out any trade agreement under section 102 shall not apply to such country.

And the Senate agree to the same.

Amendment numbered 145: That the House recede from its disagreement to the amendment of the Senate numbered 145, and agree to the same with an amendment, as follows:

Restore the matter proposed to be stricken out, and on page 37, line 13 of the House engrossed bill, strike out "(j)" and insert the following: (k); and the Senate agree to the same.

Amendment numbered 159: That the House recede from its disagreement to the amendment of the Senate numbered 159, and agree to the same with the following amendments:

On page 48 of the Senate engrossed amendments, beginning with "negotiation" in line 16, strike out all through "(b)(5)," in line 18.

On page 50 of the Senate engrossed amendments, beginning with line 10, strike out all through line 6 on page 51.

On page 53 of the Senate engrossed amendments, beginning with line 2, strike out all through line 22 on page 54.

On page 54 of the Senate engrossed amendments, strike out lines 24 and 25 and insert the following: implementing bill or approval resolution shall be in order.

On page 55 of the Senate engrossed amendments beginning with "bill" in line 11, strike out all through "disapproval" in line 12 and insert the following: bill or approval.

On page 55 of the Senate engrossed amendments, beginning with "bill" in line 24, strike out all through line 13 on page 56 and insert the following: bill or approval resolution of that House, that House receives the same implementing bill or approval resolution from the other House, then—

(A) the procedure in that House shall be the same as if no implementing bill or approval resolution had been received from the other House; but

(B) the vote on final passage shall be on the implementing bill or approval resolution of the other House.

On page 57 of the Senate engrossed amendments, beginning with line 10, strike out all through line 8 on page 60 and insert the following:

(f) FLOOR CONSIDERATION IN THE HOUSE.—

(1) A motion in the House of Representatives to proceed to the consideration of an implementing bill or approval resolution shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate in the House of Representatives on an implementing bill or approval resolution shall be limited to not more than 20 hours, which shall be divided equally between those favoring and those opposing the bill or resolution. A motion further to limit debate shall not be debatable. It shall not be in order to move to recommit an implementing bill or approval resolution or to move to reconsider the vote by which an implementing bill or approval resolution is agreed to or disagreed to.

(3) Motions to postpone, made in the House of Representatives with respect to the consideration of an implementing bill or approval resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(4) All appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to an implementing bill or approval resolution shall be decided without debate.

(5) Except to the extent specifically provided in the preceding provisions of this subsection, consideration of an implementing bill or approval resolution shall be governed by the Rules of the House of Representatives applicable to other bills and resolutions in similar circumstances.

(g) Floor Consideration in the Senate.—

(1) A motion in the Senate to proceed to the consideration of an implementing bill or approval resolution shall be privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate in the Senate on an implementing bill or approval resolution, and all debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours. The time shall be equally divided between, and controlled by, the majority

leader and the minority leader or their designees.

(3) Debate in the Senate on any debatable motion or appeal in connection with an implementing bill or approval resolution shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the bill or resolution, except that in the event the manager of the bill or resolution is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under their control on the passage of an implementing bill or approval resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal.

(4) A motion in the Senate to further limit debate is not debatable. A motion to recommit an implementing bill or approval resolution is not in order.

And the Senate agree to the same.

Amendment numbered 161: That the House recede from its disagreement to the amendment of the Senate numbered 161, and agree to the same with the following amendments:

On page 61, line 13, of the Senate engrossed amendments, after "by" insert the following: , or the determination of,.

On page 62, line 12, of the Senate engrossed amendments, strike out "(b)', '403 (b)', '409 (b)', or '411(b)'" and insert the following: (b) " or "409(b)".

And the Senate agree to the same.

Amendment numbered 172: That the House recede from its disagreement to the amendment of the Senate numbered 172, and agree to the same with an amendment, as follows:

On page 72 of the Senate engrossed amendments, beginning with "Such" in line 1 strike out all through line 9; and the Senate agree to the same.

Amendment numbered 174: That the House recede from its disagreement to the amendment of the Senate numbered 175, and agree to the same with an amendment as follows:

On page 73 of the Senate engrossed amendments, beginning with line 4, strike out all through line 5 on page 75 and insert the following:

"(a) MEMBERSHIP.—The United States International Trade Commission (referred to in this title as the "Commission") shall be composed of six commissioners who shall be appointed by the President, by and with the advice and consent of the Senate. No person shall be eligible for appointment as a commissioner unless he is a citizen of the United States, and, in the judgment of the President, is possessed of qualifications requisite for developing expert knowledge of international trade problems and efficiency in administering the duties and functions of the Commission. A person who has served as a commissioner for more than 5 years (excluding service as a commissioner before the date of the enactment of the Trade Act of 1974) shall not be eligible for reappointment as a commissioner. Not more than three of the commissioners shall be members of the same political party, and in making appointments members of different political parties shall be appointed alternately as nearly as may be practicable.

"(b) TERMS OF OFFICE.—The terms of office of the commissioners holding office on the date of the enactment of the Trade Act of 1974 which (but for this sentence) would expire on June 16, 1975, June 16, 1976, June 16, 1977, June 16, 1978, June 16, 1979, and June 16, 1980, shall expire on December 16, 1976, June 16, 1978, December 16, 1979, June 16, 1981, December 16, 1982, and June 16, 1984, respectively. The term of office of each commissioner appointed after such date shall expire 9 years from the date of the expiration of the term for which his predecessor was appointed, except that any commissioner appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term."

(b) Subsection (c) of such section is amended—

(1) by striking out "The" in the first sentence and inserting in lieu thereof "(1) Except as provided in paragraph (2), the"; and

(2) by adding at the end thereof the following new paragraph:

"(2) Effective on and after June 17, 1975, the commissioner whose term is first to expire and who has at least 18 months remaining in his term shall serve as chairman during the last 18 months of his term (or, in the case of a commissioner appointed to fill a vacancy occurring during such 18-month period, during the remainder of his term), and the commissioner whose term is second to expire and who has at least 36 months remaining in his term shall serve as vice chairman during the same 18-month period (or, in the case of a commissioner appointed to fill a vacancy occurring during such 18-month period, during the remainder of such 18-month period)."

And the Senate agree to the same.

Amendment numbered 185: That the House recede from its amendment numbered 185, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

(C) may, in the case of one or more domestic producers, who produce a like or directly competitive article in a major geographic area of the United States, and whose production facilities in such area for such article constitute a substantial portion of the domestic industry in the United States and primarily serve the market in such area, and where the imports are concentrated in such area, treat as such domestic industry only that segment of the production located in such area.

And the Senate agrees to the same.

Amendment numbered 198: That the House recede from its disagreement to the amendment of the Senate numbered 198, and agree to the same with the following amendments:

On page 80, line 15 of the Senate engrossed amendments, immediately after "section 203," insert the following: unless he determines that provision of such relief is not in the national economic interest of the United States,.

On page 81, line 7, of the Senate engrossed amendments, immediately after "60 days", insert the following: (30 days in the case of a supplemental report under subsection (d)).

On page 81, line 11, of the Senate engrossed amendments, immediately after "60-day", insert the following: (or 30-day).

On page 81, line 14, of the Senate engrossed amendments, immediately after "provide,", insert the following: or determine that the provision of such relief is not in the national economic interest of the United States, .

And the Senate agree to the same.

Amendment numbered 199: That the House recede from its disagreement to the amendment of the Senate numbered 199, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: whether to provide import relief and what method and amount of import relief he will provide; and the Senate agree to the same.

Amendment numbered 207: That the House recede from its disagreement to the amendment of the Senate numbered 207, and agree to the same with the following amendment:

On page 82, line 16, of the Senate engrossed amendments, strike out "is required" and insert in lieu thereof the following: determines; and the Senate agree to the same.

Amendment numbered 209: That the House recede from its disagreement to the amendment of the Senate numbered 209, and agree to the same with the following amendments:

On page 83, beginning with line 3, of the Senate engrossed amendments, after "(b)" insert the following: (1).

Page 83, after line 10, of the Senate engrossed amendment, insert the following:

(2) On the day on which the President determines that the provision of import relief is not in the national economic interest of the United States, the President shall transmit to Congress a document setting forth such determination and the reasons why, in terms of the national economic interest, he is not providing import relief and also what other steps he is taking, beyond adjustment assistance programs immediately available to help the industry to overcome serious injury and the workers to find productive employment.

Amendment numbered 210: That the House recede from its disagreement to the amendment of the Senate numbered 210, and agree to the same with the following amendments:

On page 83, line 14, of the Senate engrossed amendments, immediately after the comma, insert the following: or that he will not provide import relief.

On page 83, line 22, of the Senate engrossed amendments, immediately before "under", insert the following: or his determination not to provide import relief.

And the Senaate agree to the same.

Amendment numbered 214: That the House recede from its disagreement to the amendment of the Senate numbered 214, and agree to the same with an amendment, as follows:

On page 85, line 10, of the Senate engrossed amendments, beginning with "as to", strike out through the period on line 11 and insert in lieu thereof a period; and the Senate agree to the same.

Amendment numbered 234: That the House recede from its disagreement to the amendment of the Senate numbered 234, and agree to the same with an amendment, as follows:

Restore the matter proposed to be stricken out and on page 63, line 3, of the House engrossed bill, strike out "Tariff", and strike out "(j)(2)" and insert the following: (1)(2); and the Senate agree to the same.

Amendment numbered 249: That the House recede from its disagreement to the amendment of the Senate numbered 249, and agree to the same with the following amendments:

On page 88, line 16, of the Senate engrossed amendments, immediately after "9K)", insert the following: (1).

On page 88, after line 20, of the Senate engrossed amendments, insert the following:

(2) If the Commission treats as the domestic industry production located in a major geographic area of the United States under section 201(b)(3)(C), then the President shall take into account the geographic concentration of domestic production and of imports in that area in providing import relief, if any, which may include actions authorized under paragraph (1).

And the Senate agree to the same.

Amendment numbered 262: That the House recede from its disagreement to the amendment of the Senate numbered 262, and agree to the same with an amendment, as follows:

On page 90, line 6, of the Senate engrossed amendments, strike out "75" and insert the following: 70; and the Senate agree to the same.

Amendment numbered 281: That the

House recede from its disagreement to the amendment of the Senate numbered 281, and agree to the same with an amendment, as follows:

On page 93, beginning with line 21, of the Senate engrossed amendments, strike out through line 3 on page 94 and insert in lieu thereof the following:

(2) There are authorized to be appropriated to the Trust Fund, for purposes of training (including administrative costs) under section 236 such sums as may be necessary.; and the Senate agree to the same.

Amendment numbered 289: That the House recede from its disagreement to the amendment of the Senate numbered 289, and agree to the same with an amendment, as follows:

On page 95, line 14, of the Senate engrossed amendments, strike out "or group of workers," and insert in lieu thereof a comma and the following: group of workers, certified or recognized union; and the Senate agree to the same.

Amendment numbered 320: That the House recede from its disagreement to the amendment of the Senate numbered 320, and agree to the same with the following amendments:

On page 101, line 20, of the Senate engrossed amendments, strike out "absolute".

On page 106, beginning with line 5 of the Senate engrossed amendments, strike out through line 9.

On page 106, line 10, of the Senate engrossed amendments, strike out "(3)" and insert in lieu thereof the following: (1).

On page 106, line 11, strike out "1980," and insert in lieu thereof the following: 1982,.

On page 106, line 12, of the Senate engrossed amendments, strike out "(4)" and insert in lieu thereof the following: (2).

On page 106, line 15, of the Senate engrossed amendments, strike out "(5)" and insert in lieu thereof the following: (3).

On page 106, line 16, of the Senate engrossed amendments, immediately after "subsection" insert the following: by the United States.

On page 106, beginning with line 18, of the Senate engrossed amendments, strike out through line 24 on page 111 and insert in lieu thereof the following:

(e) The Governor of the State, the authorized representative of the community, or the Governor of the State and the authorized representative of the community, in which an applicant for a loan guarantee under subsection (b) is located may enter into an agreement with the Secretary which provides that such State or such community, or that such State and such community, will pay not to exceed one-half of the amount of any liability which arises on a loan guarantee made under subsection (d) if the State in which the applicant for such guarantee is located has established by law a program approved by the Secretary for the purposes of this section.

On page 111, beginning with line 25, of the Senate engrossed amendments, strike out through line 2 on page 112 and insert in lieu thereof the following:

(f)(1) When considering whether to guarantee a loan to a corporation which is otherwise qualified for the purposes of subsection (d), the Secretary shall give preference to a corporation which agrees with respect to such loan to fulfill the following requirements—

On page 112, line 15, of the Senate engrossed amendments, strike out "section" and insert in lieu thereof the following: subsection.

On page 113, line 6, of the Senate engrossed amendments, strike out "section" and insert in lieu thereof the following: subsection.

On page 116, line 7, of the Senate engrossed amendments, strike out "(1)".

On page 116, line 7, of the Senate engrossed amendments, strike out "Federal Government" and insert in lieu thereof: United States.

On page 116, beginning with line 10, of the Senate engrossed amendments, strike out through line 12.

On page 117, line 8, of the Senate engrossed amendments, strike out "5" and insert in lieu thereof the following: 7.

And the Senate agree to the same.

Amendment numbered 322: That the House recede from its disagreement to the amendment of the Senate numbered 322, and agree to the same with an amendment, as follows:

On page 117, line 21, of the Senate engrossed amendments, strike out "January 30, 1979" and insert the following: January 31, 1980; and the Senate agree to the same.

Amendment numbered 324: That the House recede from its disagreement to the amendment of the Senate numbered 324, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SEC. 282. TRADE MONITORING SYSTEM.

The Secretary of Commerce and the Secretary of Labor shall establish and maintain a program to monitor imports of articles into the United States which will reflect changes in the volume of such imports, the relation of such imports to changes in domestic production, changes in employment within domestic industries producing articles like or directly competitive with such imports, and the extent to which such changes in production and employment are concentrated in specific geographic regions of the United States. A summary of the information gathered under this section shall be published regularly and provided to the Adjustment Assistance Coordinating Committee, the International Trade Commission, and to the Congress.

And the Senate agree to the same.

Amendment numbered 325: That the House recede from its disagreement to the amendment of the Senate numbered 325, and agree to the same with the following amendment: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SEC. 283. FIRMS RELOCATING IN FOREIGN COUNTRIES.

Before moving productive facilities from the United States to a foreign country, every firm should—

(1) provide notice of the move to its employees who are likely to be totally or partially separated as a result of the move at least 60 days before the date of such move, and

(2) provide notice of the move to the Secretary of Labor and the Secretary of Commerce on the same day it notifies employees under paragraph (1).

(b) It is the sense of the Congress that every such firm should—

(1) apply for and use all adjustment assistance for which it is eligible under this title,

(2) offer employment opportunities in the United States, if any exist, to its employees who are totally or partially separated workers as a result of the move, and

(3) assist in relocating employees to other locations in the United States where employment opportunities exist.

And the Senate agree to the same.

Amendment numbered 326: That the House recede from its disagreement to the amendment of the Senate numbered 326, and agree to the same with the following amendment:

On page 122, line 2, of the Senate engrossed amendments, strike out "1980." and insert in lieu thereof the following: 1982; and the Senate agree to the same.

Amendment numbered 343: That the House recede from its disagreement to the amendment of the Senate numbered 343, and agree to the same with an amendment, as follows:

On page 131, line 23, of the Senate engrossed amendments, strike out "may" and insert the following: shall; and the Senate agree to the same.

Amendment numbered 347: That the House recede from its disagreement to the amendment of the Senate numbered 347, and agree to the same with an amendment, as follows:

On page 133, line 24, of the Senate engrossed amendments, strike out "(g)" and insert the following: (f); and the Senate agree to the same.

Amendment numbered 352: That the House recede from its disagreement to the amendment of the Senate numbered 352, and agree to the same with the following amendments:

On page 137, line 12, of the Senate engrossed amendments, strike out "(4)" and insert the following: (3).

On page 137, line 12, of the Senate engrossed amendments, strike out "(g)" and insert the following: (f).

And the Senate agree to the same.

Amendment numbered 354: That the House recede from its disagreement to the amendment of the Senate numbered 354, and agree to the same with the following amendments:

On page 141, line 22, of the Senate engrossed amendments, strike out "two-year" and insert the following: four-year.

On page 142 of the Senate engrossed amendments, strike out lines 17 through 20 and insert the following: during the remainder of such four-year period. This paragraph shall not apply with respect to any case involving non-rubber footwear pending on the date of the enactment of the Trade Act of 1974 until and unless agreements which temporize imports of non-rubber footwear become effective.

And the Senate agree to the same.

Amendment numbered 369: That the House recede from its disagreement to the amendment of the Senate numbered 369, and agree to the same with an amendment, as follows:

On page 146 of the Senate engrossed amendments, beginning with "The" in line 4 strike out all through line 6; and the Senate agree to the same.

