April 30, 1974, as a National Day for Humiliation, Fasting, and Prayer; to the Committee on the Judiciary.

By Mr. COLLINS of Texas:

H. Res. 1001. Resolution expressing the sense of the House that the Economic Stabilization Act of 1970 should not be extended beyond its present expiration date of April 30, 1974; to the Committee on Banking and Currency.

MEMORIALS

Under clause 4 of rule XXII,

392. The SPEAKER presented a memorial of the Legislature of the Territory of American Samoa, relative to lowering the retirement age under the social security program; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. RANGEL:

H.R. 13686. A bill for the relief of Eugenio Klein-Maldovan and his wife, Nidya Josefina Alonso-Vega, and their children, Koroly Alonso, Freide, and Ilanit; to the Committee on the Judiciary.

By Mr. TEAGUE:

H.R. 13687. A bill for the relief of William Alison Anders and Michael Collins; to the Committee on the Judiciary.

SENATE—*Thursday, March 21, 1974*

The Senate met at 10:30 a.m. and was called to order by Hon. JAMES B. ALLEN, a Senator from the State of Alabama.

PRAYER

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

Eternal Father, we lift our prayer to Thee in thanksgiving for another day in which to serve Thee. To all our natural powers, our human strength, and our instinctive drives add Thy divine strength and wisdom that we may serve this Nation according to Thy will and purpose. While we work today and plan for the tomorrows may the words of our mouths and the meditations of our hearts be acceptable in Thy sight. Bring us to the close of the day at peace with one another and with Thee, through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 21, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JAMES B. ALLEN, a Senator from the State of Alabama, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

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

THE JOURNAL

Mr. MANSFIELD. Mr President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, March 20, 1974, be dispensed with.

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

THE FACTS ABOUT THE PRESIDENT'S 17 ENERGY PROPOSALS

Mr. MANSFIELD. Mr. President, the President of the United States, on Tuesday last, held a question-and-answer news conference in Houston, Tex. At that time he took the Congress to task for its lack of energy on not passing the 17 energy legislative proposals which he had recommended to the Congress.

I would point out that the initiative, insofar as the energy legislation is concerned, has been in the Senate, and was there long before the President sent up his first proposal. But let us look at the 17 proposals he lists in a letter to me, under date of March 14, 1974. The first initiative he mentions is the windfall profits tax. A copy of that letter is as follows:

THE WHITE HOUSE,
Washington, March 14, 1974.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: As you know, I found it necessary to veto the Energy Emergency Act on March 6th. I can well understand and share the frustrations you must feel when legislation which has consumed great time and effort falls short of enactment, but for the reasons set forth in my message to the Senate on this subject, I felt that the act would hinder, not help, our efforts to solve this problem.

Now that the energy emergency bill is behind us, I would hope that everyone in the Executive and Legislative branches could join together in a spirit of constructive cooperation to pass the legislation that is still urgently needed for the future of our Nation.

I recognize that Members of the Congress have already made several proposals which merit attention and that others are likely to be forthcoming. This Administration will always welcome a healthy debate on these matters and seek to work with members of the House and Senate.

At the same time, I would hope that future energy bills passed by the Congress will be as direct and straightforward as possible without the burden of extraneous issues. Consistent with this approach, I have over the past thirteen months proposed a comprehensive package of seventeen legislative initiatives relating to energy. While some progress has been made toward enactment, a great deal remains to be done. I would therefore like to take this opportunity to summarize those initiatives for you:

Windfall Profits Tax—prevents oil producers from making undue profits as a result of the petroleum shortage by imposing a tax of up to 85 percent on that part of the selling price of domestic crude oil above its December 1, 1973 ceiling price.

Job Security Assistance Proposal—strengthens the unemployment insurance program that now exists by extending it to many workers not now covered and by providing additional benefits to those who lose jobs in areas where unemployment rates show that other jobs will be hard to find.

Special Energy Act of 1974—authorizes mandatory energy conservation measures and rationing (if it should become necessary) and grants to States to carry out energy emergency programs.

Natural Gas Supply Act—allows competitive pricing of newly developed gas supplies, thereby encouraging exploration and development of new wells. This bill should be of the highest priority.

Mandatory Reporting on Energy Information—requires all domestic energy companies to report energy inventories, production, cost, and reserves. Such information is needed to enable the Government to determine and carry out energy policies more effectively.

Naval Petroleum Reserves—allows limited production of oil from Elk Hills Naval Petroleum Reserve No. 1 and provides funds for further exploration and development of reserve No. 1 and exploration of reserve No. 4.

Mined Area Protection Act—establishes standards to govern surface effects of coal mining. This is needed to encourage the development of State programs which permit the mining of coal in a manner that is environmentally safe. The absence of clear legislation in this area is inhibiting the development of our coal reserves.

Deepwater Port Facilities Act—authorizes the Secretary of the Interior to grant permits for the construction, licensing and operation of ports beyond the three-mile limit. These facilities would permit the use of ships that are economically and environmentally sound for the importation of petroleum.

Mineral Leasing Act—places all mineral exploration and mining activities on Federal lands under a modernized leasing system. This proposal would assure that persons obtaining leases have an interest in early exploration for oil, gas and other minerals.

Drilling Investment Tax Credit—provides a tax credit similar to the investment tax credit for costs incurred for exploratory drilling for new oil and gas fields in the United States. Approval of this provision would provide an important incentive for new domestic oil and gas exploration.

Foreign Depletion Allowance—changes the present law to eliminate the 22 percent depletion deduction permitted in computing U.S. taxes on foreign production of oil and gas. This proposal would eliminate any incentive that percentage depletion provides for investment in foreign oil and gas development rather than U.S. energy resources.

Foreign Tax Credits—limits foreign tax credits available to U.S. oil and gas companies operating in foreign lands. Taxes paid to foreign oil producing countries by U.S. oil companies operating abroad have increased dramatically. It is no longer realistic to treat these payments to foreign governments entirely as income taxes creditable against the U.S. tax; it is proposed that the excessive portion of these payments be treated as an expense rather than as a tax credit.

Appliance and Motor Vehicle Energy Labeling Act—requires that major appliances and motor vehicles be labeled to show their energy use and efficiency so that consumers will have the information they need to make wise choices in purchasing.

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

Revision of Nuclear Licensing procedures—encourages standardization of nuclear plant designs and encourages early site review and approval so as to reduce the time required for getting nuclear plants on line from the current 9–10 years to 5–6 years, without compromising safety and environmental standards.

Federal Energy Administration—provides statutory responsibility to deal with the current energy problem through the allocation program and to carry out major new activities in encouraging the development of new energy supplies, collecting and analyzing energy information and supporting energy conservation.

Energy Research and Development Administration—provides a central agency for a series of $10 billion, five year energy research and development programs designed to develop new technologies for increasing energy supplies and for more efficient energy utilization. ERDA would include the research and development as well as production functions of the Atomic Energy Commission and selected energy R. & D. functions of the Department of the Interior, the National Science Foundation, and the Environmental Protection Agency.

Department of Energy and Natural Resources—provides a new Cabinet department for the comprehensive management of Federal energy and natural resource programs. DENR would incorporate most of the responsibilities of Interior, plus selected natural resource activities from the Departments of Agriculture, Commerce, Transportation and the Corps of Engineers. These responsibilities would form the basis of a modern department.

Our main concern now must be to work together to reconcile differing views so that important energy legislation can be brought to enactment as quickly as possible. I will personally guarantee the full cooperation of the executive branch in making this possible.

With warm personal regards,

Sincerely,

RICHARD NIXON.

Taking each of these proposals in order specified in the President's letter:

First, the windfall profits tax was part of the original energy emergency bill presented to Congress which was filibustered at the end of the first session of the 93d Congress with strong encouragement by the administration to those filibustering. As a matter of fact, there were open threats that if this windfall profits tax provision was in the bill, the bill would be vetoed by the President. As a result, the windfall profits tax was changed to a price rollback provision in the emergency bill. This proposal was part of the Emergency Act which was vetoed by the President on March 6, 1974.

Second, job security assistance proposal. This proposal, strengthening the unemployment insurance program by providing additional benefits for those who lose jobs because of the energy crisis, was part of the Emergency Energy Act which was vetoed by the President.

Third, Special Energy Act. This authorizes mandatory energy conservation measures and rationing. This also was a part of the Emergency Energy Act which was vetoed by the President. As a matter of fact, in this regard, the original energy conservation and rationing measure was introduced in the Congress October 18, 1973. At that time Governor Love and Secretary Morton, who were in charge then of energy matters for the administration, requested that the bill not be processed immediately in order to permit the proposals of the administration to be submitted. On October 24, 1973, they promised that they would be submitted within 48 hours. The administration bill was finally submitted in March of 1974. In any case, the provisions were included in the Emergency Energy Act which was vetoed by the President on March 6.

Fourth, deregulation of natural gas. This proposal is in the Commerce Committee presently.

Fifth, mandatory reporting of energy information. This feature was also part of the emergency energy bill which was vetoed on March 6 by the President There is a separate bill which is in the Interior Committee and executive sessions are scheduled on that specific bill.

Sixth, the naval petroleum reserves. This bill allows limited production from the Elk Hills Petroleum Reserve and has already passed the Senate and is being processed by the House.

Seventh, strip mining. This bill has already passed the Senate and is reaching final stages in the House.

Eighth, deep water port facilities. The Commerce, Public Works, and Interior Committees are processing this bill. Executive sessions to mark up this bill are planned very shortly. Until the recent embargo was lifted there was no sense of urgency for deep water ports because there were no large ships bringing in petroleum to this country.

Ninth, Mineral Leasing Act. Hearings are already scheduled on this bill. There is a strong viewpoint in the Congress to do away with the present bonus system on leases which favor only the large companies and put some form of royalty system based upon production so that the small independents will have an incentive also to compete with the large oil and gas companies.

Tenth, drilling investment tax credit, eleventh, foreign depletion allowance, and twelfth, foreign tax credit. All of these tax proposals are being considered by the House Ways and Means Committee and there will be an adjustment of significant nature to the treatment of these incentives when the bills reach fruition in the Senate.

Thirteenth, Appliance and Motor Vehicle Energy Labeling Act. This requires major appliance and motor vehicles to be labeled to show their energy use. This bill has already passed the Senate. It is very interesting that the measure has been fought and opposed by the administration from the very beginning.

Fourteenth, the revision of nuclear licensing procedures. These proposals are being considered by the Joint Committee on Atomic Energy and it seems that proper accommodation will be recommended by that committee which will accelerate the process and not ignore the environmental impact of these sitings and licensing procedures.

Fifteenth, Federal Energy Administration. This has passed both the House and the Senate and is reaching final enactment in conference.

Sixteenth, the Energy Research Development Administration and seventeenth, the Department of Energy and Natural Resources. The Senate has already passed a $20 billion, 10-year research program to accelerate research into new technologies. The format for the administration of the research program—whether Energy Research Development Administration will be separate or not from FEO and whether there will be a Department of Energy and Natural Resources—is really being held up by a total disagreement between Mr. Simon and Roy Ash. Both recommend the Department of Energy and Natural Resources but the former, Mr. Simon, recommends a combination of FEO and ERDA while the latter recommends an Energy Research Development Administration independent of FEO. It is really the conflict within the administration itself which is retarding the type of administration and bureaucracy which will be established to administer these programs. In any case, the Congress will resolve their disagreement soon.

I have noticed in recent days the President has seen fit to attack Congress, and to attack it vigorously. I wish to state for the RECORD, as I have many times before, that, as far as Congress is concerned—certainly as far as the Senate is concerned—we have made every effort to act responsibly and constructively. We are prepared to meet the President halfway and more, and we intend to follow that course regardless of what is said in question-and-answer press conferences.

BIRTHDAY GREETINGS TO SENATOR MANSFIELD—THE PRESIDENT'S PRESS CONFERENCE

Mr. HUGH SCOTT. Mr. President, the modesty of our distinguished majority leader is such that he arranged to have his birthday anniversary this year fall on Saturday, and therefore we were not able to extend our birthday good wishes to him. If he would only have it on a working day, we would be delighted to take note of it at the time.

But we forgive him, as we always do, because we are so fond of him.

On another subject, Mr. President, the majority leader has referred to the President's comments about Congress. Of course, it is the duty of the Chief Executive to follow up the legislation he offers, and it is the duty and responsibility of Congress to legislate and send him the measures.

There was a disagreement on the energy bill. Many of the items in the bill represent requests from the President and will be signed by him, if signed by him, in separate legislation, if not in new legislation. The fact remains that objections were lodged by the President and supported by him, notwithstanding his faith in the Senate, and this has necessitated new legislation. The President feels that that legislation would have lengthened the gasoline lines and worsened the situation.

Aside from the different points of view which may hold up getting new legislation through, as the majority leader has pointed out, except for those items contained in the message, multiple items which he would sign in new legislation, absent the controversial items raised, all those measures have left Congress. Therefore, it is important that we do act, and it is important that the managers

of the energy bills in this body and the other body act as quickly as possible.

I take great pride in the achievements of Congress, of course, as I am a man of Congress. Therefore, the majority leader is absolutely right in presenting the point of view which he has presented. At the same time, it is certainly my obligation to point out that essentially it is to get gasoline flowing, so that there will be no shortage, and for the legislature to expedite those means.