Amendment numbered 370: That the House recede from its disagreement to the amendment of the Senate numbered 370, and agree to the same with an amendment, as follows:

On page 148 of the Senate engrossed amendments, beginning with "presented" in line 14, strike out all through "presented" in line 16 and insert the following: presented in all cases; and the Senate agree to the same.

Amendment numbered 378: That the House recede from its disagreement to the amendment of the Senate numbered 378, and agree to the same with the following amendments:

On page 162 of the Senate engrossed amendments beginning with line 19, strike out all through line 11 on page 164 and insert the following:

(a) Notwithstanding any other provision of law, if the President determines that a nonmarket economy country is not cooperating with the United States—

(1) to achieve a complete accounting of all United States military and civilian personnel who are missing in action in Southeast Asia,

(2) to repatriate such personnel who are alive, and

(3) to return the remains of such personnel who are dead to the United States,

then, during the period beginning with the date of such determination and ending on the date on which the President determines such country is cooperating with the United States, he may provide that—

(A) the products of such country may not receive nondiscriminatory treatment,

(B) such country may not participate, directly or indirectly, in any program under which the United States extends credit, credit guarantees, or investment guarantees, and

(C) no commercial agreement entered into under this title between such country and the United States will take effect.

On page 164, line 12, of the Senate engrossed amendment strike out "(c)" and insert the following: (b)

And the Senate agree to the same.

Amendment numbered 389: That the House recede from its disagreement to the amendment of the Senate numbered 389, and agree to the same with the following amendments:

On page 170, lines 12 and 13 of the Senate engrossed amendments, strike out "Special Representative for Trade Negotiations" and insert the following: President

On page 170, line 14, of the Senate engrossed amendments, strike out "Special Representative" and insert the following: President

On page 170, line 19, of the Senate engrossed amendments, strike out "Special Representative" and insert: President

On page 171 of the Senate engrossed amendments, strike out lines 3 through 7 and insert the following:

(2) Market disruption exists within a domestic industry whenever imports of an article, like or directly competitive with an article produced by such domestic industry, are increasing rapidly, either absolutely or relatively, so as to be a significant cause of material injury, or threat thereof, to such domestic industry.

And the Senate agree to the same.

Amendment numbered 393: That the House recede from its disagreement to the amendment of the Senate numbered 393, and agree to the same with the following amendments:

On page 171, lines 19 and 20 of the Senate engrossed amendments, strike out "402 (b), 403 (b), 409 (b), or 411 (b)" and insert the following: 402 (b) or 409 (b).

On page 171, line 23, of the Senate engrossed amendments, strike out the comma.

On page 172, line 1, of the Senate engrossed amendments, strike out "403 (b), 409 (b), or 411 (b)" and insert the following: or 409 (b).

And the Senate agree to the same.

Amendment numbered 394: That the House recede from its disagreement to the amendment of the Senate numbered 394, and agree to the same with the following amendments:

On page 173, line 9, of the Senate engrossed amendments, strike out "402 (b), 403 (b), 409 (b), or 411 (b)" and insert the following: 402 (b) or 409 (b).

On page 174 of the Senate engrossed amendments, beginning with "Clause" in line 4, strike out all through line 6.

And the Senate agree to the same.

Amendment numbered 396: That the House recede from its disagreement to the amendment of the Senate numbered 396, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SEC. 408. PAYMENT BY CZECHOSLOVAKIA OF AMOUNTS OWED UNITED STATES CITIZENS AND NATIONALS.

(a) The arrangement initialed on July 5, 1974, with respect to the settlement of the claims of citizens and nationals of the United States against the Government of Czechoslovakia shall be renegotiated and shall be submitted to the Congress as part of any agreement entered into under this title with Czechoslovakia.

(b) The United States shall not release any gold belonging to Czechoslovakia and controlled directly or indirectly by the United States pursuant to the provisions of the Paris Reparations Agreement of January 24, 1946, or otherwise, until such agreement has been approved by the Congress.

And the Senate agree to the same.

Amendment numbered 400: That the House recede from its disagreement to the amendment of the Senate numbered 400, and agree to the same with the following amendments:

On page 178, line 6, of the Senate engrossed amendments, strike out "411" and insert the following: 409

On page 180 of the Senate engrossed amendments, after line 2 insert the following:

(c) This section shall not apply to any country the products of which are eligible for the rates set forth in rate column numbered 1 of the Tariff Schedules of the United States on the date of enactment of this Act.

(d) During any period that a waiver is in effect with respect to any nonmarket economy country under section 402(c), the provisions of subsections (a) and (b) shall not apply with respect to such country.

And the Senate agree to the same.

Amendment numbered 401: That the House recede from its disagreement to the amendment of the Senate numbered 401, and agree to the same with an amendment, as follows:

On page 180, line 3, of the Senate engrossed amendments, strike out "412" and insert the following: 410; and the Senate agree to the same.

Amendment numbered 402: That the House recede from its disagreement to the amendment of the Senate numbered 402, and agree to the same with an amendment, as follows:

On page 181, beginning with line 4, of the Senate engrossed amendments, strike out through line 17 on page 185 and insert in lieu thereof the following:

SEC. 411. EAST-WEST FOREIGN TRADE BOARD.

(a) The President shall establish an East-West Foreign Trade Board (hereinafter referred to as the "Board") to monitor trade between persons and agencies of the United States Government and nonmarket economy countries or instrumentalities of such countries to insure that such trade will be in the national interest of the United States.

(b) (1) Any person who exports technology vital to the national interest of the United States to a nonmarket economy country or an instrumentality of such country, and any agency of the United States which provides credits, guarantees or insurance to such country or such instrumentality in an amount in excess of $5,000,000 during any calendar year, shall file a report with the Board in such form and manner as the Board requires which describes the nature and terms of such export or such provision.

(2) For purposes of paragraph (1), if the total amount of credits, guarantees and insurance which an agency of the United States provides to all nonmarket economy countries and the instrumentalities of such countries exceeds $5,000,000 during a calendar year, then all subsequent provisions of credits, guarantees or insurance in any amount, during such year shall be reported to the Board under the provisions of paragraph (1).

(c) The Board shall submit to Congress a quarterly report on trade between the United States and nonmarket economy countries and instrumentalities of such countries. Such report shall include a review of the status of negotiations of bilateral trade agreements between the United States and such countries under this title, the activities of joint trade commissions created pursuant to such agreements, the resolution of commercial disputes between the United States and such countries, any exports from such countries which have caused disruption of United States markets, and recommendations for the promotion of east-west trade in the national interest of the United States.

And the Senate agree to the same.

Amendment numbered 407; That the House recede from its disagreement to the amendment of the Senate numbered 407, and agree to the same with amendments:

On page 186, beginning with line 21, of the Senate engrossed amendments, strike out through line 4 on page 187 and insert in lieu thereof the following:

(2) if such country is a member of the Organization of Petroleum Exporting Countries, or a party to any other arrangement of foreign countries, and such country participates in any action pursuant to such arrangement the effect of which is to withhold supplies of vital commodity resources from international trade or to raise the price of such commodities to an unreasonable level and to cause serious disruption of the world economy;

On page 187, line 5, strike out "(4)" and insert in lieu thereof the following: (3).

On page 187, line 15, of the Senate engrossed amendments, strike out "(5)" and insert in lieu thereof the following: (4).

On page 189, line 7, of the Senate engrossed amendments, strike out "(6)" and insert in lieu thereof the following: (5).

On page 189, line 7, of the Senate engrossed amendments, immediately after "to", insert the following: cooperate with the United States to.

On page 189, line 14, strike out "(7)" and insert in lieu thereof the following: (6).

On page 189, after line 21 on the Senate engrossed amendments, insert the following: Paragraphs (4), (5), and (6) shall not prevent the designation of any country as a beneficiary developing country under this section if the President determines that such designation will be in the national economic interest of the United States and reports such determination to the Congress with his reasons therefor.

And the Senate agree to the same.

Amendment numbered 409: That the House recede from its disagreement to the amendment of the Senate Numbered 409, and agree to the same with an amendment, as follows:

On page 190, line 10, of the Senate engrossed amendments, strike out "Reform"; and the Senate agree to the same.

Amendment Numbered 410: That the House recede from its disagreement to the amendment of the Senate Numbered 410, and agree to the same with an amendment, as follows:

On page 190, line 19, of the Senate engrossed amendments, strike out "paragraphs (2) and (3)" and insert in lieu thereof the following: paragraph (2) and the Senate agree to the same.

Amendment numbered 411: That the House recede from its disagreement to the amendment of the Senate Numbered 411, and agree to the same with amendments, as follows:

On page 193, line 6, of the Senate engrossed amendments, strike out "footware" and insert the following: footwear.

On page 193, line 10, of the Senate engrossed amendments, immediately after "(F)", insert the following: import-sensitive.

And the Senate agree to the same.

Amendment numbered 412: That the House recede from its disagreement to the amendment of the Senate Numbered 412, and agree to the same with an amendment, as follows:

On page 195, line 24, of the Senate engrossed amendments, immediately after "produced", insert the following: on the date of enactment of this Act; and the Senate agree to the same.

Amendment numbered 430: That the House recede from its disagreement to the amendment of the Senate numbered 430, and agree to the same with an amendment, as follows:

On page 199, beginning with line 23, of the Senate engrossed amendments, strike out through line 25 and insert in lieu thereof the following:

(b) In carrying out the responsibilities under section 484(e), Tariff Act of 1930 and other pertinent statutes, the Secretary of Commerce and the United States International Trade Commission shall conduct jointly a study of existing commodity classification systems with a view to identifying the appropriate principles and concepts which should guide the organization and development of an enumeration of articles which would result in comparability of United States import, production, and export data. The Secretary and the United States International Trade Commission shall submit a report to both Houses of Congress and to the President with respect to such study no later than August 1, 1975.

(c) In further connection with its responsibilities pursuant to subsections (a) and (b), the United States International Trade Commission shall undertake an investigation under section 332(g) of the Tariff Act of 1930 which would provide the basis for—

(1) a report on the appropriate concepts and principles which should underlie the formulation of an international commodity code adaptable for modernized tariff nomenclature purposes and for recording, handling, and reporting of transactions in national and international trade, taking into account how such a code could meet the needs of sound customs and trade reporting practices reflecting the interests of United States and other countries, such report to be submitted to both Houses of Congress and to the President as soon as feasbile, but in any event, no later than June 1, 1975; and

(2) full and immediate participation by the United States International Trade Commission in the United States contribution to technical work of the Harmonized Systems Committee under the Customs Cooperation Council to assure the recognition of the needs of the United States business community in the development of a Harmonized Code reflecting sound principles of commodity identification and specification and modern producing methods and trading practices, and, in carrying out such responsibilities, the Commission shall report to both Houses of Congress and to the President, as it deems appropriate.

(d) The President is requested to direct the appropriate agencies to cooperate fully with the Secretary of Commerce and the United States International Trade Commission in carrying out their responsibilities under subsections (a), (b), and (c).

(e) The amendment made by subsection (a) insofar as it relates to export declarations shall take effect on January 1, 1976,

And the Senate agree to the same.

Amendment numbered 431: That the House recede from its disagreement to the amendment of the Senate Numbered 431, and agree to the same with an amendment, as follows:

On page 200, line 12, of the Senate engrossed amendments, strike out "current monthly" and insert in lieu thereof the following: quarterly; and the Senate agree to the same.

Amendment numbered 435: That the House recede from its disagreement to the amendment of the Senate Numbered 435, and agree to the same with amendments, as follows:

On page 203, line 21, of the Senate engrossed amendments, strike out "Reform".

On page 203, line 22, of the Senate engrossed amendments, immediately after "United States", insert the following: , other than the Commodity Credit Corporation,.

On page 204, line 2, of the Senate engrossed amendments, after "approval" insert the following: as provided by law.

And the Senate agree to the same.

AL ULLMAN,
JAMES A. BURKE,
MRS. GRIFFITHS,
DAN ROSTENKOWSKI,
H. T. SCHNEEBELI,
BARBER B. CONABLE,
JERRY L. PETTIS,
Managers on the Part of the House.
RUSSELL B. LONG,
HERMAN TALMADGE,
ABE RIBICOFF,
W. F. MONDALE,
WALLACE F. BENNETT,
PAUL FANNIN,
CLIFFORD P. HANSEN,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system to stimulate the economic growth of the United States, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The following Senate amendments made technical, clerical, clarifying, or conforming changes: 1, 2, 4, 6, 17, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 38, 46, 47, 48, 49, 50, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 107, 108, 110, 111, 112, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 127, 129, 130, 131, 132, 133, 134, 137, 138, 140, 141, 142, 143, 144, 146, 147, 148, 149, 151, 152, 154, 155, 156, 157, 158, 163, 164, 165, 166, 168, 169, 171, 173, 175, 176, 177, 178, 179, 182, 183, 184, 186, 187, 188, 189, 190, 192, 193, 194, 195, 196, 197, 199, 200, 201, 203, 204, 205, 208, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 255, 256, 257, 258, 259, 260, 261, 263, 269, 277, 278, 279, 280, 282, 283, 285, 286, 287, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 321, 327, 328, 333, 339, 340, 341, 342, 344, 345, 348, 349, 350, 351, 352, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 371, 372, 373, 374, 376, 377, 379, 381, 382, 383, 384, 386, 388, 390, 391, 392, 395, 403, 404, 405, 409, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, and 434. With respect to these amendments (1) the House either recedes or recedes with amendments which are technical, clerical, clarifying, or conforming in nature; or (2) the Senate recedes in order to conform to other action agreed upon by the committee of conference.

Amendment No. 3: Section 2 of the House bill states that the purposes of the bill are to (1) stimulate the economic growth of the United States and to maintain and enlarge foreign markets for the products of United States agriculture, industry, mining, and commerce; and (2) strengthen economic relations with foreign countries through the development of fair and equitable market opportunities and through open and nondiscriminatory world trade. The Senate amendment substitutes for the general purposes stated in the House bill 15 specific purposes which essentially summarize the major provisions of the bill as amended by the Senate. The House recedes, with the following amendment:

The purposes of this Act are, through trade agreements affording mutual benefits,

(1) to foster the economic growth of and full employment in the United States and to strengthen economic relations between the United States and foreign countries through open and nondiscriminatory world trade;

(2) to harmonize, reduce and eliminate barriers to trade on a basis which assures substantially equivalent competitive opportunities for the commerce of the United States;

(3) to establish fairness and equity in international trading relations, including reform of the General Agreement on Tariffs and Trade;

(4) To provide adequate procedures to safeguard American industry and labor against unfair or injurious import competition, and to assist industries, firms, workers, and communities to adjust to changes in international trade flows;

(5) to open up market opportunities for United States commerce in nonmarket economies; and

(6) to provide fair and reasonable access to products of less developed countries in the United States market;

And the Senate agree to the same.

Amendment No. 5: The House bill authorized the President, in exercising his trade agreement authority, to proclaim tariff reductions but no such proclamation may reduce any rate of duty (1) by more than 60 percent of the rate existing on July 1, 1973, if such rate is 25 percent ad valorem or less; or (2) by more than 75 percent of the rate existing on July 1, 1973, or to a rate of 10 percent ad valorem, whichever results in a higher rate of duty, if the rate existing on July 1, 1973, is more than 25 percent ad valorem. No rate reduction limitation would apply in the case of any rate of duty of 5 percent ad valorem or less. Senate amendment No. 5 authorizes duty reductions of up to 50 percent of the rate existing on January 1, 1975, if that rate is over 10 percent ad valorem, and no limitations are placed on duty reductions if the existing rate on January 1, 1975, is 10 percent ad valorem or less. Under the conference agreement, no reduction limitations are placed on rates which are 5 percent ad valorem or less on January 1, 1975, and duty reductions of up to 60 percent of the rate existing on January 1, 1975, if that rate is over 5 percent ad valorem, are authorized.

Amendments Nos. 7, 8, and 9: Section 102(a) of the House bill (1) set forth the Congressional finding that barriers to (and other distortions of) international trade (nontariff barriers) are reducing the growth of foreign markets for the products of the United States, diminishing intended mutual benefits of reciprocal trade concessions, and preventing the development of open and nondiscriminatory trade among nations; and (2) urged the President to take all steps to limit or reduce such barriers. Senate amendment No. 7 would add additional findings to the House provisions to the effect that nontariff barriers are adversely affecting the United States economy and are preventing fair and equitable access to supplies, and Senate amendments Nos. 8 and 9 urge the President to take action to harmonize, as well as to eliminate or reduce, such barriers. The House recedes.