The majority leader and I really have no difference; as a matter of fact, we have no contest. It is expected that the President will adopt that legislation.

Again, to our majority leader, whom I respect, I want to wish him a happy birthday; and on that gentle note, I hope that he will forgive me for disagreeing with him in some degree.

Mr. MANSFIELD. Mr. President, if the Senator from Pennsylvania will yield, I have reached the stage in life when I try to be nowhere else on birthdays except at home, where I feel more secure.

But I took note of what the distinguished Republican leader had to say, and I am glad to note that he is a man of the Senate, because when the Senate or the House, or both, are being attacked, we are both being attacked, because we are all Members of Congress, which is a coequal branch of the Government. So I hope that every Member of the Senate will look upon himself as a man of the Senate.

Mr. HUGH SCOTT. I agree. I want to do the best I can to shine in the public eye, and I am sure that we all do.

CONGRESSIONAL BUDGET ACT OF 1974

The ACTING PRESIDENT pro tempore. According to the previous order, the Chair lays before the Senate S. 1541, which will be stated.

The assistant legislative clerk read as follows:

A bill (S. 1541) to provide for the reform of congressional procedures with respect to the enactment of fiscal measures; to provide ceilings on Federal expenditures and the national debt; to create a budget committee in each House; to create a congressional office of the budget, and for other purposes.

Mr. NUNN. Mr. President, I submit an amendment to S. 1541 and ask that it be stated.

The assistant legislation clerk read as follows:

On page 129, lines 10, 11, and 12, strike the words: "or until June 1 preceding the beginning of such fiscal year, whichever first occurs.".

Mr. NUNN. Mr. President, this amendment deletes language from S. 1541 which permits action on spending, revenue, or debt measures as of June 1, even in the absence of a budget resolution.

In the original S. 1541, one of the major points that some of us talked about—at least, I think I did—was the fact that we should not have appropriation measures until such time as we had at least agreed to the first concurrent resolution. However, it is in the language in the bill as it now stands. Since the proposed bill does not establish ceilings on individual spending measures, the adoption of the initial budget resolution prior to consideration of spending bills is essential. As it now stands, the Senate would not have to agree to the first concurrent resolution. Such a resolution provides the recommended budget framework and is needed as a guide when taking action on spending legislation.

The prohibition of spending action until the adoption of such resolution is logical and essential. It provides the incentive to complete action on such a resolution. A waiver of the prohibition is available if necessary. Once we start appropriating money without a concurrent resolution, in my opinion, the concurrent resolution provision would be severely diluted.

Such a resolution as recommended in the budget framework is needed as a guide on the prohibition of spending action, and is logical and essential. We should not retain in the bill a provision which highlights and emphasizes the possibility that Congress will not adopt the initial budget resolution as called for.

I also point out—and I think this is important—that we already have a waiver provision, so that an appropriation bill, if it receives a majority vote, can receive consideration, if the waiver is pressed and comes to a vote in the Senate.

The heart of the budget process as embodied in S. 1541 is the initial budget resolution. We should not retain a provision in the bill which highlights and emphasizes the possibility that Congress will not adopt the additional budget resolution as called for.

In the event of need, the bill as drafted, as I have already mentioned, contains provision for waiving the requirement that a budget resolution must precede spending, revenue, or debt action. There is ample flexibility without in any way requiring the June 1 arbitrary date. Such waiver provides sufficient insurance that such legislation can be considered when needed, even absent a budget resolution. The further provision of the June 1 permissive date is unnecessary and carries counterproductive implications.

I believe that we must pass a concurrent resolution before we start appropriating money. I believe that if, for any reason, we do not, and June 1 comes, and then we start taking up appropriation bills one after another, absent a concurrent resolution, the whole process that so many of us have labored so hard to include in the appropriation budgetary process would be to a large degree lost.

I do not wish to make lengthy argument on the subject. I think the amendment is rather simple. If any Senator has any particular question, I shall be glad to answer it. Otherwise, I shall be glad to yield.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. PERCY. Mr. President, I should like to address myself to the pending amendment No. 1037 offered by a distinguished member of our Government Operations Committee, the Senator from Georgia (Mr. NUNN), who has worked diligently and hard over a period of many months on this legislation.

We discussed at great length in the Government Operations Committee the impact of such a provision, and I came to the very firm conclusion that we need to instill in the procedures that are adopted enough discipline so that we would not feel that these dates that are established in the timetable are something that can just be breached and overlooked in the rush of other matters. If we specifically provide that we cannot appropriate a single penny until we adopt the concurrent resolution, and that this must be done by June 1, I think it will help instill a sense of discipline in the Congress that is very much needed.

There is a great deal of logic to the view that we should not begin the appropriation process until we know where we are going. I mentioned just a few days ago that this bill should be compared to a group of people starting out on a journey. If you are going to get some place, you need to know where you are going first; and the problem is that we do not ever agree on the destination of the journey, therefore we meander around and do not end up at the same place. If we agree on where we are going, and agree that we will adopt that concurrent resolution and establish a spending limit before we begin the appropriation process, then we can evaluate the appropriation process with a much better perspective.

For that reason, I believe that the amendment offers a great deal of virtue and adds considerably to the strength of the bill, and I would hope it could be accepted by the Senate.

Mr. ROBERT C. BYRD. Mr. President, I think I have an understanding of the Senator's amendment. Would he briefly explain it once again?

Mr. NUNN. Yes, I shall be glad to.

As I understood the original bill as it was approved by the Government Operations Committee, it was the specific intention of our committee to be assured that the first concurrent resolution would be agreed to by Congress prior to the consideration of appropriation bills; but as this bill has emerged from the Rules Committee, it now provides that appropriations, debt, or revenue bills can be considered after June 1 or on the adoption of the concurrent resolution, whichever is the first to occur.

As I indicated in my little presentation on the amendment a few moments ago, there is already a waiver provision, so that we could, with a majority vote of the Senate, waive the requirement of having the concurrent resolution agreed to before the appropriation measures, or any specific one. But the June 1 date in there, which says, in effect, that we can start appropriating money after June 1 even absent the adoption of the concur-

rent resolution, to my mind creates a disincentive to adopting the concurrent resolution; so I would much prefer to rely on the waiver on an individual basis, which would keep, in my opinion, the spotlight in focus on the fact that we had not performed the essential business of the Senate and the country if we had not agreed to the concurrent resolution; and therefore my amendment, very simply, knocks out June 1 as an alternative triggering device to give us permission to go forward with the appropriation measures.

Mr. ROBERT C. BYRD. If the date of June 1 is reached, and the concurrent resolution has not yet been adopted, and if a number of appropriation bills are backed up ready for action on the Senate floor, would a single waiver open the door for more than one appropriation bill, or would a waiver be required as to each appropriation bill under those circumstances?

Mr. NUNN. The Senator from Georgia understands that under those conditions a waiver would be required for each appropriation bill. I would certainly hope that is the way it is. It is my understanding that we would have to address each appropriation bill on a request from whoever was handling that bill.

The point is not that we would be prevented from taking up the appropriation bills, but a majority of the Senate would have to reach that decision, and there would be a real emphasis on the fact that we needed to agree to the concurrent resolution.

I could be misinterpreting the statute, but it is my understanding that it would be necessary on each measure.

Mr. ROBERT C. BYRD. Mr. President, there is certainly something to be said on behalf of the Senator's proposal. The reason the Rules Committee wrote the provision as it appears, with the understanding and consent of staff people from other committees, was in view of the realities of the situation, recognizing the fact that it may be impossible, on occasion, for the Senate to reach an agreement on a concurrent resolution by June 1.

The built-in timetable is already a rather stiff one, and it was felt that appropriation bills should not be held up beyond June 1 in the event that they had already been reported and the Senate leadership was prepared to call them up by that date.

I understand that the waiver would relieve that situation in the event that the Senate found it impossible to agree to a continuing resolution, thus permitting the Senate to proceed with appropriation bills. I would like to have an opportunity to consult with the managers and staff people before I personally accept the amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Georgia.

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

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

The legislative clerk proceeded to call the roll.

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

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

Mr. ROBERT C. BYRD. Mr. President, I have no objection to the amendment offered by the very distinguished junior Senator from Georgia (Mr. NUNN). I think there is a consensus among those of us here who have had some exposure to this measure prior to its debate on the floor, that in the event more than one appropriation bill has been cleared for action by the Senate, a single waiver—a single motion to waive the provision, with respect to each of an enumerated list of appropriation bills, would suffice; so that, indeed, a waiver in connection with each of the appropriation bills would not be required under those circumstances.

I repeat, if more than one appropriation bill were awaiting action and the waiver were directed toward all of those appropriation bills awaiting action, then the single waiver, approved by a majority vote of the Senate, would obviate the necessity for giving subsequent waivers for each of the appropriation bills.

Mr. NUNN. Mr. President, I would agree with the Senator's statement——

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate? I have a little difficulty expressing myself when there are other conversations in progress, and I also have some difficulty hearing others. We should have better order in the Senate.

The PRESIDING OFFICER. The Senate will be in order.

Mr. NUNN. Mr. President, I would agree with the assessment made by the distinguished Senator from West Virginia. I know that he is very knowledgeable not only of Senate rules in general but also of the particular rules in this case, and I have great respect for him and for his knowledge. I would think that the Committee on Appropriations which would be reporting all appropriations could decide the form of the waiver it wanted. If it wanted a waiver for the agriculture bill, the military appropriation bill, or whatever, the committee could do it as broadly or as narrowly as it wanted, based on the responsibility of the Appropriations Committee, which would depend on the situation. They would either decide to go the narrow way or they might want to go the broad way. At that time, Senators who felt that they needed to put the pressure on to have a concurrent resolution passed, would have the right to oppose the waiver with time limitations written into the bill, so that they could decide what method they wanted. So I would agree with the Senator from West Virginia.

Mr. ROBERT C. BYRD. One further question, if I may——

Mr. President, may we have order in the Senate? I do not see any necessity for clerks to be standing in the aisles while a Senator is speaking.

The PRESIDING OFFICER. The Senator's point is well taken. Attachés will not stand in the aisles when the Senator from West Virginia or any other Senator is addressing the Chair.

Mr. ROBERT C. BYRD. Mr. President, I certainly respect all the clerks of committees. I realize that they have a heavy responsibility. I frankly do not see how we can get along without them. They are the experts in many ways, but I wish they would keep in mind that this is the Senate Chamber. Of course, they have to await the pleasure of a Senator if he asks them for advice; but otherwise I would think it would preserve better order in the Senate if aides and clerks to Senators would be seated.

The PRESIDING OFFICER. The distinguished Senator's point is well taken. Attachés and aides will please retire to the rear of the Chamber unless their Senator requests a discussion with them. They will please remain in their seats while a Senator is addressing the Chair.

Mr. ROBERT C. BYRD. I thank the Chair very much.

Mr. President, now if I may ask a further question of the Senator from Georgia, if I understand the Senator's amendment correctly, the House of Representatives, where appropriation bills customarily originate—not by order of the Constitution, but customarily originate—would not be forced to await approval of the concurrent resolution by the Senate prior to initiating floor action in the House of Representatives on appropriation bills that may have accumulated there. Am I correct?

Mr. NUNN. I would think that is a correct assessment. I believe this applies only to the Senate.

Mr. ROBERT C. BYRD. So, the House, in the event it wished to waive the requirement for a continuing resolution in order to start the appropriation bill moving, could proceed to do so, regardless of the stage at which matters had developed in the Senate at that particular moment?

Mr. NUNN. The Senator from Georgia reads the bill so that the House of Representatives would not be precluded from getting their own waiver, but that this provision does apply to both the Senate and the House and that the House would have to do the same thing over there that we would have to do over here, in that they would have to await a waiver, unless a concurrent resolution is passed.

Mr. ROBERT C. BYRD. But neither House is forced to await the action of the other body in this respect before moving to waive the particular provision?

Mr. NUNN. I think the Senator is correct. Not only under the bill, but also, I believe, as a constitutional matter, there could be nothing which would prohibit the Senate from waiving one of its own rules.

Mr. ROBERT C. BYRD. I am not asking that. I just want to be sure that the House would not be forced—under the bill as amended by the Senator's proposed amendment—in connection with appropriation bills, to await the pleasure of the Senate, if the House is ready to act.

Mr. NUNN. I am not certain that I completely understand the Senator's question, but it is my impression of the bill that we provide for waivers in each House.

Each House could act independently to go ahead and proceed, if they waived the rule in that House. Does that answer the Senator's question?

Mr. ROBERT C. BYRD. Yes, that answers my question. In other words, if the Senate, at a given time, is debating the continuing resolution and has not waived the requirement, the House, on the other hand, may proceed, if it wishes to waive the provision. If the House has not at that point approved the continuing resolution, the House may proceed to waive that requirement and enact appropriations and get them moving over to the Senate. Am I correct?

Mr. NUNN. The Senator from Georgia agrees with the Senator from West Virginia as he has stated that basic premise.

Mr. ROBERT C. BYRD. Mr. President, I congratulate the Senator on his amendment. I think it is a salutary one and improves the bill, with the understanding we have had here.

Mr. NUNN. I thank the Senator from West Virginia.

As I have said in the past, I appreciate greatly the work that the Senator from West Virginia has done, because without him, I think it would have been impossible to reach the kind of broad concensus we have reached on this bill in order to obtain its passage.