Amendment No. 10: Section 102(b) of the House bill authorized the President during the five-year period beginning on the date of the enactment of the bill to enter into trade agreements to eliminate or reduce nontariff barriers if he finds that such bar-

riers of any foreign country or the United States are unduly burdening or restraining the foreign trade of the United States. The Senate amendment retains the provisions of section 102(b) of the House bill but further authorizes the President to enter into agreements if he finds that nontariff barriers are adversely affecting the United States economy, and to enter agreements to harmonize (as well as to reduce or eliminate) such barriers or to provide for the prohibition or limitation on the imposition of such barriers. Section 102(c) of the House bill provided that a principal negotiating objective in entering into trade agreements under section 102 is to obtain with respect to each product sector of manufacturing and to the agricultural sector competitive opportunities for United States exports to the developed countries which are equivalent to the opportunities afforded similar foreign products in United States markets, and also required the Special Representative for Trade Negotiations, together with the Secretaries of Agriculture and Commerce and after consultation with the Advisory Committees established by section 135 of the House bill, to define appropriate sectors of manufacturing.

The Senate amendment deleted the statement of negotiation objectives and the matter relating to the definition of manufacturing sectors from section 102 of the bill and included related provisions in a separate new section (section 104) of the bill. Subsections (d), (e), and (f) of section 102 of the House bill required the President to consult with the Ways and Means and Finance Committees before entering into any trade agreement regarding nontariff barriers and provided that no such agreement, if entered into by the President, which changes domestic law shall enter into force and effect unless (1) the procedure specified in the bill relating to the notification to Congress of his intention to enter into such agreement and the delivery to Congress of a copy of the agreement, proposed implementing actions, if any, and other information, are complied with; and (2) neither House of Congress by resolution disapproves of such agreement before the close of the 90-day period after such delivery. The Senate amendment provided that before the President enters into any negotiations for a trade agreement under section 102, he must report separately to Congress each subject matter area of United States law and administrative practice which he intends to affect under such agreement, and such negotiations may be undertaken with respect to each subject matter area only if negotiation of such area is approved by Congress by resolution pursuant to section 151(b) of the bill. The Senate amendment further requires the President to consult with all appropriate committees of Congress before entering into any such agreement and provides that no agreement (whether or not it would result in any change to domestic law) shall enter into force and effect unless the President appropriately notifies the Congress of his intention to enter into such an agreement, transmits to Congress a copy of the agreement, a draft bill to implement the agreement, and other relevant information, and the implementing bill is enacted into law.

The Senate amendment also authorizes the President to recommend to Congress in any such implementing bill that the benefits and obligations of the nontariff barrier agreement be limited to the signatories to the agreement and that the agreement distinguish between the benefits and obligations applicable to different classes of signatories. Section 102 of the House bill set forth certain restrictions on converting, pursuant to a trade agreement entered into under section 102, nontariff barriers of the United States to tariff rates which afford substantially equivalent protection (such restrictions were considered necessary because of the one House disapproval procedures regarding nontariff barrier agreements contained in the House bill). The Senate amendment deleted these restrictions. Section 102 (g) of the House bill included the American selling price basis of customs evaluation within the definition of barrier for purposes of the section. The Senate amendment included the House definition and defines "distortion" as including any subsidy and defines "international trade" as including trade in both goods and services. The House recedes with respect to Senate amendment No. 10 with amendments which (1) delete the provision under which the President, in addition to the general consultations required with respect to the effect of proposed amendments, must report to Congress with respect to each subject matter area of United States law affected by negotiations and must have further specific approval prior to entering into negotiations which affect specified areas (consumer protection, employee health and safety, labor standards, or environmental standards); and (2) deletes the requirement that an employment impact statement be submitted with each implementing bill.

Amendment No. 11: This Senate amendment adds to the bill a new section 103 which provides that the overall United States negotiating objective under sections 101 (basic trade agreement authority) and 102 (trade agreement authority regarding nontariff barriers) shall be to obtain more open and equitable market access and the harmonization, reduction, or elimination of devices which distort trade or commerce and further provides that, to the maximum extent feasible, the harmonization, reduction, or elimination of agricultural trade barriers and distortions shall be undertaken in conjunction with the harmonization, reduction, or elimination of international trade barriers and distortions. The House bill did not contain a similar provision. The House recedes.

Amendment No. 12: Senate amendment No. 12 adds a new section 104 to the bill which sets forth a sector negotiation objective for trade agreements entered into under sections 101 and 102 of the bill. Section 104 contains essentially the same provisions as section 102(c) of the House bill except that it applies the sector negotiating objective to agreements entered into under section 101 (basic trade agreement authority) as well as to nontariff barrier agreements, requires negotiations to be conducted on the basis of appropriate product sectors to the extent consistent with maximizing the overall economic benefit to the United States, and requires the President, if he determines that competitive opportunities in any product sector will be significantly affected by a trade agreement, to submit to Congress an analysis of the extent to which the agreement achieves the objective with respect to that sector. The requirement for such an analysis is in lieu of the provisions in section 102(c) of the House bill which requires the President to include, when submitted a nontariff trade barrier agreement to Congress, a sector-by-sector analysis of the extent to which the negotiating objective has been achieved. The House recedes with an amendment, striking the phrase "and consistent with the provisions of section 103," (the overall negotiating objective).

Amendment No. 13: This amendment added a new section 105 to the bill which provides that if the President determines that bilateral trade agreements will effectively promote the economic growth of the United States, then a principal negotiating objective under sections 101 and 102 of the bill shall be to enter into bilateral trade agreements providing for mutually advantageous economic benefits. No similar provision was contained in the House bill. The House recedes with a clarifying amendment, deleting the word "principal" qualifying negotiating objective.

Amendment No. 14: This amendment sets forth as a principal United States negotiating objective under sections 101 and 102 the entering into of trade agreements which promote the economic growth of both developing countries and the United States and the mutual expansion of market opportunities. No similar provision was contained in the House bill. The House recedes with an amendment, deleting the word "principal" qualifying negotiating objective.

Amendment No. 15: This amendment provides that a principal negotiating objective under section 102 (trade agreement authority regarding nontariff barriers) shall be to obtain internationally-agreed-upon rules and procedures which shall permit the use of temporary measures to ease adjustments to changes occurring in competitive conditions in the domestic market of parties to an agreement which could result from the expansion of international trade. The amendment provides that any agreement entered into under section 102 may include "safeguard" provisions establishing procedures for:

(1) notification of affected exporting countries,

(2) international consultations,

(3) international review of changes in trade flows,

(4) such adjustments in trade flows which may be necessary to avoid injury,

(5) international mediation of disputes,

(6) appropriate hearings and other public procedures in which interested parties would have the right to participate, and

(7) exclusion of parties from compensation, obligations, and retaliation under specified conditions. The House bill did not contain similar provisions. The House recedes on the understanding that the criteria pursuant to which any import restrictions may be imposed under a safeguard arrangement must be submitted to the Congress for affirmative approval.

Amendment No. 16: This amendment adds a new section 108 to the House bill which provides that a principal United States negotiating objective under section 102 of the bill shall be to enter into trade agreements with foreign countries and instrumentalities to assure the United States of fair and equitable access at reasonable prices to supplies of articles of commerce which are important to the economic requirements of the United States and for which the United States does not have, or cannot easily develop, the necessary domestic productive capacity to supply its own requirements. The House bill did not contain a similar provision. The House recedes.

Amendments Nos. 18 and 19: The House bill provided that tariff reductions proclaimed pursuant to a trade agreement could not be staged in less than 15 annual installments or by annual reductions of a maximum of 3 percent ad valorem, or one-fifteenth, whichever is greater; and that such staging limitations do not apply in cases where the total reduction of duty is 10 percent or less of the rate before reduction. Senate amendments Nos. 18 and 19 require that duty reductions be staged in equal installments over a period of ten years and in cases where duty reductions are less than 20 percent ad valorem, the duty may be reduced by a maximum of 2 percent ad valorem per year. Under the conference agreement, the 10-year staging limitation contained in the Senate amendment is adopted, but annual reductions of up to 3 percent ad valorem or one-tenth of the total, whichever is greater are authorized.

Amendments Nos. 30, 31, 32, 33, 34, 35, 36, 37, 39, 40, and 41: Section 121 of the House bill directed the President to take such action as may be necessary to bring trade agreements into conformity with principles of promoting the development of open, nondiscriminatory, and fair world economic systems, including the revision of decisionmaking procedures in the General Agreement on Tariffs and Trade (GATT); the revision of article XIX of GATT into a truly international safeguard mechanism; the extension of GATT articles to conditions of trade not presently covered; the adoption of international fair labor standards and of public petition and confrontation procedures in the GATT; the revision of GATT articles with respect to the treatment of border adjustments for internal taxes; and the revision of balance-of-payments provisions in the GATT. Senate amendments Nos. 30, 31, 32, 33, 34, 35, 36, and 37 added to the principles specified in the House provision the following additional trade principles:

(1) access to supplies, including rules governing export controls, denial of supplies and consultations on supply shortages;

(2) the extension of GATT to deal with countries which deny goods and thereby injure the international community;

(3) any revisions necessary to establish regular consultations;

(4) elimination of special reverse preferences;

(5) flexible monetary mechanisms;

(6) code on subsidies and foreign investment incentives;

(7) agreements on extraterritorial application of national laws; and

(8) revisions to establish within GATT an international agreement on footwear;

Senate amendment No. 39 added to section 121a provision requiring the President, to the extent feasible, to enter into agreements with foreign countries to establish the principles set forth above with respect to international trade between the United States and such countries. Senate amendment 40 provided that no agreements to implement the principles of section 121 shall take effect unless legislation implementing those principles is enacted by Congress. Senate amendment 41 added to the provision in the House bill authorizing appropriations for payment by the United States of its share of expenses to GATT a proviso that such authorization does not imply approval or disapproval by Congress of all articles of the GATT. The House recedes with respect to all the Senate amendments (with conforming and clarifying amendments in some cases) except amendments Nos. 34 (relating to flexible monetary mechanisms) and 36 (relating to the extraterritorial application of national laws), from which the Senate recedes. Under the conference agreement the phrase "such as" was added before "footwear" in Senate amendment 37.

Amendments Nos. 42 and 43: Section 122 (a) of the House bill provides authority for the President to take certain import restraining actions in order to deal with large and serious United States balance-of-payments deficits, to prevent depreciation of the dollar in foreign exchange markets, and to cooperate in correcting international balance-of-payments disequilibrium. Senate amendment No. 42 amended the House provision to require the President to take such action in order to deal with such deficit and extends the effective period of any presidential action to 180 days (150 days under the House bill) unless such period is extended by Act of Congress. Senate amendment No. 43 permits the President to refrain from taking action under section 122(a) if such action would be contrary to the national interest. The House recedes with an amendment providing for the 150-day effective period contained in the House bill.

Amendments Nos. 45 and 51: Section 122 (b) of the House bill (redesignated as section 122(c) by the Senate) provides authority for the President to take certain action to increase imports in order to deal with a large or persistent United States balance-of-payments surpluses or to prevent significant appreciation of the dollar in foreign exchange markets. Senate amendment No. 45 would change the House version of section 122(b) to authorize the President to deal with large and persistent balance-of-trade surpluses determined on the basis of cost-insurance-freight value of imports and Senate amendment No. 51 requires import liberalizing actions taken under section 122(b) to be of broad and uniform application with respect to product coverage. The House recedes.

Amendment No. 69: Section 123 of the House bill provided authority for the President to promulgate temporary reductions in duty and temporary increases in quantities of articles permitted to be imported for purposes of restraining inflation. Senate amendment No. 69 deleted this section from the bill. The House recedes.

Amendment No. 80: This amendment amends section 124 of the House bill (section 123 as redesignated by the Senate), which gives the President authority to compensate foreign countries for increases in United States tariffs or other import restrictions when the United States is obligated to pay such compensation for trade restrictions imposed pursuant to an import relief finding under section 203 of this bill. The Senate amendment prohibits the entering into any agreement under section 123 with any foreign country if such country has violated trade concessions of benefit to the United States and such violation has not been adequately offset by action of the United States or by such country. The House recedes with an amendment making the application of the Senate amendment effective at the discretion of the President, rather than mandatory.

Amendment No. 91: This amendment adds to section 126 of the House bill (section 125 as redesignated by the Senate), which sets forth termination and withdrawal authority of the United States with respect to trade agreements, a new subsection (d) which requires the President to withdraw, suspend, or modify trade agreement concessions whenever a foreign country withdraws, suspends, or modifies the application of trade agreement obligations of benefit to the United States without granting adequate compensation. The House recedes with an amendment which makes action by the President under the Senate amendment discretionary rather than mandatory.

Amendments Nos. 104, 105, and 106: Senate amendment No. 104 amends section 127 of the House bill (section 126 as redesignated by the Senate), which applies the principle of nondiscriminatory treatment (most-favored nation principle) to all products of foreign countries to require the President to determine after conclusion of all negotiations entered into under the bill, or at the close of the 5-year period after its effective date (whichever is earlier) whether any major industrial country (defined by Senate amendment No. 106 to mean Canada, the European Economic Community, each nation in such Community, Japan, and any other country designated by the President) has failed to make concessions under trade agreements providing competitive opportunities for United States commerce in that country which are substantially equivalent to competitive opportunities provided by the United States under trade agreements for the commerce of such country in the United States. Senate amendment No. 105 provides that if the President determines that any major industrial country has not made such concessions, he shall (1) proclaim the termination of United States concessions, or refrain from proclaiming such concessions, with respect to that country or articles thereof; and (2) recommend to Congress that any legislation necessary to carry out a trade agreement relating to nontariff barriers shall not apply to such country. The House recedes with respect to Senate amendment No. 104 with an amendment restricting the President's determination of whether a major industrialized country has made concessions providing substantially equivalent competitive opportunities for the commerce of the U.S. to trade agreements entered into under this Act.

The House recedes with respect to Senate amendment No. 105 with an amendment which deletes the President's authority to proclaim the termination of, or to refrain from proclaiming, trade agreement benefits to foreign countries failing to make reciprocal concessions and provides that the President shall recommend to the Congress any legislation necessary to restore the balance of competitive opportunities; and recedes with respect to Senate amendment No. 106.

Amendment No. 109: This amendment amends section 232 of the Trade Expansion Act of 1962 to transfer to the Secretary of the Treasury functions relating to investigations and determinations regarding whether articles are being imported in such quantities and under such circumstances so as to threaten to impair the national security. The amendment requires the Secretary of the Treasury to consult with the Secretaries of Defense and Commerce and other appropriate officers of the United States when making any such investigation. The Senate amendment further provides a procedure for holding public hearings incident to any such investigations (which must be completed within one year). The Secretary of the Treasury is required under the amendment to report his findings and recommendations resulting from any investigation to the President who may (unless he finds that the imports in question are not threatening the national security) take such action, and for such time, as he deems necessary to adjust imports so as to prevent impairment of the national security. The House recedes.

Amendment No. 113: This amendment requires the Tariff Commission (redesignated as the International Trade Commission by the Senate) to provide the President with advice with respect to articles proposed to be included in any trade agreement proposed to be entered into under section 123 (124) of the bill (compensation authority) within 90 days after the date of receipt of the list of such articles by the Commission. Under the House bill, such advice is required to be submitted within 6 months after date of receipt. The House recedes.

Amendment number 126: This amendment provides for the inclusion of representatives of small business, service industries and retailers on the Advisory Committee for Trade Negotiation.

The House recedes.

Amendment No. 128: This amendment authorizes the President, on his own initiative or at the request of interestd persons, to establish general policy advisory committees for industry, labor, and agriculture to provide general policy advice on any trade agreement proposed to be entered into under section 101 or 102 of the bill. The amendment requires such committees to be representative of all industry, labor, or agricultural interests (including small business interests and to be organized by the President acting through the Special Representative for Trade Negotiations, and the Secretaries of Commerce, Labor, and Agriculture, as appropriate. The House recedes.

Amendment No. 135: This amendment provides that representatives from each committee established under section 135(c)) of the bill (general policy advisory committees

and industry, labor, and agricultural sector advisory committees) shall participate directly in any negotiation of any trade agreement under section 101 or 102 to the same extent as any representative of a comparable committee or sector participates in such negotiations on behalf of any foreign country. The Senate recedes, on the understanding that the negotiators shall inform the advisory committees of all relevant information during the negotiations. The conferees believe strongly that, to the extent consistent with the domestic laws, the private sector should fully contribute to the negotiation process.

Amendment number 145: This amendment deleted a provision of the House bill stating that nothing in section 135 is intended to authorize direct participation by individuals in trade agreement negotiations.

The Senate recedes.

Amendment No. 136: This amendment requires the Advisory Committee for Trade Negotiations (established under section 135 (b) of the bill) and each appropriate policy advisory committee and sector advisory committee to meet at the conclusion of each trade agreement entered into under this Act and to provide to the President, the Congress, and to the Special Representative for Trade Negotiations a report on the agreement. Each such report is required to include an advisory opinion as to whether and to what extent the agreement promotes the economic interests of the United States and each report by a sector advisory committee is required to include an advisory opinion as to whether the agreement provides for equity and reciprocity within the sector. The amendment further provides that the Advisory Committee and each policy advisory committee shall, as soon as practical after the close of the 5-year period after the effective date of the bill, submit to Congress a report including an advisory opinion as to whether and to what extent the trade agreements entered into under this Act, taken as a whole, serve the economic interests of the United States. Each sector advisory committee is required to submit to Congress, within the same time limitation, a report including an advisory opinion on the degree to which trade agreements entered into under this Act which affect the sector, taken as a whole, provide for equity and reciprocity within that sector. The House recedes.

Amendment No. 139: This amendment is a substitute for section 135(f) of the House bill which provided that information received in confidence by the Advisory Committee for Trade Negotiations or any advisory committee shall not be disclosed to other than Federal officers or employees designated by the Special Representation for Trade Negotiations or the Committees on Ways and Means and Finance to receive such information for use in connection with the negotiation of trade agreements. The Senate amendment provides that trade secrets and commercial or financial information submitted in confidence in connection with trade negotiations may not be disclosed for use in connection with such negotiations to other than Federal officers designated by the Special Representatives for Trade Negotiations, members of the Ways and Means and Finance Committees accredited as advisors under section 161(a) of the bill or designated by the chairman of either such committee under section 161(b), and staff members of either such committee designated by such chairman under section 161 (b)(2). The Senate amendment further provides that (1) other private information submitted in confidence to Federal officers, the Advisory Committee for Trade Negotiations, policy advisory committees, and sector advisory committees may not be disclosed except to individuals authorized to receive trade secrets and commercial or financial information and to such Advisory Committee or committees, and (2) information submitted in confidence by Federal officers to such Advisory Committee or committees shall not be disclosed except in accordance with rules issued by the Special Representatives for Trade Negotiations and the Secretaries of Commerce, Labor, and Agriculture, as appropriate. The House recedes.

Amendment No. 150: This amendment provides that the Special Representative for Trade Negotiations shall be compensated at the rate provided for at Level I of the Executive Schedule, and that the two Deputy Special Representatives for Trade Negotiations be compensated at the rate provided for at Level III of the Executive Schedule. Under the House bill, the Special Representative would receive the same compensation as a chief of mission. The House recedes.

Amendment No. 153: This amendment amends section 141 of the House bill (which establishes the Office of the Special Representatives for Trade Negotiations) to authorize the appropriation to such Office of such funds as may be necessary for the purpose of carrying out its functions for fiscal year 1976 and each fiscal year thereafter any part of which is within the 5-year period beginning on the date of the enactment of the bill. The House bill did not provide an authorization for the Office. The House recedes.

Amendments Nos. 159, 160, 161, and 162: Section 151 of the bill as passed by the House contained a procedure for congressional disapproval with respect to nontariff barrier trade agreements submitted to Congress, to escape clause actions to retaliation against unfair trade practices, and to extension or continuation of nondiscriminatory tariff treatment. Under this procedure, the President was to transmit a proclamation or agreement to the Congress, after 7 days it was in order to discharge the committee to which a resolution or disapproval had been referred, and, if either House approved the resolution of disapproval within a 90-day period, the agreement or proclamation was not to take effect.

The Senate amendments strike out section 151 of the House bill and insert new sections 151, 152, and 153. Under these amendments, a congressional approval procedure applies to all nontariff barrier trade agreements, to agreements establishing certain principles in international trade (including GATT revisions) which change federal law (including a material change in an administrative rule), and to bilateral trade agreements with nonmarket countries entered into after the date of the enactment of the bill. Under this procedure, an implementing bill or approval resolution is submitted by the President and introduced in each House (with no amendments permitted), time limits are established for committee consideration, and floor votes. If the bill is not enacted or the resolution is not approved as the case may be, the agreement or revision cannot enter into force.

Under the Senate amendments, provision is also made for two-House disapproval for Presidential import relief which differs from the Commission's recommendation, and for Presidential retaliation on an MFN basis against unjustifiable or unreasonable restrictions. Under these procedures, if both Houses do not adopt a concurrent resolution within the applicable time period, the Presidential action enters into force.

Finally, under the Senate amendments, a one-House disapproval procedure is established (1) for the determination of the Secretary of the Treasury not to apply countervailing duties during a 2-year discretionary period, (2) for extension of benefits under bilateral trade agreements with nonmarket countries entered into before the date of the enactment of the bill, (3) to all annual reviews of MFN treatment and government credits and guarantees to countries receiving benefits negotiated under title IV of the bill, and (4) to U.S. Government credits and investment guarantees extended after the date of the enactment of the bill. This one-House disapproval procedure is the same as the two-House procedure provided by the Senate amendments except that adoption by majority vote of those present and voting in either House is sufficient to prevent action. The House recedes with clarifying and conforming amendments.

Amendment No. 167: Section 161 of the bill as passed by the House provided for congressional delegates to international conferences, meetings, and negotiation sessions with respect to trade agreements. Five members were to be appointed by the Speaker from the Ways and Means Committee of the House, and five members of the Senate Finance Committee were to be appointed by the President pro tempore of the Senate.

Under the Senate amendment, the appointment of the House delegates by the Speaker is to be upon the recommendation of the chairman of the Ways and Means Committee, and the appointment of the Senate delegates is to be upon the recommendation of the chairman of the Senate Finance Committee.

In addition, the Senate amendment provides that the Special Representative for Trade Netogiations is to keep each official adviser currently informed, and that the chairmen of the Ways and Means and Finance Committees can designate additional members of their committees and staff members who will have access to the current information provided the official advisers. The House recedes.

Amendment No. 170: The bill as passed by the House contained a requirement (in section 162(a)) that, as soon as practicable after a trade agreement entered into under chapter 1 or under the compensation authority or the authority to renegotiate duties has entered into force with respect to the United States, the President is to transmit to each House a statement of his reasons for entering into the agreement. This amendment provides that this statement is to include an employment impact statement setting forth in detail job losses and gains which may be expected as a result of the trade agreement. The Senate recedes.

Amendment No. 172: The bill as passed by the House contained a requirement (in section 163(a)) that the President submit to the Congress an annual report on the trade agreements program and on import relief and adjustment assistance. Under this amendment, the annual report is to include additional specified information. The House recedes with an amendment which deletes from such additional specified information with respect to the estimated effect under the program on employment and consumers.

Amendment No. 174: This amendment adds a new chapter 7 (consisting of sections 171 through 175) to title I of the bill. Under this amendment:

(1) the United States Tariff Commission is renamed as the "United States International Trade Commission",

(2) the membership is increased from 6 to 7 commissioners (no more than 4 from the same political party),

(3) the term of office of commissioner is increased from 6 to 14 years, with one term expiring every other year,

(4) an individual who has served for more than 7 years after the date of the enactment of the bill will be ineligible for reappointment,

(5) the chairman and vice chairman positions are to rotate, with assignment as such normally determined by seniority,

(6) the pay of the commissioners is upgraded,

(7) the voting record of the commissioners is to be published,

(8) the Commission is to be represented in court by its own attorneys or, at the request of the Commission, by the Attorney General of the United States, and

(9) the Commission is given an independent budget, and appropriations for the Commission for each fiscal year are authorized.

The House recedes with the following amendments:

(1) the Commission membership remains at six with an understanding that the commissioner shall, to the maximum extent feasible, avoid tie votes; (2) each Commissioner will serve for one nine-year term (rather than fourteen years). The House recedes from the Senate amendment with a modification to require the Commission Chairmanship to rotate every eighteen months, beginning June, 1975.

The House recedes from the Senate amendment to upgrade Commissioners' pay and to require voting records to be published. The Conference agreement permits the Commission to represent itself in judicial proceeding relative to its own functions, whereas the Attorney General would represent the Commission in judicial proceedings involving matters of Presidential decision. The House recedes from the Senate amendment requiring the Commission's budget to be submitted directly to Congress, rather than through OMB, beginning in 1976, with approval of both the Senate Finance and House Committee on Ways and Means.

Amendments Nos. 180 and 181: Under section 201 of the House bill, the Tariff Commission, when investigating petitions for eligibility for import relief, must take into account all economic factors which it considers relevant, including, with respect to substantial cause of serious injury to domestic injury caused by imports, an increase in imports (either actual or relative to domestic production). Senate amendments Nos. 180 and 181 provide that with respect to substantial injury, the Commission shall take into account only an absolute increase in imports. The Senate recedes.

Amendment No. 185: Section 201(b)(3) of the House bill provides that in determining the domestic industry producing an article like or directly competitive with an imported article, the Tariff Commission may (1) in the case of a domestic producer which also imports, treat as part of such domestic industry only its domestic production, and (2) in the case of a domestic producer which produces more than one article, treat as part of such domestic industry only that portion or subdivision of the producer which produces the like or directly competitive article. The Senate amendment adds to the House language a third standard under which the Commission may, in the case of a domestic producer located in a major geographic area of the U.S. and serving a market in that area, treat as part of such domestic industry only that segment of the producer which is located in the area. The House recedes with an amendment authorizing the Tariff Commission to treat as a domestic industry only the segment of the national production that is produced in a major geographic area if (1) the production in such area constitute a substantial portion of the national industry, (2) such producers serve primarily the market of such major geographic area and (3) imports are concentrated in such geographic area.

Amendment No. 191: This amendment amends the House provision which requires the Tariff Commission, if it finds serious injury or threat thereof to a domestic injury caused by an imported article, to include in its report thereon to the President its finding as to the amount of increase in, or imposition of, any duty or import restriction on such article which is necessary to prevent or remedy such injury. The Senate amendment further requires that if the Commission finds that adjustment assistance under chapters 2, 3, and 4 of title II of the bill can effectively remedy such injury, the Commission shall recommend the provision of such assistance in its report to the President. The House recedes.

Amendment No. 198: Section 202 of the House bill provided that the President, after receiving an affirmative finding of import injury from the Tariff Commission, shall evaluate the extent to which adjustment assistance has, or can be, made available to workers and firms in the injured domestic injury and may direct the Secretaries of Labor and Commerce to give expeditious consideration to petitions for adjustment assistance, and may provide import relief to the industry pursuant to section 203 of the bill. The House provision required the President to make a determination whether to provide such import relief within 60 days after receipt of the Commission's affirmative finding, and to notify Congress immediately if he determined not to provide such relief. The Senate amendment changes the House provision in that (1) if an affirmative injury finding is made by the Commission, the President is required to provide import relief, and (2) if the Commission recommends the provision of adjustment assistance along with its finding, the President is to direct the Secretaries of Commerce and Labor to give expeditious consideration to assistance petitions. The Senate amendment further requires the President, within 60 days after receiving an affirmative finding of injury (1) to determine what method and amount of import relief he will provide and whether he will direct expeditious consideration of adjustment assistance petitions (and publish in the Federal Register that he has made such determination); and (2) publish his order to the Secretaries of Labor and Commerce directing them to give such expeditious consideration, if the Tariff Commission recommends the provision of adjustment assistance.

The House recedes with an amendment under which, after receiving an affirmative determination of injury (or threat thereof) the President shall (in addition to recommending whatever adjustment assistance that he deems advisable):

(1) provide import relief as recommended by the Commission;

(2) provide such other import relief as he deems appropriate; *Provided, however,* If he determines it is not in the national economic interest, he may provide no import relief.

However, if the President does not provide any import relief (because he determines it is not in the national economic interest) or if he provides relief other than recommended by the Commission, he must report his reasons to the Congress, and the Congress by an approval of a concurrent resolution under the procedures established by section 151 may provide import relief, as recommended by the Commission, or otherwise.

Amendments Nos. 202 and 206: The House bill permits the President, within 45 days after receiving an affirmative finding of injury by the Tariff Commission, to request additional information from the Commission. The Commission in not less than 30 days after such request (60 days in the case extensive additional information is requested) is required to furnish such information. Senate amendment No. 202 requires the President to request additional information within 15 days after receiving the finding and Senate amendment No. 206 deletes the additional 30 day period allowed under the House provision for Tariff Commission report in the case of extensive information. The House recedes with respect to amendment No. 202, the Senate recedes with respect to amendment No. 206.

Amendment No. 207: This amendment deletes from section 203 of the House bill the provision stating that, for purposes of providing import relief, the following methods shall be preferred to the methods listed below it:

(1) Increases in, or imposition of, duties,
(2) tariff rate quotas,
(3) quantitative restrictions,
(4) orderly marketing agreements.

This amendment further requires the President, if required under section 202(a)(1) to provide import relief, to take one or more of the relief actions set forth in section 203 of the House bill (redesignated section 203(a) by the Senate). The House recedes with an amendment.

Amendment No. 209: This amendment deletes section 203(c) of the House bill, which requires the President to report to Congress when he selects a method or methods of providing import relief (including a statement as to why he selected a method of relief over methods ranking higher in preference under section 203(a) of the House bill and over the provision of adjustment assistance), and provides instead that on the day the President proclaims import relief or announces his intention to negotiate orderly marketing agreements, he shall transmit to Congress a document setting forth the kind of action taken by him, and if such action differs from that recommended by the Tariff Commission in its affirmative finding, the reason for such difference.

Amendment No. 251: Under section 222 of the House bill, the Secretary of Labor shall certify groups of workers as eligible to apply for adjustment assistance if he determines, among other things, that increases of imports of articles like or directly competitive with articles produced by the workers' firm contributed importantly to the total or partial separation of the workers from employment, or to an absolute decrease in sales or production of the firm. The Senate amendment requires the Secretary to find an absolute increase in such imports. The Senate recedes.

Amendment No. 252: This amendment, which adds a new paragraph to section 222 of the House bill, defines "contributed importantly" (as such term applies to the effect of imports on worker's employment or their firm's production and sales) as meaning a cause which is important but not necessarily more important than any other cause. This definition was not included in the House bill, but was set forth in the House report. The House recedes.

Amendments Nos. 253 and 254: Section 223(c) and (d) of the House bill requires the Secretary of Labor to promptly publish in the Federal Register (1) a summary of his determination made with respect to any petition for worker adjustment assistance, and (2) notice of his determination to terminate any certification of eligibility for assistance by workers. The Senate amendments require the Secretary to also publish at the same time his reasons for each such determination. The House recedes.

Amendment No. 262: Under section 232(a) of the House bill, the trade adjustment allowance payable to an adversely affected worker for a week of unemployment shall be (1) for any week in the first 26 weeks of such allowances 70 percent of his average weekly wage, and (2) any subsequent week of such allowances 65 percent of his average weekly wage The Senate amendment provides that for any week of allowance, the allowance shall be 75 percent of his average weekly wage. Under both House and Senate versions, no weekly allowance may exceed the average weekly manufacturing wage and each weekly allowance is reduced by 50 percent of the amount of the remuneration for services performed

by him during such week. The House recedes with an amendment providing that the allowance shall be 70 percent of the worker's average weekly wage for the entire 52 weeks of entitlement.

Amendment No. 264: Under section 232(e) of the House bill, whenever in any week of unemployment, the total amount payable to a worker as remuneration, unemployment compensation, training allowance, and trade readjustment exceeds (1) in the case of any week in the first 26 weeks of such allowances, 80 percent of his average weekly wage; or (2) in the case of any subsequent week, 75 percent of his average weekly wage, then the workers' trade readjustment allowance must be reduced by the amount of such excess. The Senate amendment eliminates the distinction between the first 26 weeks and subsequent weeks and provides that if the specified amounts payable to the worker exceed 80 percent of his average weekly wage for any week, the readjustment allowance for that week is reduced by the amount of the excess. Under both House and Senate versions, 130 percent of the average weekly manufacturing wage, if less than the percentage of the workers' average weekly wage which otherwise applies, is used for purposes of computing the reduction. The House recedes.

Amendment No. 265: This amendment eliminates the provision in the House bill which provides for Federal reimbursement to the States for any unemployment insurance provided under State programs to workers who are eligible for adjustment assistance under the bill. Under the bill as amended by the Senate, Federal funding is provided only for that portion of a worker's adjustment benefits which exceed his entitlement under the State unemployment program. The House recedes.

Senate amendments Nos. 266 and 267: Section 233 of the House bill provides that payments of trade readjustment allowances may not be made to any worker for more than 52 weeks, except that payments may be made (1) for an additional 26 weeks to a worker to assist him to complete training, and (2) for an additional 13 weeks to a worker who attained age 60 on or before the date of his total or partial separation from employment. Senate amendment No. 266 would provide for payments for an additional 26 weeks in the case of workers age 60 and over; and Senate amendment No. 267 imposes a maximum limitation of 78 weeks of trade readjustment allowances for any worker. The House recedes.

Amendment No. 268: This amendment provides that no trade adjustment allowance may be paid to a worker for an additional week to assist him in completing training unless the worker makes application for a training program approved by the Secretary within the later of (1) 180 days after the end of the week of his most recent total or partial separation (as the case may be), or (2) the date of his first certification of eligibility to apply for adjustment assistance. The House recedes.