Mr. ERVIN. Mr. President, the distinguished Senator from Georgia is a member of the Government Operations Committee and has done yeoman work in the formulation of the bill reported by the Government Operations Committee.

I concur in the view of the Senator from West Virginia that it would be wise for the Senate to adopt this amendment.

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

The amendment was agreed to.

AMENDMENT NO. 1035

Mr. NUNN. Mr. President, I believe that at the desk is a printed amendment which is numbered 1035. I ask that this amendment be reported.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. NUNN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 143, line 2, before "In", insert "(a) ACTION BEFORE BEGINNING OF FISCAL YEAR.—".

On page 143, line 2, before "In", insert "(a) ACTION the following:

"(2) not later than September 25 preceding the beginning of a fiscal year, the Congress shall complete action on a bill required to be reported under section 310(c).".

On page 143, after line 18, insert the following:

"(b) REQUIRED PROVISION IN NEW BUDGET AUTHORITY LEGISLATION.—Every bill or resolution providing new budget authority for a fiscal year (other than supplemental, deficiency, and continuing appropriations bills and resolutions) shall contain a provision that the new budget authority provided in such bill or resolution shall not become effective until a bill required to be reported under section 310(c) for such fiscal year has been enacted into law.

"(c) LEGISLATION FAILING TO COMPLY SUBJECT TO POINT OF ORDER.—It shall not be in order in either House to consider any bill or resolution providing new budget authority (or any conference report on any such bill or resolution) which fails to comply with the provisions of subsection (b).".

On page 145, beginning with line 14, strike out all through line 11 on page 146, and insert the following:

"(c) BILL REQUIRED TO BE REPORTED.—

"(1) RECONCILIATION BILL.—If a concurrent resolution on the budget is agreed to in accordance with subsection (a) containing a direction that changes in laws be made, and—

"(A) only one committee is directed to determine and recommend changes, that committee shall promptly make such determination and recommendations and report a reconciliation bill to its House containing such recommendations; or

"(B) more than one committee is directed to determine and recommend changes, each such committee so directed shall promptly make such determination and recommend changes and submit such recommendations to the Committee on the Budget of its House, which upon receiving all such recommendations, shall report to its House a reconciliation bill containing, without substantive revision, all such recommendations.

A reconciliation bill reported under this paragraph shall contain a provision that the new budget authority provided for the fiscal year in bills and resolutions previously enacted (as changed by such reconciliation bill) shall become effective.

"(2) BILL TO EFFECTUATE NEW BUDGET AUTHORITY.—If a concurrent resolution on the budget is agreed to in accordance with subsection (a) and such concurrent resolution does not contain any direction that changes in law be made, the Committee on the Budget of each House shall promptly report to its House a bill providing that the new budget authority provided for the fiscal year in bills and resolutions previously enacted shall become effective.

"(d) COMPLETION OF ACTION ON REQUIRED BILL.—Congress shall complete action on a bill required to be reported under subsection (c) for a fiscal year not later than September 25 immediately preceding the beginning of such fiscal year.".

On page 146, lines 17 and 20, strike out "reconciliation".

On page 147, strike out lines 12 through 17, and insert the following: "unless the Congress has completed action on a bill required to be reported under subsection (c) for the fiscal year beginning on October 1 of such year.".

On page 147, line 24, beginning with "all", strike out all through "bill" on line 3, page 148, and insert "a bill required to be reported under section 310(c) for a fiscal year".

On page 119, in the matter preceding line 1, after "reconciliation bill implementing second required concurrent resolution" insert "or bill effectuating new budget authority".

On page 122, strike out lines 5 through 14.

On page 122, line 15, strike out "(2)" and insert "(1)".

On page 122, line 21, strike out "(3)" and insert "(2)".

On page 122, line 25, strike out "(4)" and insert "(3)".

Mr. NUNN. Mr. President, I think this is a very important amendment, and I would have to say at the outset that I am under no illusions as to the chances of this amendment receiving a majority vote at this point; but I do believe sincerely that the record should be made. The amendment, it should be pointed out, contains a very good device that was in the original Government Operations bill which was deleted in the Rules Committee.

However, I believe that in the future we may very well come back to it, either in conference committee or perhaps at a later date on recommendations of the budget committee.

Under the proposed version of S. 1541, all newly enacted budget authority becomes effective and available for obligation on October 1, the first day of the fiscal year. Substantial amounts of Federal funds will become committed beyond the possibility of rescission on that date. I think this is a very important point. No matter what we say in the bill, no matter what we say in any of the provisions of the bill, once October 1 rolls around and we do have the appropriation bills which are in effect, at that point it becomes very difficult—and in some cases, almost impossible—to really come up with the rescission bill or the reconciliation bill that is demanded by the second concurrent resolution.

A reconciliation bill containing rescission of any budget authority, therefore, must be enacted before October 1 if it is to be effective. After October 1, as a practical matter, it will be too late. Any Member or coalition thereof with any motive to avoid rescissions will have incentive to employ dilatory tactics to delay a reconciliation bill until after October 1, when all spending authority will have already become effective. Therefore, a small minority can easily, under some circumstances, accomplish this result.

Therefore, spending measures, in my opinion, should contain a clause delaying their effectiveness until enactment of a triggering bill which will be the final step in the budget process. Such a measure will insure that a majority of Congress must act on the entire spending profile at the end of the budget process and before any funds can be obligated beyond the possibility of rescission. This will prevent a small minority from locking in a spending pattern that a majority has decided it wants to change.

If the majority wishes to make no changes in the spending measures which have been enacted, it will simply enact a triggering bill effectuating all such spending and making no rescissions.

The House bill, H.R. 7130, the budget measure which has been passed by the House, contains provisions which have a similar effect. Although they are different provisions, they have a very similar effect to the triggering proposal I am making here.

There is some well-stated opposition to this particular provision, and I think the Rules Committee did a good job of laying out this opposition, although I take exception to each of the items they show as reasons for rejecting the triggering provision.

First, the opponents of the triggering bill argue its extreme sensitivity to Presidential veto, which would result, in their opinion, in throwing the entire budget process into chaos.

Mr. President, I respond to that argument by saying that the triggering measure, whether a part of the reconciliation

bill or a separate bill, will be the wrap-up of the budget process, if my amendment is agreed to, which has worked itself out over the preceding 9 months. A triggering device would reflect final, up-to-the-minute adjustments in spending, revenues, and debt as appropriated just prior to the beginning of the budget year. It will be the embodiment of the responsible fiscal action by Congress and will result from painstaking effort and delicate compromise.

Veto of such a bill will likely be susceptible to being overriden by Congress; and, if not overridden, presumably adjustments could be made to satisfy the administration.