Senate amendments Nos. 270 and 271: Section 236 of the House bill authorized the Secretary of Labor to defray subsistence and transportation expenses for workers undergoing training at facilities not within comuting distance of the worker's residence. The House bill provided subsistence payments not exceeding $5 per day, and transportation expense payments not exceeding 10 cents per mile. Senate amendment No. 270 provides for subsistence payments not exceeding $15 per day and Senate amendment No. 271 provides for transportation payments not exceeding 12 cents per mile. The House recedes.

Amendment No. 272: The House bill allows a displaced worker to apply for a job search allowance for up to one year after he becomes unemployed. The Senate amendment allows a worker who has been referred to training to apply for a job search allowance within a reasonable period of time after the conclusion of such training. The House recedes.

Amendment No. 273: The House bill requires workers seeking relocation allowances to apply for these allowances before the time in which the relocation move is made. The amendment permits applications for such allowances to be made within a reasonable time after the move has been completed. The Senate recedes.

Amendment No. 274: The House bill contains a provision which states that any determination by a cooperating State agency with respect to entitlement to payments of adjustment assistance allowances is subject to review in the same manner as are determinations under the State unemployment insurance law. The Senate amendment applies State review standards to all adjustment assistance program benefits. The House recedes.

Amendment No. 275: This amendment amends the Internal Revenue Code of 1954 in order to reduce by 15 percent the credits for State unemployment taxes which employers are allowed against their liability for Federal Unemployment Tax if the Secretary of Labor finds that the State has not entered into before July 1, 1975, or fulfilled its commitments under, a cooperative agreement with the Secretary for the administration of adjustment assistance benefits within such State. The House bill did not contain a similar provision. The House recedes.

Amendment No. 276: This amendment provides that final determinations as to entitlement to all adjustment assistance benefits (rather than to only allowance payments as in the House bill) made by the Secretary of Labor absent an agreement under section 239 with a State shall be judicially reviewable as provided in section 205(g) of the Social Security Act. The House recedes.

Amendment No. 281: This amendment authorizes the appropriation (for purposes of training under section 236 of the bill) $50,000,000 for fiscal year 1975 and such sums as are necessary for the 5 succeeding fiscal years. No separate authorization for training was contained in the House bill. The House recedes with an amendment eliminating the specified $50,000,000 limitation on appropriations for fiscal year 1975, and an amendment authorizing necessary appropriations for the 7 succeeding fiscal years after fiscal year 1975, thereby conforming the appropriation authorization to the conference agreement on the date of termination of all adjustment assistance programs.

Amendment No. 284: This amendment provides that weeks of unemployment beginning after the effective date of the worker's adjustment assistance chapter for which trade adjustment allowances were payable under the Trade Expansion Act of 1962 shall be deducted from the total number of weeks of unemployment for which the worker is eligible for allowances under such chapter. The House recedes.

Amendment No. 288: The amendment adds a new section to the bill which authorizes the Secretary of Labor to require by subpena the attendance of witnesses and the production of evidence necessary for him to make determinations under the worker adjustment assistance chapter. U.S. district courts are authorized to issue orders requiring compliance with such subpenas. The House recedes.

Amendment No. 289: This amendment adds a new section to the bill under which any worker or group of workers may receive judicial review in United States circuit courts of appeals of any final determination by the Secretary of Labor on the eligibility of workers to apply for adjustment assistance. The findings of the Secretary shall be conclusive if supported by substantial evidence. The House recedes with a clarifying amendment.

Amendment No. 320: This Senate amendment creates a new program of adjustment assistance for communities adversely affected by imports. A community, group of communities, or Governor of a State on behalf of a community or communities may file a petition with the Secretary of Commerce for certification of eligibility to apply for community adjustment assistance. The Secretary must certify a community eligible to apply if he determines: (a) a significant number or proportion of workers in the trade impacted area where the community is located are or are threatened to become totally or partially unemployed; (b) sales and/or production of firms in the trade impacted area have decreased absolutely; and (c) increased import of articles like or directly competitive with those produced by the firms or the transfer of firms from the trade impacted area to foreign countries have contributed importantly to (a) and (b).

Benefits can be extended only if the Secretary approves the adjustment assistance plan. Adjustment assistance for qualified communities consists of:

All forms of assistance other than loan guarantees, as provided a redevelopment area under the Public Works and Economic Development Act of 1965 ("PWEDA") and loan guarantees with a termination date September 30, 1982 as expressly provided in the Trade Act. Under the PWEDA the Secretary of Commerce is authorized to provide assistance to attract new investment and to create additional long term employment opportunities in the area in the form of:

(1) direct grants for acquisition and development of land and improvements for public works, public service, or development facilities, including authority for additional grants to areas of substantial unemployment;

(2) loans to purchase land and facilities for such purposes as constructing, modernizing and expanding plant facilities; and

(3) technical assistance which would be useful in alleviating or preventing excessive unemployment or underemployment.

Loan guarantees for working capital and for the acquisition or improvement of plant facilities may be made to private borrowers by private lending institutions are subject to the same terms and conditions as under the Public Works and Economic Development Act of 1965,

The Senate amendment imposed two major conditions upon applicants for loan guarantees: first that officials of the state or locality or both pledge such portion of a future revenue sharing entitlement as necessary to cover fifty percent of any deficiency arising from a default, and second, in the case of corporations, that an amount of stock equal to twenty-five percent of the amount guaranteed be paid by the lender into a trust which is part of an employee stock ownership plan established and maintained solely by the corporation. The House bill contained no such provisions. The House recedes with the following amendments:

First, delete the word "absolute" so as to permit the Secretary to issue certifications whenever he determines that increases of imports, whether absolute or relative, have contributed importantly to the total or partial separation of workers and to the decline in sales or production, of firms, or threat thereof, in the affected area.

Second, extend the expiration on date of the community program from September 30, 1980, to September 30, 1982.

Third, in place of the Senate bill's provisions on joint liability for loan guarantees provide that the Governor of the State, the

authorized representative of the community, or both, in which an applicant for a loan guarantee is located *may* enter into an agreement providing that such State or community or both will pay one half of the amount of any liability arising from the loan guarantee, if the State in which the applicant has established by law a program approved by the Secretary for such purpose. It is the understanding of the managers that an amendment to the State and Local Fiscal Assistance Act of 1972 to include such a use of funds among the enumerated purposes for which funds may be applied under that Act will be considered in 1977 when that legislation is considered for renewal.

Fourth, provide that when considering loan guarantees for qualified corporations, the Secretary shall give preference to corporations which have or undertake to establish a qualified employee stock ownership plan established and maintained solely by the corporation.

Amendment No. 322: This Senate amendment requires the Comptroller General to conduct a study, assisted by the Departments of Labor and Commerce, of the worker, firm and community adjustment assistance programs. The study by the General Accounting Office, among other things, will evaluate: (1) the effectiveness of the programs in aiding adjustment to import competition and, (2) the coordination of the administration of the programs with other government programs providing unemployment compensation and relief to depressed areas. The report is to be submitted to the Congress by January 30, 1979. The House bill contained no similar provision. The House recedes with an amendment requiring that the report be submitted to the Congress no later than January 31, 1980 instead of January 30, 1979.

Amendment No. 323: This Senate amendment replaces a comparable provision contained in the House bill. An Adjustment Assistance Coordinating Committee is created to consist of a Deputy Special Trade Representative, as Chairman, and officials charged with adjustment assistance responsibilities of the Departments of Labor and Commerce and the Small Business Administration. The Committee is charged with the coordination of the adjustment assistance policies, studies, and programs of the various agencies involved and to promote the efficient and effective delivery of adjustment assistance benefits. The House recedes.

Amendment No. 324: This Senate amendment directs the Secretaries of Commerce and Labor to establish and maintain a program to monitor imports of articles which will reflect changes in the volume of such imports, the relation of such imports to changes in relevant domestic production and employment, and the extent to which such changes in production and employment are concentrated in specific geographic regions of the country. A second provision added by the Senate required the Secretaries to gather additional information concerning the international operations of multinational corporations doing business in the United States. The information would cover direct investment by any such corporation in each foreign affiliate, gross sales, employment data, etc. The information gathered under this provision is to be published regularly. The House bill contained no such provisions. The House recedes with an amendment deleting the provision relating to information concerning the international operations of multinational corporations. It is the understanding of the managers that nothing in the remaining provision will be construed to require the tracing of articles imported into the United States to their points of sale in specific regions or areas of the country.

Amendment No. 325: This Senate amendment required that every firm, prior to moving production facilities abroad, should: (1) give at least 60 days advance notice to its employees who are likely to become totally or partially unemployed; (2) at the same time give the Secretaries of Labor and Commerce notice of the move; (3) apply for and use all adjustment assistance for which it is eligible; (4) offer employment opportunities, if any exist, to its affected employees; and (5) assist in relocating employees where employment opportunities exist. The House bill contained no such provision. The House recedes with an amendment requiring that items 3, 4, and 5, above, be stated as being the sense of the Congress.

Amendment No. 326: This Senate amendment provides that the worker, firm, and community adjustment assistance provisions of title II of the Senate bill will become effective on the 90th day after the date of enactment of this Act. Such provisions are to terminate on September 30, 1982.

Amendment No. 329: Section 301(a)(4) of the Senate bill adds a provision to bases for retaliation, explicitly applying the discretionary retaliation authority to unjustifiable or unreasonable restrictions on access to supplies which burden or restrict U.S. commerce. The House bill did not contain a similar provision. The House recedes.

Amendment No. 330: The Senate bill extends retaliatory measures to include imposition of fees or restrictions on foreign services, as well as imposition of duties or other import restrictions on foreign goods. The House bill did not contain a similar provision. The House recedes.

Amendment No. 331: Section 301(a) of the Senate bill explicitly defines "commerce" to include services for purposes of the retaliation authority. The House bill did not contain a similar provision. The House recedes.

Amendment No. 332: Section 301(b) of the House bill required the President to consider U.S. international obligations when determining what actions to take under section 301. The Senate bill deleted this requirement. The House bill permitted actions against unjustifiable foreign practices to be taken on an MFN or selective basis. Actions against unreasonable foreign practices were to be on a selective basis. The Senate bill removes the distinction between unreasonable and unjustifiable practices, and authorized action on an MFN or selective basis in all cases. However, actions by the President would be subject to Congressional veto by a concurrent resolution of disapproval under Section 302 if the action is MFN rather than only against the country involved. The House recedes.

Amendment No. 334: The Senate bill adds a requirement, in addition to the provision in the House bill providing an opportunity for interested parties to present views, that the Special Trade Representative review complaints, publish them in the *Federal Register*, and hold public hearings upon request of the complainant on the alleged foreign restrictions. Also, the Special Trade Representative must submit a semiannual report to the Congress summarizing the reviews and hearings it has conducted during the preceding 6-month period. The House recedes.

Amendment No. 335: Section 301(e) of the House bill contained a provision requiring the President to provide an opportunity for the presentation of views and public hearings prior to the taking of action under Section 301. The Senate bill would also permit such presentation of views and hearings to take place promptly after the action, if the President determines that holding them prior to taking action would be contrary to the national interest because expeditious action is needed. The House recedes.

Amendment Nos. 336–337: The House bill provided for a one-House veto of any action under 301. The Senate bill provides for a two-House veto of any action taken by the President on an MFN basis. Following the adoption of such a two-House resolution of disapproval, such action would remain in effect only with respect to the country(ies) whose practice was the cause for taking action under Section 301. The House recedes.

Amendment No. 338: Section 321(a) of the House bill required that a preliminary dumping determination be made by the Secretary of the Treasury within six months after the question of dumping was presented to him. In more complicated investigations such determinations could have been made within nine months after such question was presented. The Senate bill permits the period for the preliminary determination to be extended to nine months only after the Secretary of the Treasury concludes that such determination can not be reasonably made in six months and publishes a notice in the Federal Register with a statement of his reasons for such determination.

The Senate bill requires the Secretary to make a final dumping determination within three months after a preliminary determination, whether such preliminary determination was affirmative or negative. The House bill contained no similar provision.

The Senate bill requires the Secretary to determine whether or not to initiate an investigation within thirty days of the receipt of information alleging dumping. The Secretary would publish an affirmative determination to initiate an investigation in the Federal Register, and the time limits in the Senate bill would proceed from the date of such publication. The time limits in the House bill proceeded from the date on which the question of dumping was deemed to be presented to the Secretary.

Section 321(a) of the Senate bill provides that if, during the thirty day period of his determination whether or not to initiate an investigation, the Secretary of the Treasury concludes there is substantial doubt as to whether a domestic industry is being or is likely to be injured, he must give his reasons for such determination and any preliminary information available to him to the Tariff Commission. If the Commission determines within thirty days of receipt of the reasons and information that there is no reasonable indication of injury to an industry, it will advise the Secretary and any investigation will terminate. Otherwise, the investigation of the Secretary would continue. The House bill did not contain a similar provision.

Under the House bill, foreign manufacturers, exporters, and domestic importers had an automatic right to appear at hearings required to be conducted by the Secretary and the Commission. The Senate bill would amend Section 201(d)(1) of the Antidumping Act to extend the automatic hearing rights to include U.S. manufacturers, producers, or wholesalers of merchandise of the same class or kind, as well as foreign manufacturers, exporters and domestic importers of such merchandise. Under the Senate bill hearings would be held only at the request of one of the above interested parties.

The Senate bill adds the explicit qualification to the determination procedure that preserves any confidential treatment granted by the Secretary or the Commission during the course of the determination. The House bill did not contain a similar provision.

The House recedes with the understanding that the Secretary of the Treasury is not precluded from issuing an affirmative preliminary determination and withholding appraisement, following the issuance of a preliminary negative determination. However, the Secretary must issue his final determination within three months of his first preliminary determination under the Antidumping Act.

Amendment No. 343: The Senate bill adds a new subsection 205(d) to the Antidumping Act which authorizes the Secretary of the Treasury to impose dumping duties when a multinational corporation operating in several foreign countries supports low-priced exports to the United States through high-priced sales by other subsidiaries located in protected markets. More specifically, when the Secretary determines that:

(1) merchandise exported to the United States is produced in facilities owned or controlled by person, firm or corporation which also owns or controls facilities producing similar merchandise in other countries;

(2) sales in the home market of the country exporting to the U.S. are nonexistent or inadequate as a basis for comparison with sales of such or similar merchandise in the United States; and

(3) sales of like or similar merchandise made in one or more of the other countries are at prices substantially higher than the prices charged for goods produced in the exporting country;

the Secretary *may* determine the foreign market value by looking at the higher prices (adjusted for differences in cost of production and costs incident to packing) at which such like or similar goods are sold in substantial quantities by one or more of such other foreign facilities located outside the exporting country. The dumping duty could then be assessed in the amount equal to the difference between the purchase price in the United States (or the exporter's sale price) and the higher foreign market value of the goods not actually exported to the United States. The House bill did not contain a similar provision. The House recedes with an amendment making the Senate provision mandatory. Thus, the "may" in italics above is changed to *shall*.

Amendment No. 346: The Senate bill added an amendment to Section 481 of the Tariff Act to direct the Secretary of the Treasury to require that certified import invoices, other than for special transactions, include data on: (1) all rebates, drawbacks, and bounties and grants on the merchandise; and (2) the unit price of the same or similar merchandise in the home market of the country of export. The information would not be required if the customs officer determined it is currently available. The provision would apply to goods imported on or after the 90th day after enactment of the Act. The House bill did not contain a similar provision. The Senate recedes.

Amendment No. 347: The Senate bill adds a new section 516(d) to the Tariff Act to provide domestic manufacturers, producers, or wholesalers the right of judicial review in the U.S. Customs Court of negative dumping and countervailing duty determinations. The written notice of desire to contest must be filed with the Secretary of the Treasury within 30 days after the determination. This provision will apply to dumping and countervailing duty complaints made on or after enactment of the Trade Act. Under existing law importers and foreign producers are entitled to judicial review. Further, with respect to an antidumping proceeding or countervailing duty proceeding, upon summons, the Secretary is required to furnish the Customs Court with certified copies of the transcript of all hearings, and all notices, determinations or other matters published in the Federal Register in connection with a particular antidumping or countervailing duty proceeding. The House bill did not contain a similar provision. The House recedes.

Amendment No. 353–4: Section 331 of the Senate bill contains a provision for a countervailing duty investigation to be initiated by the filing of a petition by any person setting forth his reasons for believing a bounty or grant exists, as well as at the initiative of the Secretary, which was required in the House bill. In both bills, there must be a Federal Register notice of the initiation of the investigation.

The Senate bill adds a 6-month time limit for a preliminary determination and retains the House 12-month limit for a final determination. In the Senate bill, the time limit begins on the date the petition is filed or the initiation notice is published, rather than from the date the question is presented to the Secretary, as under the House bill. The Senate bill requires that countervailing duties be imposed as of the publication date of the final determination. The House bill provided that such orders would apply 30 days after publication in the Federal Register.