I think this is a very important point, because there are no provisions in this amendment or in any triggering device which inherently presents any problem that would not also be presented now under the provisions of S. 1541 by the veto of the President of the United States of the reconciliation bill, a danger which the present bill now has.

I submit that if we are really serious about the second concurrent resolution and if we are really serious about the reconciliation bill, which some of us hope will be coming if we have overspent, and if we have gone over the ceiling we originally imposed, based on what is in the best economic interests of this Nation—if we are serious about that process, then I think we must concede that that reconcilitation bill, if it is vetoed by the President, would be just as dangerous, would be just as disruptive, and would create just as much chaos as a triggering measure veto.

The second major argument that the opponents argue is that with the trigger neither Congress nor the President will know the exact amount of an appropriation with finality until well after its enactment and that this is too great a degree of ambiguity.

I say in response to that that the reconciliation bill creates exactly the same ambiguity, and is now a part of S. 1541. No greater degree of uncertainty would be added by a triggering device. Since the budget process is to be completed prior to the start of the fiscal year, with no spending until the fiscal year begins, this certainty as to the appropriation levels is not needed until the end of the process when adjustment can be made.

At the present time most of the appropriation bills are passed well after the fiscal year. I do not think that last year, in 1973, a single appropriation measure was passed prior to the beginning of the fiscal year. So we are dealing with a tremendous amount of uncertainty now.

While I agree that this bill and the provisions of this bill greatly will change the present situation, we all hope, I must say, that the reconciliation bill will carry with it the same degree of certainty as this provision which I recommend.

Another argument, the opponents claim, is that the existence of a triggering bill would produce incentive to "pad" appropriations and requests in the expectation that there will later be cuts.

Such incentive, if indeed there is any, is an unavoidable aspect of any process which allows for rescission of appropriations. It is a product of the reconciliation bill and the possibility of later decisions to decrease amounts provided earlier. The incentive to "pad" would not stem from the introduction of a triggering step in the process.

The final argument of opponents is the claim that since the effectiveness of all spending bills would depend on a trigger, any delay of the triggering measure beyond the start of the fiscal year will necessitate the use of continuing resolutions. This, in turn, would cause the new, supposedly efficient budget process to fall into disrepute.

I say in response, that there is, indeed, under the provision I propose a possibility of continuing resolutions. There would be in effect, however, not for 6 or 8 months as is now the case, but for only a few days or at most a few weeks while Congress worked out the compromises needed to allow passage of the triggering measure. This would be a situation in which continuing resolutions would be employed for a brief period to enable Congress to carry out its obligations and to put its fiscal house in order. Surely use of this device to allow sufficient time for completion of a highly complex and vitally needed process is justifiable and will not destroy the credibility of the budget process.

Mr. President, I urge the Senate not only to consider this amendment today, but also I hope the conference committee, in the event this fails today, would consider this in lieu of the House provision which requires all appropriation measures to remain at the desk. That is a very similar way of handling the dangers I pointed out, but it is not as good a way as the device the Committee on Government Operations had and which I submit as an amendment. So I hope this proposal is considered favorably today and that later the Budget Committee will give it favorable consideration because in my estimation when October 1 rolls by, if we have not passed the requisite reconciliation bill, it will be too late, and even though we have a provision saying Congress cannot adjourn until the reconciliation bill is passed, if it is carried by a second resolution, I submit after October 1 that will be no real disincentive because the bar on adjournment has been tried several other times and can be waived by simple majority. Then we have simple appropriation bills in effect, some of which can be constitutionally challenged. When October 1 comes around, much of the appropriation measure could not be rescinded even if a majority wanted to rescind.

Mr. ERVIN. Mr. President, if I considered only my views on this matter I would support the amendment of the distinguished Senator from Georgia. However, my long service in the Senate has taught me I have to be pragmatic, and I must support the measure that will be adopted by a majority in both houses, for otherwise we will have no legislation on this subject.

This amendment incorporates a provision that was in the bill when it came from the Committee on Government Operations, but it was eliminated by the Committee on Rules and Administration. The Committee on Rules and Administration was of the opinion, and strongly of the opinion, that this provision added another step in the appropriation process and made that process too rigid, and for that reason eliminated it.

I am constrained to the view that we should at this time follow the Committee on Rules and Administration and leave the provisions of this amendment out of the bill.

The Committee on Rules and Administration felt that the bill without this provision would operate effectively. I believe the better part of wisdom is to follow that view at this time and leave to the future the question of whether or not Congress will exercise enough self-discipline to make the bill, in its present form on this aspect, effective. If it should prove in the future that this conclusion is not sound, then Congress could add what I think is a wise provision to the bill at a subsequent time.

But we have to get a majority vote of the Senate to get any bill at all, and many members of the Committee on Rules and Administration, and many other Senators, are opposed to this proposition. As a pragmatic matter, I hope the Senate will at this time defeat the amendment, recognizing that perhaps at some future time it may be necessary to adopt it.

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

Mr. NUNN. I am glad to yield to the Senator from Illinois.

Mr. PERCY. I wish to make a brief comment, and I am certain that the distinguished Senator from Georgia would want to rebut both sides of the aisle.

I have expressed deep appreciation to the members of the Committee on Rules and Administration of the Senate for their contribution and on balance they have done a remarkable job.

In consequence of that, although I highly commend the Senator from Georgia (Mr. NUNN) for the contribution he has made and his attempt to make this bill as tough a bill as possible, in the best sense of that word, I think on balance I stand with the chairman of the Committee on Government Operations and would regretfully vote "no" on this amendment. I do so saying to the distinguished Senator from Georgia that he is one up this morning and possibly one down, and his net contribution has been immense. Obviously it will be discussed in conference, but I regretfully will have to vote "no" on the amendment.

Mr. NUNN. Let me say I completely understand the position of the distinguished Senator from North Carolina, chairman of the Government Operations Committee, and the distinguished Senator from Illinois, the ranking minority member of the committee. Both of them not only have done an excellent job in getting the bill out of the Government Operations Committee and subcommittee, but also have done a remarkable job in working with the Rules Committee and the Senator from West Virginia in coming up with a version which, while not perfect, certainly goes a long way toward restructuring what is an archaic and outdated budgetary process.

So while I do not agree, I understand their opposition to this amendment. I

appreciate their kind words in speaking on the amendment, on an individual basis. I know they will support a device which will go a long way toward assuring that not only the theoretical intent of the budgetary process is passed and implemented, but also, as a practical matter, that we in the U.S. Senate and we in the Congress really do mean what we say about budgetary reform and that we really do mean what we say about having a limit passed at the beginning of the process which we intend to live with unless we change it on the basis of economic reasons or on the basis of great changes that may occur.