The Senate bill adds to the House bill's extension of the injury test to duty-free imports a change in the suspension of liquidation provision, i.e., provides for suspension in the event the Secretary determines a bounty or grant exists with respect to nondutiable imports so as to require the same effective date for imposition of countervailing duties regardless of whether the merchandise in question is dutiable. Liquidation would be suspended immediately under the Senate bill, rather than 30 days after publication of the determination, as under the House bill.

The Senate bill deletes the provision in the House bill that the imposition of a countervailing duty shall not be required on any article subject to quantitative limitations where such limitations are determined to be an adequate substitute for a countervailing duty.

The Senate bill replaces the temporary waiver provision in the House bill, applicable while negotiations are in progress, with a new discretionary provision adding an explicit Congressional mandate for the President to negotiate internationally-agreed rules and procedures governing the use of subsidies and other export incentives, and the application of countervailing duties. The Senate bill deletes the one-year carve-out in the House bill for cases where an article is produced in facilities owned or controlled by a developed country, which are subsidized. Discretion under the Senate bill in the imposition of countervailing duties is permitted during the *two* year, rather than the *four* year period, following enactment under the House bill if the Secretary determines, after seeking advice from appropriate agencies that:

(1) adequate steps have been taken to eliminate or substantially reduce the adverse effect of the bounty or grant;

(2) there is a reasonable prospect that successful trade agreements under Section 102 will be entered into; and

(3) the imposition of countervailing duties would be likely to seriously jeopardize negotiations.

The Senate bill prohibits the waiver of otherwise mandated countervailing duties in cases involving import-sensitive items such as footwear. The House bill did not contain a similar provision.

The House bill requires only that the third condition exist for the Secretary to be able to exercise the waiver, whereas the Senate version permits the waiver only if *all* of the three conditions exist. Under the Senate, the Secretary may revoke his determination at any time, and must revoke it if a basis supporting such waiver no longer exists.

The Senate bill requires the Secretary of the Treasury to promptly report his determination not to impose duties and reasons therefor to both Houses of Congress. Countervailing duties will be imposed if a majority of those present and voting of either House adopts at any time a disapproval resolution under Section 152 procedures. The House bill did not contain a similar provision.

The House recedes with amendments. The discretion of the Secretary of the Treasury to waive countervailing duties under the conditions specified in the Senate provision are to be effective for a four year period following date of enactment. The prohibition against the application of the waiver will apply only with respect to nonrubber footwear imports. It is the understanding of the conferees that the requirement concerning the elimination or reduction of adverse effects in the waiver provision is not to be construed as the intent of Congress that this language inject an injury concept into countervailing duty cases regarding dutiable goods, nor that the President negotiate, in every case, orderly marketing agreements with countries who are subsidizing exports to the United States in order to avoid the imposition of countervailing duties through use of such waiver.

Amendment No. 368: This Senate amendment amends section 515(d) of the Tariff Act of 1930 by inserting before the period at the end thereof the phrase "or the imposition of countervailing duties under Section 303." The House did not contain a similar provision. The House recedes.

Amendment No. 369: Section 321(d) of the Senate bill provides that for purposes of applying the provisions of Section 303(a)(4) (time limits on preliminary and final determinations) with respect to any countervailing duty investigation initiated before the date of enactment, such investigation shall be considered initiated on the day after such date of enactment. The amendment further provided that the Secretary's final determination on all countervailing complaints filed more than six months before enactment will be reached within six months after enactment. The House recedes with respect to the first provision relating to Section 303(a)(4) of the Tariff Act of 1930 (as amended). The Senate recedes with respect to the second provision relating to complaints filed more than six months before enactment, with the understanding that Section 321(d) of the Senate bill is adequate to subject pending complaints to the time limits of the countervailing duty statutes, as now amended.

Amendment No. 370: This Senate amendment extensively revises Section 337 of the Tariff Act of 1930, relating to unfair import practices, so as to vest solely in the International Trade Commission (subject to Presidential intervention for policy reasons only) final authority to exclude articles concerned in all unfair methods of import competition under Section 337, and to make other changes relating to the disposition of such cases. The House recedes with one amendment, striking the Senate provision requiring the International Trade Commission to consider in cases based upon claims of U.S. letters patent, defenses of price gouging.

Amendment No. 375: This amendment adds to section 402 of the House bill (relating to freedom of emigration in East-West trade) a new subsection (c) which authorizes the President to waive the freedom of emigration requirements in such section for a period of 18 months after the date of the enactment of the bill for any nonmarket country if he reports to Congress that the waiver will substantially promote the freedom of emigration objectives of the section and that he has received assurances that the emigration practices of that country will substantially lead to the achievement of the objectives of such section. The amendment further authorizes the President to extend the waiver at the end of the 18-month period.

and every year thereafter, subject to an affirmative approval, and thereafter congressional veto requirement. The House recedes.

Amendment No. 378: This amendment adds a new section 403 to the bill which provides that no nonmarket economy country may receive nondiscriminatory treatment or participate in a program under which the U.S. extends credit, credit guarantees, or investment guarantees, and no commercial agreement between the U.S. and any such country may enter into effect, during any period in which the President determines that such country is not cooperating with the U.S. to account for all U.S. personnel missing in action in Southeast Asia, to repatriate such personnel who are alive, and to return the remains of such personnel who are dead. The amendment further provides that any such country may receive such treatment and participate in such program, and that any such agreement shall enter into effect, if the President submits a report to Congress indicating that such country is so cooperating. Such report must include information on the nature of the cooperating and semiannual reports on the degree of cooperation by that country is required for so long as the nondiscriminatory treatment and credit or guarantees, or any such agreement, is in effect. The amendment does not apply to countries eligible for column 1 tariff treatment. The House recedes with an amendment which authorizes the President to deny the extension of most favored nation treatment, credits, guarantees, to countries which he determines are not cooperating with the United States in achieving the objectives of the Senate amendment. The President's reports to Congress would relate generally to compliance of countries involved in the MIA problem.

Amendment No. 380: Subsection (a) of section 403 of the House bill (section 404 as redesignated by the Senate) stated that the President may by proclamation extend nondiscriminatory treatment to products of a foreign country which has entered into a bilateral commercial agreement or is party to an appropriate multilateral trade agreement to which the U.S. is a party. The Senate amendment replaces the House provision with language stating that the President may only extend nondiscriminatory treatment to a country which has entered into a bilateral agreement with the U.S. The House recedes.

Amendment No. 385: This amendment provides that any bilateral commercial agreement entered into by the President may be renewed if during the life of the agreement a satisfactory balance of concessions in trade and services (balance of trade concessions under the House version) was maintained. The House recedes.

Amendment No. 387: This amendment amends section 405 of the House bill (relating to the authority of the President to enter into bilateral commercial agreements providing nondiscriminatory treatment to products of countries heretofore denied such treatment) to require that any such agreement—

(1) include safeguard arrangements providing for prompt consultations when actual or prospective imports cause, threaten, or significantly contribute to market disruption, and the imposition of import restrictions appropriate to prevent such disruption (a more detailed statement of such arrangements than provided for in the House bill);

(2) if the party to the agreement is not a party to such Convention, provides rights for United States nationals with respect to patents and trade marks not less than the rights specified under the Paris Convention for the Protection of Industrial Property;

(3) if the party to the agreement is not a party to such Convention, provide rights for United States nationals with respect to copyrights not less than the rights specified under the Universal Copyright Convention;

(4) contain arrangements to protect industrial rights and processes (and such arrangements shall apply only to agreements entered into and renewed after the date of enactment of the bill);

(5) contain arrangements for trade promotion; and

(6) contain other commercial arrangements necessary to promote the purposes of the bill.

The rights and arrangements required under paragraphs (2), (3), (4), (5), and (6) were discretionary under the House bill. The Senate amendment further requires that no bilateral commercial agreement, nor any proclamation extending nondiscriminatory treatment, shall be effective unless approved by Congress by concurrent resolution under the procedures in section 151 of the bill and provided that any such agreement entered into before the date of enactment of the bill, and any proclamation implementing any such agreement, may enter into effect subject to the disapproval of either House of Congress under the procedure contained in section 152. The House recedes.

Amendment No. 389: This amendment substantially revises section 405 of the House bill (section 406 as redesignated by the Senate) under which petitions may be filed with the International Trade Commission regarding products of countries receiving nondiscriminatory treatment under title IV of the bill to determine whether such products are causing market disruption and material injury to U.S. industries producing like or directly competitive articles. Under the Senate amendment—

(1) the Commission must determine whether market disruption exists with respect to an article produced by a domestic industry;

(2) market disruption is found to exist within a domestic industry whenever an article is being or is likely to be imported into the United States in such increased quantities as to be a significant cause of material injury or threat thereof to such industry (under the House language disruption exists whenever imports of a like or directly competitive article are substantial, are increasing rapidly both absolutely and relative to total domestic consumption, and are offered at prices substantially below those of comparable domestic articles);

(3) disruption determinations are made with respect to the products of any country dominated or controlled by Communism rather than, as under the House version, only countries to which nondiscriminatory treatment has been extended under title IV;

(4) certain procedural and hearing requirements applicable to import relief determination under title II are made applicable;

(5) reduces the time limit for market disruption investigations from six months to three months;

(6) prohibits the Commission from recommending adjustment assistance in such cases;

(7) requires the President to impose import relief after an affirmative finding of market disruption;

(8) prohibits the President from applying import relief measures to imports other than those from the particular country involved in the affirmative determination;

(9) requires the President to initiate an investigation if he finds reasonable grounds that market disruption exists;

(10) authorizes the President to take emergency relief action under section 201 and 203; and

(11) provides that petitions may be filed with the Special Representative for Trade Negotiations requesting that consultations provided for under safeguard arrangements contained in bilateral agreements with Communist countries be initiated.

The House recedes with amendments which (1) provide that petitions requesting consultations under safeguard arrangements be submitted to the President rather than to the Special Trade Representative, and (2) to redefine market disruption to exist whenever imports of a like or directly competitive article are increasing rapidly both absolutely and as a proportion of total domestic consumption, and such imports are causing or are likely to cause material injury to a domestic industry. The conferees understand that foreign entities would not be eligible to petition for relief under either section 201 or section 406.

Amendments Nos. 393 and 394: These amendments revise the procedures relating to the submission of required documents for, and the effect of, Congressional action on the approval or disapproval of extension of nondiscriminatory treatment to nonmarket economy countries. Under the House bill, Congress could disapprove the extension of nondiscriminatory treatment to a nonmarket economy country. The Senate bill revised the House provisions (1) to require affirmative Congressional approval of any bilateral agreement under section 406 and a proclamation extending MFN treatment if the agreement was entered into after enactment of this Act; (2) to provide for Congressional disapproval of the agreement and implementing proclamation with a nonmarket economy country if the agreement was entered into before enactment of this Act; and (3) to provide for Congressional disapproval of reports submitted under title IV, which disapproval would deny continuation of MFN treatment, deny further participation in United States credit, or guarantee programs and preclude conclusion of a bilateral agreement under section 406.

Amendments Nos. 396 and 397: Amendment No. 396 adds a new section 408 to the bill which provides that (1) Czechoslovakia may not receive nondiscriminatory treatment or participants in any Federal programs extending credit or credit guarantees or investment guarantees, and (2) the United States may not consent to the release to Czechoslovakia of any gold belonging to that country and controlled by the United States pursuant to the Paris Reparations Agreement of January 24, 1946; until the government of Czechoslovakia pays a principal amount it owes to United States citizens under awards rendered against that country by the Foreign Claims Settlement Commission. Amendment No. 397 provides that if Czechoslovakia continues to fail to pay such awards, the United States District Court for the District of Columbia shall have jurisdiction to determine whether Czechoslovakia owns the gold which is controlled by the United States and, upon such finding, issue orders and judgments resulting in the payment of the claims of United States citizens against Czechoslovakia, with any balance remaining to be paid to that country. Under the conference agreement, any bilateral agreement with Czechoslovakia extending most favored nation treatment must include a renegotiation of the claims settlement. However, a more equitable claims settlement may be renegotiated prior to submission of a commercial agreement. The conferees intend that there be a speedy renegotiation of a claims settlement by individuals other than those who negotiated the unreasonable first tentative agreement. No further government credits may be extended to Czechoslovakia until the claims settlement is renegotiated and approved by Congress.

Also, the United States shall not release any gold to Czechoslovakia until the claims settlement is approved.

Amendment No. 398: This amendment adds a new section 409 to the bill which provides that no nonmarket economy country may receive nondiscriminatory treatment or participate in a program under which the U.S. extends credit, credit guarantees, or investment guarantees, and no commercial agreement between the U.S. and any such country may be concluded, during any period in which the President determines that such country has failed to enter into an agreement with the U.S. providing for a mutual exchange of information on production, consumption, and demand of major agricultural commodities, or after entering into such an agreement fails to fulfill it. The amendment further provides that any such country may receive such treatment and participate in such program, and that any such agreement shall enter into effect, if the President submits a report to Congress indicating that such country has entered into, and is fulfilling, such an agreement. The amendment does not apply to countries currently eligible for column 1 tariff treatment. The House recedes with an amendment which makes the application of the prohibition in this section discretionary on the part of the President. The Senate recedes, but it is the intent of the Conferees that the President must determine that there has been compliance with the intent of the Senate amendment on the part of any foreign country before any bilateral commercial agreement entered into under the authority of section 405 of the bill including the extension of most favored nation treatment with that country is renewed. Under the bill, all bilateral commercial agreements must be renewed every three years.

Amendments Nos. 399 and 400: Amendment No. 399 added a new section 411 to the bill to prohibit the extension of nondiscriminatory treatment and credits, and the concluding of any commercial agreement, with any nonmarket economy country during any period in which the President finds that such country denies its citizens freedom to emigrate to join any close relative living in the United States, or takes other action to dissuade such emigration. Amendment No. 399 added a new section 410 to the bill the intent of which was to provide that during any period in which a waiver is in effect for any country under section 402(c) of the bill (waiver of prohibition against nonmarket countries which restrict emigration in East-West trade) such waiver shall also apply to that country for purposes of section 411. The House recedes with amendments (1) making conforming amendments necessary to apply the waiver provisions of section 410 to 411, and (2) exempting countries entitled to column 1 tariff treatment on the date of the enactment of the bill from the application of section 411. By including section 411, as amended, in the bill, the Conferees intend to underscore the high importance attached to the right and opportunity to emigrate for the purpose of reuniting close relatives with their families in the United States. The Conferees, however, do not intend to change or affect in any way the provisions of the "Jackson-Vanik amendment," which also deals with freedom of emigration, or to imply that any additional requirements are inserted. Indeed, the purpose of the Conferees' modifications is to bring the coverage of this amendment into complete harmony with the "Jackson-Vanik amendment." The amendment, as amended, accordingly will not substantively go beyond the coverage of the Jackson-Vanik amendment, but the Conferees recommend its inclusion as a means of emphasizing this particular aspect of the general area covered by the Jackson-Vanik amendment.

Amendment No. 401: This amendment adds a new section 412 to the bill requiring the International Trade Commission to establish and maintain a program to monitor imports and exports between the U.S. and nonmarket economy countries. The Commission is required to publish a summary of data collected under the program not less than once each calendar quarter and transmit such publication to Congress. The House recedes with a conforming amendment.

Amendment No. 402: This amendment adds a new section 413 to the bill which establishes within the Executive Branch an East-West Foreign Trade Board to coordinate and oversee the orderly development of trade with nonmarket countries. The Board would be empowered to review East-West transactions involving U.S. Government credits or investment guarantees in excess of $5 million or involving the transfer of technology deemed vital to the U.S. national interest and persons contemplating such transactions would be required to file reports with the Board not less than 90 days before entering into the agreement. The amendment requires the Board to make a determination that any such transaction is in the national interest. Transactions involving more than $50 million which are determined by the Board to be in the national interest would be made subject to Congressional veto under section 152. The Board generally would be charged with oversight and review of U.S. relations with Communist countries. The House recedes with the following amendment:

SEC. 411. EAST-WEST FOREIGN TRADE BOARD.

(a) The President shall establish an East-West Foreign Trade Board (hereinafter referred to as the "Board") to monitor trade between persons and agencies of the United States Government and nonmarket economy countries or instrumentalities of such countries to insure that such trade will be in the national interest of the United States.

(b) (1) Any person who exports technology vital to the national interest of the United States to a nonmarket economy country or an instrumentality of such country, and any agency of the United States which provides credits, guarantees or insurance to such country or such instrumentality in an amount in excess of $5,000,000 during any calendar year, shall file a report with the Board in such form and manner as the Board requires which describes the nature and terms of such export or such provision.

(2) For purposes of paragraph (1), if the total amount of credits, guarantees and insurance which an agency of the United States provides to all nonmarket economy countries and the instrumentalities of such countries exceeds $5,000,000 during a calendar year, then all subsequent provisions of credits, guarantees or insurance in any amount, during such year shall be reported to the Board under the provisions of paragraph (1).

(c) The Board shall submit to Congress a quarterly report on trade between the United States and nonmarket economy countries and instrumentalities of such countries. Such report shall include a review of the status of negotiations of bilateral trade agreements between the United States and such countries under this title, the activities of joint trade commissions created pursuant to such agreements, the resolution of commercial disputes between the United States and such countries, any exports from such countries which have caused disruption of United States markets, and recommendations for the promotion of East-West trade in the national interest of the United States.

And the Senate agrees to the same.

Amendment No. 406: This Senate amendment provides that, for purposes of generalized preferences, those members of an association of countries which constitute a free trade or customs union and which are not otherwise ineligible for designation as beneficiary developing countries may be treated as one country. "Country" is defined to also include any overseas dependent territory or possession of a foreign country, or the Trust Territory of the Pacific Islands. The comparable provision of the House bill provides that any association of countries for trade purposes, no member of which is otherwise barred from designation as a beneficiary developing country, could be treated as one country for purposes of GSP. The House provision also includes within the definition of country any insular possession of the United States. Senate amendment numbered 409 assures insular possessions no less favorable treatment than that afforded articles imported from beneficiary countries.

The House recedes.

Amendment No. 407. Section 502(b) of the House bill lists 26 countries which were expressly ineligible for designation as beneficiary developing countries, and in addition, expressly excluded countries which do not receive most-favored-nation treatment and countries which afford other developed countries reverse preferences, unless the President was assured to his satisfaction that such preferences would be eliminated before January 1, 1976. The Senate bill retained the list of 26 excluded countries, but added the following categories of countries which also are ineligible for preferential treatment:

(1) communist countries, except those which receive MFN treatment, are contracting parties to the GATT and members of the IMF, and are not "dominated or controlled by international communism". This exception is intended to apply only to Yugoslavia and Romania;

(2) members of OPEC or other arrangements the effect of which is to withhold supplies of vital resources from international trade or to raise prices unreasonably causing disruption of the world economy;

(3) countries affording reverse preferences to other developed countries, which have a significant adverse effect on United States commerce, unless the President receives assurances satisfactory to him that such reverse preferences or the adverse effect will be eliminated before January 1, 1976;

(4) countries which have nationalized US-owned property without compensation, negotiation, or arbitration;

(5) countries failing to take adequate steps to prevent drugs from entering the United States from such country illegally; and

(6) countries failing to recognize or enforce arbitral awards not favored of United States citizens or businesses preferentially owned by United States citizens. The House recedes with the following amendment:

(1) A country which is a member of OPEC or another cartel-type arrangement will be denied preferential treatment if it takes any action to withhold supplies of vital commodity resources from international trade or to raise the price of such commodities to an unreasonable level. The purpose of this provision is to deny tariff preferences to OPEC members or other cartel countries which cause serious disruption of the world economy.

(2) The mandatory exclusions for nationalization, drug traffic, and failure to recognize arbitral awards are subject to a waiver by the President for reasons of national economic interest. The President must report to the Congress the reasons for not excluding such countries.

Amendment No. 408. Section 502(c) of the

House bill provided several discretionary criteria which the President was required to consider in designating beneficiary developing countries, including whether a country had nationalized United States-owned property without payment of prompt, adequate, and effective compensation. The Senate bill deleted this nationalization criterion from the discretionary considerations (and added it to the mandatory exclusions), and added a discretionary criterion based on the extent to which a country has assured the United States of equitable and reasonable access to its markets and basic commodity resources. The House recedes.

Amendment No. 410: This amendment exempts from the exclusion of countries party to arrangements to withhold vital supplies of commodities or to raise the price of vital commodities to an unreasonable level, thereby causing serious disruption of the world economy, countries which enter into agreements contemplated under section 108, and are not in violation of such agreements.

The House recedes.

Amendment No. 411: This amendment modifies the provisions of the House bill with respect to articles eligible for preferential tariff treatment. The House bill provides that value added in a beneficiary country from which the article is directly imported by not less than 35 percent and not more than 50 percent, as prescribed by the Secretary of the Treasury; this is modified to require that, in the case of a single beneficiary country, at least 35 percent of the value of the article be added in such country and in the case of an association of countries treated as one beneficiary country, at least 50 percent of the value of the article be added in countries that are members of the association. The amendment also excludes imports of textile and apparel articles subject to textile agreements, watches, import-sensitive electric articles and import-sensitive steel articles, specified footwear articles, semimanufactured and manufactured glass products and other articles determined by the President to be import sensitive in the context of generalized preferences from eligibility for preferential tariff treatment.

The House recedes, with the amendment to add the words "import-sensitive" before "semimanufactured" and "manufactured glass" to be excluded from eligibility for preferential treatment.

Amendment No. 412. The House bill terminates preferential treatment for a particular article from a particular country (1) whenever the value of United States imports of such article from such country exceed $25 million in any calendar year, or (2) whenever imports of such article from such country exceed 50 percent of the value of total United States imports of the article for any calendar year. The House bill provided that these limitations could be waived by the President for reasons of national interest.

The Senate bill amends these limitation provisions by inserting a formula by which the $25 million ceiling changes annually in proportion to annual changes in United States GNP compared with 1974 GNP, and by exempting from the 50 percent limit articles for which no like or directly competitive articles is being produced in the United States on the date of enactment. The Senate bill also restricts the President's authority to waive the $25 million and 50 percent ceilings to countries with respect to which the following conditions exist: (1) There has been an historical preferential trade relationship between the United States and such country, (2) there is a treating or trade agreement in force covering economic relations between the United States and such country, and (3) such country does not discriminate against, or impose unjustifiable or unreasonable barriers to, United States commerce. The Senate amendment also adds clarifying provisions with respect to the termination of a country's beneficiary status, and the redesignation of beneficiary countries whose status has been terminated.

The House recedes and accepts the Senate amendments.

Amendment No. 428: Section 606 of the House bill states that it is the sense of Congress that effective international cooperation is required to end illicit production, smuggling, trafficking in, and abuse of dangerous drugs. In order to promote such cooperation the President is required to embargo trade and investment with any nation when the President determines that such nation has failed to take adequate steps to prevent narcotics and other controlled substances produced or processed in, or transported through, such nation from entering the United States unlawfully. This section also requires that such suspension shall continue until the President determines that the Government of such nation has taken adequate steps to carry out the purposes of this section. The Senate amendment substitutes for the House language the requirement that the President shall submit a report to Congress each year listing those foreign countries in which narcotic drugs and controlled substances are produced, processed, or transported for unlawful entry into the United States and states that such report shall include a description of the measures such countries are taking to prevent such production, processing, or transport. The House recedes.

Amendment No. 429: This Senate amendment adds a new section 607 to the House bill stating that no person shall be liable for damages, penalties, or other sanctions under the Federal Trade Commission Act or the Antitrust Acts (or any similar State law) on account of his negotiating, entering into, participating in, or implementing an arrangement (or modification or renewal thereof) providing for the voluntary limitation on exports of steel and steel products to the United States, if such arrangement was undertaken before the date of enactment of this Act at the request of the Secretary of State and ceases to be effective not later than January 1, 1975. The House recedes.

Amendment No. 430: This Senate amendment amends section 484(e) of the Tariff Act of 1930 to require the Secretaries of the Treasury and Commerce and the International Trade Commission to establish a single enumeration of articles for import and export purposes, and to seek to provide comparability of statistics on domestic production with such enumeration. All import entries and export declarations are to be in terms of such enumeration.

The House recedes with an amendment which would require the Secretary of Commerce and the International Trade Commission to conduct a joint study of existing commodity classification systems with a view to identifying appropriate principles and concepts to guide the organization and development of an enumeration of articles which would permit comparability of United States import, production, and export data. A report with respect to such study is to be submitted to Congress and to the President no later than August 1, 1975. Further, the International Trade Commission is to conduct an investigation under section 332(g) of the Tariff Act of 1930 to provide the basis for a report on the appropriate concepts and principles which should underlie the formulation of an international commodity code adaptable for modernized tariff nomenclature purposes and for recording, handling, and reporting of transactions in national and international trade; such report is to be submitted no later than June 1, 1975. Also, the International Trade Commission is to begin full and immediate participation in the United States contribution to technical work on the Harmonized Systems Committee under the Customs Cooperation Council.

Amendment No. 431: This Senate amendment adds a new section 609 to the House bill which requires the Secretary of Commerce to submit to the Ways and Means and Finance Committees, on monthly and cumulative basis, statistics on U.S. imports for consumption and U.S. exports by country and product. The amendment sets forth detailed statistical categories and requires that the value of goods and agricultural commodities exported under agricultural and foreign assistance laws, and the total amount of U.S. subsidies paid with respect to agricultural commodities, be separately reported. The Secretaries of Agriculture and State are required to furnish the Secretary of Commerce certain information related to the reporting required under this section. The House recedes with an amendment that requires quarterly and cumulative basis submission of statistics, rather than monthly and cumulative.

Amendment No. 432: This Senate amendment amends section 321 of the Tariff Act of 1930 to increase the duty-free tourist exemption for mail gift items to the United States from American Samoa, Guam, or the Virgin Islands from $10 to $20 retail value. The House recedes.

Amendment No. 433: This Senate amendment adds a new section 611 to the bill which provides that in the case of any protest under section 514 of the Tariff Act of 1930 involving the imposition of an import surcharge in the form of a supplementary duty pursuant to Presidential action on August 17, 1971, the time for review and allowing or denying the protest shall not expire until 5 years after the date the protest was filed in accordance with such section 514. The House recedes.

Amendment No. 434: This Senate amendment added a new section 612 to the bill stating that it is the sense of Congress that the United States should enter into a trade agreement with Canada guaranteeing continued stability to the economies of the United States and Canada and that in order to promote such stability the President is authorized to initiate negotiations for a trade agreement with Canada to establish a free trade area covering the United States and Canada. Any agreement entered into must be reciprocal. It is required that nothing in this section shall be construed as prior approval of any legislation which may be necessary to implement such an agreement. The House recedes.

Amendment No. 435: This amendment added a new section 613 to the bill to provide that after the date of enactment of the bill, no Federal agency may approve any loans, guarantees, insurance, or any combination thereof in connection with exports to the Soviet Union in an aggregate amount which exceeds $300,000,000 without prior Congressional approval.

The House recedes, with an amendment exempting the Commodity Credit Corporation from the provisions of this section, and specifying that the Congressional approval of any loan, guaranty, insurance, or any combination thereof in excess of $300,000,000 must be approved as provided by law.

Approval, under the provisions of the Export-Import Bank Amendments of 1974, of any increase in the $300,000,000 limit contained in such Act on loans, guarantees, insurance, or any combination thereof shall be deemed approval of loans, guarantees, insurance, or any combination thereof in ex-

cess of $300,000,000 "as provided by law" under this Act.

AL ULLMAN,
JAMES A. BURKE,
Mrs. GRIFFITHS,
DAN ROSTENKOWSKI,
H. T. SCHNEEBELI,
BARBER B. CONABLE,
JERRY L. PETTIS,
Managers on the Part of the House.

RUSSELL B. LONG,
HERMAN TALMADGE,
ABE RIBICOFF,
W. F. MONDALE,
WALLACE F. BENNETT,
PAUL FANNIN,
CLIFFORD P. HANSEN,
Managers on the Part of the Senate.

CONFERENCE REPORT ON S. 3022, AMENDING THE WILD AND SCENIC RIVERS ACT

Mr. JOHNSON of California submitted the following conference report and statement on the Senate bill (S. 3022) to amend the Wild and Scenic Rivers Act (82 Stat. 906), as amended, to designate segments of certain rivers for possible inclusion in the national wild and scenic rivers system; to amend the Lower Saint Croix River Act of 1972 (86 Stat. 1174), and for other purposes.

CONFERENCE REPORT (H. REPT. No. 93-1645)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the Bill (S. 3022) to amend the Wild and Scenic Rivers Act (82 Stat. 906), as amended, to designate segments of certain rivers for possible inclusion in the national wild and scenic rivers system; to amend the Lower Saint Croix River Act of 1972 (86 Stat. 1174), and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That the Wild and Scenic Rivers Act (82 Stat. 906), as amended, is further amended as follows:

(a) In subsection (a) of section 5 after paragraph (27) insert the following new paragraphs:

"(28) American, California: The North Fork from the Cedars to the Auburn Reservoir.

"(29) Au Sable, Michigan: The segment downstream from Foot Dam to Oscoda and upstream from Loud Reservoir to its source, including its principal tributaries and excluding Mio and Bamfield Reservoirs.

"(30) Big Thompson, Colorado: The segment from its source to the boundary of Rocky Mountain National Park.

"(31) Cache la Poudre, Colorado: Both forks from their sources to their confluence, thence the Cache la Poudre to the eastern boundary of Roosevelt National Forest.

"(32) Cahaba, Alabama: The segment from its junction with United States Highway 31 south of Birmingham downstream to its junction with United States Highway 80 west of Selma.

"(33) Clark's Fork, Wyoming: The segment from the Clark's Fork Canyon to the Crandall Creek Bridge.

"(34) Colorado, Colorado and Utah: The segment from its confluence with the Dolores River, Utah, upstream to a point 19.5 miles from the Utah-Colorado border in Colorado.

"(35) Conejos, Colorado: The three forks from their sources to their confluence, thence the Conejos to its first junction with State Highway 17, excluding Platoro Reservoir.

"(36) Elk, Colorado: The segment from its source to Clark.

"(37) Encampment, Colorado: The Main Fork and West Fork to their confluence, thence the Encampment to the Colorado-Wyoming border, including the tributaries and headwaters.

"(38) Green, Colorado: The entire segment within the State of Colorado.

"(39) Gunnison, Colorado: The segment from the upstream (southern) boundary of the Black Canyon of the Gunnison National Monument to its confluence with the North Fork.

"(40) Illinois, Oklahoma: The segment from Tenkiller Ferry Reservoir upstream to the Arkansas-Oklahoma border, including the Flint and Barren Fork Creeks.

"(41) John Day, Oregon: The main stem from Service Creek Bridge (at river mile 157) downstream to Tumwater Falls (at river mile 10).

"(42) Kettle, Minnesota: The entire segment within the State of Minnesota.

"(43) Los Pinos, Colorado: The segment from its source, including the tributaries and headwaters within the San Juan Primitive Area, to the northern boundary of the Granite Peak Ranch.

"(44) Manistee, Michigan: The entire river from its source to Manistee Lake, including its principal tributaries and excluding Tippy and Hodenpyl Reservoirs.

"(45) Nolichuckey, Tennessee and North Carolina: The entire main stem.

"(46) Owyhee, South Fork, Oregon: The main stem from the Oregon-Idaho border downstream to the Owyhee Reservoir.

"(47) Piedra, Colorado: The Middle Fork and East Fork from their sources to their confluence, thence the Piedra to its junction with Colorado Highway 160, including the tributaries and headwaters on national forest lands.

"(48) Shepaug, Connecticut: The entire river.

"(49) Sipsey Fork, West Fork, Alabama: The segment including its tributaries, from the impoundment formed by the Lewis M. Smith Dam upstream to its source in the William B. Bankhead National Forest.

"(50) Snake, Wyoming: The segment from the southern boundaries of Teton National Park to the entrance to Palisades Reservoir.

"(51) Sweetwater, Wyoming: The segment from Wilson Bar downstream to Spring Creek.

"(52) Tuolumne, California: The main river from its source on Mount Dana and Mount Lyell in Yosemite National Park to Don Pedro Reservoir.

"(53) Upper Mississippi, Minnesota: The segment from its source at the outlet of Itasca Lake to its junction with the northwestern boundary of the city of Anoka.

"(54) Wisconsin, Wisconsin: The segment from Prairie du Sac to its confluence with the Mississippi River at Prairie du Chien.

"(55) Yampa, Colorado: The segment within the boundaries of the Dinosaur National Monument.

"(56) Dolores, Colorado: The segment of the main stem from Rico upstream to its source, including its headwaters; the West Dolores from its source, including its headwaters, downstream to its confluence with the main stem; and the segment from the west boundary, section 2, township 38 north, range 16 west, NMPM, below the proposed McPhee Dam, downstream to the Colorado-Utah border, excluding the segment from one mile above Highway 90 to the confluence of the San Miguel River."

(b) In section 5 re-letter subsections (b) and (c) as (c) and (d), respectively, and insert a new subsection (b), as follows:

"(b)(1) The studies of rivers named in subparagraphs (28) through (55) of subsection (a) of this section shall be completed and reports thereon submitted by not later than October 2, 1979: *Provided*, That with respect to the rivers named in subparagraphs (33), (50), and (51), the Secretaries shall not commence any studies until (i) the State legislature has acted with respect to such rivers or (ii) one year from the date of enactment of this Act, whichever is earlier.

"(2) The study of the river named in subparagraph (56) of subsection (a) of this section shall be completed and the report thereon submitted by not later than January 3, 1976.