I reiterate that I do not believe the bill as presently constituted, without my amendment, requires the accountability we are going to have to have if we are going to have real budgetary reform, if we are really going to do what the Senator from Virginia talked about so eloquently, if we are really going to balance the budget in years of inflation.

I am not one of those who believes we can balance the budget in periods of severe depression or war, but I believe we have demonstrated, and the Executive has joined us in that, that any time we have 4 straight years of accumulating a debt in the neighborhood of $100 billion, in a period of high inflation, we really have a long way to go in having an effective process.

I would like to ask the Senator from North Carolina his opinion. If this amendment today is not adopted, does the Senator from North Carolina anticipate this bill will be one of the possible grounds for discussion in conference committee in lieu of the present House provision, which may or may not be accepted by the Senate, the House provision being that appropriation measures shall remain at the desk until we pass a reconciliation bill? I simply ask the Senator from North Carolina if he believes this could be considered as a compromise.

Mr. ERVIN. I believe the rules of the House would not permit the consideration of anything not in the House-passed bill. For that reason, I do not believe that the conference could consider the provisions of this amendment, if the amendment should be rejected, which I hope under the circumstances it will be.

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

Mr. NUNN. Mr. President, the Senator from Georgia is advised, in response, that the House bill provides appropriation measures will be at the desk, and it is encompassed simply as part of the House rules. I am sure we will study it and give some attention to it, but I believe it could come up in conference.

Mr. ERVIN. There may be a difference of opinion on that point. My own opinion is that the provision of the House bill to the effect the Senator mentioned is not sufficiently related to the provision of his amendment to put this matter in conference. I frankly do not believe the conferees would be permitted to consider this measure in conference if it should be rejected by the Senate.

Mr. NUNN. I thank the Senator.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Georgia yield?

Mr. NUNN. I am glad to yield.

Mr. HARRY F. BYRD, JR. It seems to me the Senator from Georgia has raised a most important point, and unless the proposal of the Senator from Georgia is enacted, or something similar to it, it occurs to the Senator from Virginia that the legislation now before us will not be the effective instrument that it could be if the amendment of the Senator from Georgia were adopted.

Mr. NUNN. I thank the Senator from Virginia. I yield now to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I shall be very brief.

I appreciate the motives of the distinguished Senator from Georgia. I know he is attempting to write into the measure additional disciplinary provisions that will aid in bringing about the objective of fiscal responsibility that we all seek, but I am afraid that it would have the effect of being impractical in that regard. I think it would also add an additional time-consuming step in the process of completing action on all appropriation bills.

Moreover—and I understand he has already addressed himself to this objection, but to me it is a formidable one—I fear that the adoption of this amendment would enable the President, by one single stroke of the pen, and by vetoing the triggering measure, to effectively veto every appropriation bill that had been enacted prior thereto.

This would mean that with one veto the President could veto 13 regular appropriation bills and any number of supplemental and emergency appropriation bills. I am just not going to go that far.

May I say also to the distinguished Senator, I certainly agree with the Senator from North Carolina's interpretation of the situation with which we will be confronted in conference. It is my understanding the House measure does not contain this triggering provision. Consequently, it would not be in conference if the Senate were to reject the amendment offered by the distinguished Senator from Georgia.

Mr. NUNN. I am certain the Senator from West Virginia has a better knowledge of the rules of conference than the Senator from Georgia, but there is a House provision that would prevent appropriation bills from going into effect prior to October 1. The motive of the House provision is the same as the motive of this provision. I guess it would be a matter for the conference to decide whether this would be appropriate.

Mr. ROBERT C. BYRD. I do not think so. I think a point of order would be raised against it, because the House language provides that the appropriation bills shall be held at the enrolling clerk's desk, whereas the Senate's amendment provides that bills, after they are passed through both House and Senate and go through conference, shall be held at the President's desk until such time as the triggering process is enacted. There is a great gulf between the two, so great that I think a conference could not legitimately consider the Senator's proposal.

Mr. NUNN. I would certainly defer to the Senator from West Virginia's judgment on that matter.

I would like to make one observation. I hope we are sincere about the reconciliation measure. I hope we do not believe we are not going to be rescinding the appropriating authority if we go above the ceiling. I would submit if the President decided to veto the reconciliation bill, he would have, in effect, done away with the appropriation process and the really responsible part of it, for that matter. Although the appropriation measures would be in effect, the entire budgetary process, with veto of the reconciliation bill, would be thrown into a complete state of disarray. The President, by vetoing, would be vetoing what had been enacted by the House and Senate. Although S. 1541 does have provisions which gives the President some authority in that respect, he would not do that.

I will also say that if the President decides to veto 14 appropriation bills, there would be some kind of disincentive for Congress to pass appropriation bills if the President were going to veto all 14. So I would have a hard time saying that the President would not veto a triggering bill.

I just have some difficulty believing that the President of the United States would veto every appropriation bill. That would be vetoing a year's work in Congress, unless he were ready to see the country close down. The Government employees' salaries could not be paid because they depend on appropriations. If the President vetoed the bills, he would be overridden more quickly than can be imagined.

Mr. ROBERT C. BYRD. Mr. President, I would not rule out that possibility, because I must say that I have seen many things happen of late that I would not have dreamed could have happened.

Mr. NUNN. I would agree with the Senator. I think that both old men's dreams and young men's visions would not have included some of the things I have seen in the last year.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. NUNN. Mr. President, I have another matter which I think will not take much time at all. I call up amendment No. 1036, which is a printed amendment and is at the desk. I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

On page 127, after line 8, insert the following:

(h) STUDY OF CERTAIN PROCEDURES.—The Committee on the Budget of each House shall conduct a study to determine the feasibility of adopting and implementing the procedures described in subsection (b), and shall report the results of such study to its House as soon as practicable, but not later than the first day of the first session of the Ninety-fourth Congress.

Mr. NUNN. Mr. President, this amendment, which deals generally with the same subject matter that I have just referred to, expresses my concern. I will not repeat the arguments I have made, but this amendment is a triggering device amendment.

The amendment simply provides that the committee on the budget of each House shall conduct study to determine the feasibility of adopting and imple-

menting the procedures described in subsection (b) and shall report the results of such studies to its House as soon as practicable, but not later than the 1st day of the 1st session of the 94th Congress, which is January 2, 1975.

I think it is imperative that such an amendment as this be included in the bill. I would hope that the manager of the bill would accept the amendment. I would be receptive to a change in the date.

Mr. ROBERT C. BYRD. Mr. President, I certainly do not object to this amendment. I am willing to accept it. I think I can speak for my colleagues (Mr. ERVIN and Mr. PERCY) in saying that there is no objection to the amendment. I think, as a matter of fact, it would be good if such a study were conducted.