"(3) There are authorized to be appropriated for the purpose of conducting the studies of the rivers named in subparagraphs (28) through (56) such sums as may be necessary, but not more than $2,175,000."

(c) In clause (i) of subsection (b) of section 7 strike the final comma and the following word "and" and insert in lieu thereof a colon and the following proviso: "*Provided*, That if any Act designating any river or rivers for potential addition to the national wild and scenic rivers system provides a period for the study or studies which exceeds such three complete fiscal year period the period provided for in such Act shall be substituted for the three complete fiscal year period in the provisions of this clause (i); and".

(d) In the fourth sentence of subsection (a) of section 4:

(1) between "rivers" and "with" insert "(i)", and

(2) strike "system." and insert in lieu thereof "system, and (ii) which possess the greatest proportion of private lands within their areas.".

SEC. 2. Subsection (a) of section 6 of the Lower Saint Croix River Act of 1972 (86 Stat. 1174) is amended by deleting "$7,275,000" and inserting in lieu thereof "$19,000,000".

And the House agree to the same.

ROY A. TAYLOR,
HAROLD T. JOHNSON,
TENO RONCALIO,
JOE SKUBITZ,
SAM STEIGER,
Managers on the Part of the House.

HENRY M. JACKSON,
FLOYD K. HASKELL,
HOWARD M. METZENBAUM,
CLIFFORD P. HANSEN,
MARK O. HATFIELD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the Senate and the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3022) to amend the Wild and Scenic Rivers Act (82 Stat. 906), as amended, to designate segments of certain rivers for possible inclusion in the national wild and scenic rivers system; to amend the Lower Saint Croix River Act of 1972 (86 Stat. 1174); and for other purposes, submit the following joint statement to the Senate and to the House in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the

Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference, except for minor drafting changes of a purely technical nature, are noted below.

STUDY OF POTENTIAL COMPONENTS OF THE NATIONAL WILD AND SCENIC RIVER SYSTEM

The first section of both the Senate bill and the House amendment would amend the Wild and Scenic Rivers Act (82 Stat. 906) to designate certain rivers or segments thereof for study to determine whether they should be added, by subsequent legislation, to the national wild and scenic rivers system established by that Act. The Senate bill would designate twenty-five rivers in eleven States and the House amendment thirteen rivers in ten States. The conference report designates twenty-nine rivers in thirteen States.

Included in subsection (a) of section 1 of the conference report are all nine of the rivers which would be designated by both the Senate bill and the House amendment. These rivers are the American, California; Au Sable, Michigan; Cahaba, Alabama; Colorado, Colorado and Utah; Kettle, Minnesota; Manistee, Michigan; West Fork of the Sipsey Fork, Alabama; Tuolumne, California; and Wisconsin, Wisconsin. The Senate bill provided for somewhat longer segments in the case of two of these rivers—the American (from Cedars to Mountain Meadow Lake and the lower 7.5 miles of the North Fork of the North Fork) and the Colorado (the thirty-six mile stretch in Utah from the Colorado-Utah border downstream to its confluence with the Dolores River)—than did the House amendment. The conferees agreed to the Colorado segment as designated in the Senate bill and the American segment as designated in the House amendment.

Second, the conferees agreed to include in subsection (a) of section 1 sixteen rivers contained in the Senate bill, but omitted from the House amendment: the Illinois, Oklahoma; John Day and South Fork Owyhee, Oregon; Shepaug, Connecticut; Upper Mississippi, Minnesota; and eleven rivers in Colorado—the Big Thompson, Cache la Poudre, Conejos, Elk, Encampment, Green, Gunnison, Los Pinos, Piedra, Yampa and Dolores. The Conferees did, however, agree to limit the Illinois River segment to that portion within Oklahoma and to delete that portion in Arkansas which would be designated for study under the Senate bill.

Third, subsection (a) of section 1 of the conference report includes four rivers designated in the House amendment but absent from the Senate bill: the Nolichuckey in Tennessee and North Carolina and three rivers in Wyoming: Clark's Fork, Snake, and Sweetwater. In the case of the three Wyoming rivers, however, the conferees agreed to provide the State legislature with the opportunity to act upon the recent recommendations of the Wyoming Stream Preservation Feasibility Study Committee. In particular, the conferees added a proviso stating that "with respect to the rivers named in subparagraphs (33), (50), and (51), the Secretaries shall not commence any studies until (i) the State legislature has acted with respect to such rivers or (ii) one year from the date of enactment of this Act, whichever is earlier."

TIME PERIOD AND AUTHORIZATIONS FOR THE RIVER STUDIES

Clause (1) of subsection (b) of the Senate bill concerns the time period in which the twenty-six river studies are to be conducted. This clause would amend section 4(a) of the Wild and Scenic Rivers Act to provide that twenty-five of the studies are to be completed by October 2, 1979. The twenty-sixth study—that of the Dolores—would be required to be completed by October 2, 1975. The reasons for the early date on this river study are set forth in full on pages 27, 28 and 31 of Report No. 93–1207 accompanying the Senate bill.

The House amendment provided for a one year shorter study, concluding on October 2, 1978. The conferees agreed that although the four year study period in the House amendment might be sufficient to complete the thirteen river studies provided for in that amendment, the longer five year period would be necessary for the twenty-nine studies required by the conference report.

The conferees, therefore, agreed to adopt as clauses (b)(1) and (2) of section 1 of the conference report language amending section 5 of the Wild and Scenic Rivers Act to provide for a study period ending on October 2, 1978, for twenty-eight of the rivers and ending on January 3, 1974, for the Dolores. (The Dolores study was moved from October 7, 1975, to January 3, 1976, to insure a full year's study period.)

Section 2 of the House amendment provided for a $975,000 authorization for the study of the thirteen rivers designated in that amendment. The Senate bill had no specific authorization for the study of the twenty-five rivers it designated for study. The conferees agreed to the principle in the House amendment of an authorization ceiling, adjusted for the sixteen more rivers to be studied under the conference report than under the House amendment. Therefore, the conferees agreed to provide in clause (3) of subsection (b) of section 1 of the conference report an authorization ceiling of $2,175,000.

The decision to adopt a longer study period than the automatic three fiscal year period provided in section 7(b) of the Wild and Scenic Rivers Act necessitated the inclusion in subsection (c) of section 1 of the conference report the Senate bill's subsection 1(c). This subsection would amend subsection 7(b) of the Wild and Scenic Rivers Act by adding a proviso that where any Act which designates additional study rivers also establishes a different study time period than the three fiscal year period required by section 7(b) the different period prevails. This would eliminate any conflict between the conference report's provisions calling for a five year study period and the Wild and Scenic Rivers Act's provisions establishing three fiscal year study periods. It would also remove any ambiguity which may result from any future Acts establishing different study periods for study rivers which those Acts designate.

PRIORITY OF RIVERS STUDIED

Subsection (d) of section 1 of the conference report is identical to section 1(b)(2) of the Senate bill. The purpose of subsection (d) is to shorten the period of uncertainty landowners would experience when the rivers along which they live or work are designated for study under the Wild and Scenic Rivers Act.

Subsection (4)(a) of the Wild and Scenic Rivers Act, as amended by the Act of May 10, 1974 (88 Stat. 122), establishes a basis for determining the order in which rivers are to be studied. The fourth sentence of the subsection provides that "In conducting these studies the Secretary of the Interior and the Secretary of Agriculture shall give priority to those rivers with respect to which there is the greatest likelihood of developments, which, if undertaken, would render the rivers unsuitable for inclusion in the national wild and scenic rivers system."

Subsection (d) would amend that sentence by providing a second basis for determining priority: early consideration is also to be given those rivers "which possess the greatest proportion of private lands within their areas". This basis for establishing priority would insure that those studies involving river segments which have a great number of private landowners along their borders will be completed quickly. This will serve to reduce the period of uncertainty landowners would otherwise experience while the study is being conducted and the President's recommendations determined.

AMENDING THE LOWER ST. CROIX RIVER ACT OF 1972

Section 2 of the conference report amends section 6 of the Lower Saint Croix River Act of 1972 (86 Stat. 1174) by increasing from $7,275,000 to $19,000,000 the authorization for the acquisition and development of land and interests therein along the 27 mile segment of the Lower Saint Croix River to be administered by the Secretary of the Interior. This authorization increase will permit the National Park Service to acquire the necessary land and interests in land to provide the degree of protection to the Federal segment of the wild and scenic river which was intended in the Wild and Scenic Rivers Act and the Lower Saint Croix River Act of 1972.

This section 2 is identical to section 2 of the Senate bill and has the identical result of increasing the authorization by $11,725,000 as that of H.R. 12960 which has been reported by the House Committee on Interior and Insular Affairs.

ROY A. TAYLOR,
HAROLD T. JOHNSON,
TENO RONCALIO,
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SAM STEIGER,
Managers on the Part of the House.

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FLOYD K. HASKELL,
HOWARD M. METZENBAUM,
CLIFFORD P. HANSEN,
MARK O. HATFIELD,
Managers on the Part of the Senate.

RECESS

The SPEAKER. Pursuant to a previous order of the House, the House stands in recess until 9 o'clock a.m. tomorrow, Friday, December 20, 1974.

Accordingly (at 10 o'clock p.m.) the House stood in recess until tomorrow, Friday, December 20, 1974, at 9 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3102. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Veterans' Administration for Readjustment Benefits for fiscal year 1975 has been apportioned on a basis which indicates the necessity for a further supplemental estimate of appropriation, pursuant to section 3679 of the Revised Statutes [31 U.S.C. 665(e)(2)]; to the Committee on Appropriations.

3103. A letter from the Acting Director, National Institute of Education, Department of Health, Education, and Welfare, transmitting a research plan for the study of compensatory education programs, pursuant to section 821(e) of Public Law 93–380; to the Committee on Education and Labor.

3104. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a corrected copy of his report on major items of excess military equipment programed during the month of August for delivery on a grant basis, submitted pursuant to section 8(d) of the Foreign Military Sales Act Amendments, as amended [22 U.S.C. 2321b(d)]; to the Committee on Foreign Affairs.

3105. A letter from the Administrator, Federal Energy Administration, transmitting a quarterly report on private grievances and redress for the period ended September 30, 1974, pursuant to section 21(c) of Public Law 93-275; to the Committee on Government Operations.

3106. A letter from the Chairman, Administrative Conference of the United States, transmitting the annual report of the organization for fiscal year 1974, pursuant to 5 U.S.C. 575; to the Committee on the Judiciary.

3107. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on the proposed use during fiscal year 1975 of "Research and Development" funds appropriated to NASA for fiscal year 1975, and the use of funds appropriated for fiscal years 1972 and 1973 for Space Shuttle facility projects, to undertake to meet additional facility requirements in the Space Shuttle program, pursuant to section 3 of Public Law 93-316; to the Committee on Science and Astronautics.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 4860. A bill to designate certain lands in the Isle Royale National Park, Mich., as wilderness; with amendment (Rept. No. 93-1636). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FLOWERS: Committee on the Judiciary. H.R. 5005. A bill for the relief of Robert DiFranco; with amendment (Rept. No. 93-1637). Referred to the Committee of the Whole House.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. SULLIVAN: Committee of conference. Conference report on H.R. 13296 (Rept. No. 93-1638). Ordered to be printed.

Mr. PERKINS: Committee of conference. Conference report on H.R. 14449; with amendment (Rept. No. 93-1639). Ordered to be printed.

Mr. ROGERS: Committee of conference. Conference report on S. 2994 (Rept. No. 93-1640). Ordered to be printed.

Mr. MAHON: Committee of conference. Conference report on House Joint Resolution 1180 (Rept. 93-1641). Ordered to be printed.

Mr. ULLMAN: Committee of conference. Conference report on H.R. 421 (Rept. No. 93-1642). Ordered to be printed.

Mr. ULLMAN: Committee of conference. Conference report on H.R. 17045; with amendment (Rept. No. 93-1643). Ordered to be printed.

Mr. ULLMAN: Committee of conference. Conference report on H.R. 10710 (Rept. No. 93-1644). Ordered to be printed.

Mr. TAYLOR of North Carolina: Committee of conference. Conference report on S. 3022 (Rept. No. 93-1645). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H.R. 17668. A bill to amend title 39, United States Code, to require a separate appropriation by the Congress each fiscal year for necessary expenses for the operation of the U.S. Postal Service, to provide for certain consultations and hearings with respect to the construction of Postal Service facilities, to establish certain rules with respect to employment and personnel policies of the Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CLARK:

H.R. 17669. A bill to require that all insurance on subsidized vessels be placed in the American market; to the Committee on Merchant Marine and Fisheries.

By Mr. FRASER:

H.R. 17670. A bill to amend certain provisions of the District of Columbia Code in order to eliminate their sex discriminatory aspects; to the Committee on the District of Columbia.

By Mrs. GRIFFITHS (for herself, Mr. BENITEZ, Mr. BROWN of California, Mr. DENHOLM, Mr. HARRINGTON, Ms. JORDAN, Mr. LENT, Mr. RIEGLE, Mr. SEIBERLING, and Mr. SYMINGTON):

H.R. 17671. A bill to amend the Internal Revenue Code of 1954, the Social Security Act, and other laws to provide effective welfare reform by replacing public assistance and food stamps with a system of allowances and refundable credits, and for other purposes; to the Committee on Ways and Means.

By Mr. KOCH:

H.R. 17672. A bill to require federally related health care facilities to test infants for certain diseases; to the Committee on Interstate and Foreign Commerce.

By Mr. MEZVINSKY (for himself, Mr. ASPIN, and Ms. SCHROEDER):

H.R. 17673. A bill to make more chemical fertilizer available throughout the world for the production of food during 1975 by substantially reducing the amount of such fertilizer used in the United States for nonfood growing purposes; to the Committee on Agriculture.

By Mr. PATMAN (for himself, Mr. Moss, Mrs. SULLIVAN, Mr. ST GERMAIN, Mr. MINISH, Mr. ANNUNZIO, Mr. REES, Mr. HANLEY, Mr. KOCH, Mr. MITCHELL of Maryland, Mr. FAUNTROY, Mr. YOUNG of Georgia, Mr. MOAKLEY, Mr. STARK, Mr. LEGGETT, Mr. EILBERG, and Mr. FRASER):

H.R. 17674. A bill to amend the Economic Stabilization Act of 1970 to establish an Economic Stabilization Board, to stabilize prices, wages, rents, and interest rates at levels prevailing on December 1, 1974, and for other purposes; to the Committee on Banking and Currency.

By Mr. RONCALLO of New York:

H.R. 17675. A bill to amend title 37 of the United States Code in order to prohibit findings of death with respect to certain servicemen in missing status unless hearings thereon are afforded to the next-of-kin and the next-of-kin consents to such finding; to the Committee on Armed Services.

By Mr. WOLFF:

H.R. 17676. A bill to amend the Outer Continental Shelf Lands Act to insure that leases of the Outer Continental Shelf for the recovery of oil and gas are issued only to citizens of the United States; to the Committee on Interior and Insular Affairs.

By Mr. FROEHLICH:

H.R. 17677. A bill to amend the Land and Water Conservation Fund Act of 1965 to require payments by States to local jurisdictions in lieu of taxes, to increase the authorization of appropriation for the Land and Water Conservation Fund, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ST GERMAIN:

H.R. 17678. A bill to impose a moratorium on the receipt of deposits or the making of loans by financial institutions at places of business, other than those of financial institutions through the means of electronic methods of fund transfers; to the Committee on Banking and Currency.

By Mr. ROBISON of New York:

H.J. Res. 1182. Joint resolution proposing an amendment to the Constitution of the United States relating to the term of Office of President and Vice President of the United States; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

596. The SPEAKER presented a petition of the city council, New York, N.Y., relative to the Palestine Liberation Organization and the cost of maintaining security at the United Nations; to the Committee on Foreign Affairs.

SENATE—*Friday, December 20, 1974*

The Senate met at 9 a.m. and was called to order by Hon. THOMAS J. MCINTYRE, a Senator from the State of New Hampshire.

PRAYER

Hon. HAROLD E. HUGHES, a Senator from the State of Iowa, offered the following prayer:

Heavenly Father, we meet here today at the threshold of a winter of hard choices for humankind throughout the world. Once again, we pray to You on behalf of the Congress and the people of this beloved country. We ask not for bounty or good fortune but simply for the strength and wisdom to meet our problems as you would have us meet them.

In the selfless image of the humble Nazarene, we commit ourselves to turn aside the temptations of pomp and self-aggrandizement and to walk the path of righteousness and compassion. We ask for Your divine guidance to enable us to feel deeply the pain of the afflicted, the persecuted, and the deprived, for we know that even the least of these are our brothers and Your children. Holy Father, we ask Your blessing for the Members of this great governing body who will be continuing the Nation's work in the years ahead. And we ask Your blessing for those colleagues who are departing to do Your bidding in other fields