I am wondering, in view of the willingness of the Senator from Georgia to modify the amendment, whether he would agree to do so by striking the words "ninety-fourth" and inserting in lieu thereof "ninety-fifth".

Mr. NUNN. As I understand, if it were to be the 95th Congress, that would give the committee time to make a study and report, and would give us time to study and react to the report. I am willing to accept that modification.

The PRESIDING OFFICER. The amendment is so modified.

The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, the Senator from Georgia is batting 66⅔ today.

Mr. NUNN. That is not as good as I had hoped for, but better than I expected. I thank the Senator for accepting the amendment and getting to my amendments as fast as he has done. I congratulate him for getting to the consideration of the bill as fast as it was possible to do so.

Mr. ROBERT C. BYRD. I thank the Senator from Georgia for his valuable contributions.

The PRESIDING OFFICER. The bill is open to amendment.

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. NUNN) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

CONGRESSIONAL BUDGET ACT OF 1974

The Senate continued with the consideration of the bill (S. 1541) to provide for the reform of congressional procedures with respect to the enactment of fiscal measures; to provide ceilings on Federal expenditures and the national debt; to create a budget committee in each House; to create a Congressional Office of the Budget, and for other purposes.

Mr. HARRY F. BYRD, JR. Mr. President, I call up my amendment No. 1051, which is at the desk, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

At the appropriate place in the bill add a new section as follows:

SEC. . Notwithstanding any other provision of this or any other Act, beginning with the fiscal year 1976, the expenditures (budget outlays) of the Government of the United States during each fiscal year shall not exceed its revenues.

Mr. HARRY F. BYRD, JR. Mr. President, I first request that the Senate attaches have the printed amendment placed on every desk in the Senate. I do not find it on the desks.

The PRESIDING OFFICER. The Senate attaches are so instructed and will place a copy of the amendment on the desk of each Member of the Senate.

The Chair is advised that the amendment has just arrived from the printer and copies will be placed on the desks promptly.

Mr. HARRY F. BYRD, JR. I thank the Chair.

Mr. President, yesterday the Senator from Virginia presented an amendment, which would require, beginning with fiscal year 1976, that the President, in submitting his annual budget, submit a budget which was in balance—expenditures with revenues—for all nontrust fund matters. The Senate considered that amendment and rejected it. One reason given in opposition is that it was of doubtful constitutionality; that it was doubtful whether Congress could require the President to submit a balanced budget. The Senator from Virginia did not agree with that reasoning; nevertheless, for that and other reasons, the amendment offered yesterday was rejected.

The reason the Senator from Virginia presented that amendment was his belief that if we are going to get Federal spending under control, if we are going to get back to a balanced budget, if we are going to eliminate the tremendous deficits the Government has been running, then the first step is for the Chief Executive, whoever he may be, to submit to Congress a budget which is in balance. The current budget, for example, was submitted by the President out of balance to the extent of $18 billion. But, as I mentioned, that amendment was rejected.

The amendment I have called up today is an entirely different one. It is a very brief amendment, and reads as follows:

Notwithstanding any other provision of this or any other Act, beginning with the fiscal year 1976, the expenditures (budget outlays) of the Government of the United States during each fiscal year shall not exceed its revenues.

If this amendment is adopted, it would achieve a balanced budget under the so-called unified concept, which is to say that the budget, taking into consideration the trust funds as well as the Federal funds, must then be in balance.

This is not as far as I personally would prefer to go. I think it is important to get the Federal funds budget into balance. But if we could achieve a balance in the total spending of the Government, including the trust funds, Congress would have taken a very long, firm, and desirable step toward controlling inflation and maintaining the value of the wage earner's dollar.

I do not believe the average American citizen is aware of just how seriously the Government's financial situation has deteriorated. In the last 20 years, the Federal funds budget has been balanced only three times. It has shown a deficit in 17 out of the last 20 years. The budget has not been balanced since 1960. But worse than that, the trend is in the wrong direction, because the deficits are far greater now than they have been in the past.

The deficit for fiscal year 1970 was $13.1 billion. The deficit for 1971 was $30 billion. The deficit for 1972 was $29.2 billion. The deficit for 1973 was $25 billion. The deficit for 1974 was $18.1 billion. The deficit for 1975 was $17.9 billion.

In that 6-year period, Mr. President, the accumulated Federal funds deficit has totaled $133.3 billion. In that short period of 6 years, the accumulated Federal funds deficit is $133 billion. Is it any wonder that the value of the dollar has deteriorated? Is it any wonder that when the housewife goes to the grocery market every week, the purchasing power of her dollar is less and less?

This Government cannot continue to sustain these smashing deficits without further erosion of the value of the dollar. We are considering a piece of legislation, an important piece of legislation, to attempt to reform the budgetary processes of the United States Congress. It is important, I think, that we do improve those processes, and the legislation before us, so ably handled by the able senior Senator from North Carolina on the majority side of the aisle and the able Senator from Illinois on the minority side of the aisle, provides many important, desirable, and necessary changes in procedures. It certainly is an important step in the direction that Congress needs to go. But the legislation itself, as it now stands, will not accomplish and will not require what I think is so important: that we get back to the "old time religion" of a balanced budget.

I recognize that my view is a minority one. I recognize that a majority of my colleagues do not agree with my fiscal beliefs. I recognize also that the easiest thing a legislator can do is vote for more and more spending. That is the easiest thing any of us can do as Members of Congress. And it is even easier when we adopt a practice which has been the practice of the Congress of the United States for a long time now, and has been the policy of the executive branch of the Government for a long time, of spending all the money you want to spend, to spend and spend and spend, but not worry about the revenues and

not worry about additional taxation. No one has to say for it; all we need to do is add it to the debt.

Well, Mr. President, we are adding it to the debt. The debt at the end of the next fiscal year is projected at $505 billion. So we are adding it to the debt. But I submit that the people are paying for it, paying for this deficit financing, by an indirect hidden tax; namely, by inflation. The value of the dollar, according to the economist Dr. Heller, who testified before the Finance Committee yesterday, has deteriorated 20 percent in the 3-year period 1972, 1973—and he projects it to include 1974. So our people are paying for it through inflation. Inflation is a tax. It is a hidden tax. I submit, it is a cruel tax. It hits hardest at those in the lower and middle income brackets. It hits hardest at the elderly in our Nation who are living for the most part on fixed incomes. Inflation does not particularly hurt the very wealthy. It may even be helping them. I do not know. But what inflation is doing is eating into every wage earner's pay check and into every housewife's grocery dollar.

The major cause of inflation is the irresponsible and reckless spending policies of both the executive and legislative branches.

The purpose of the amendment which I have submitted today is directly to bring some responsibility to the handling of the financial affairs of the Government of the United States. It will not affect the 1975 budget which is already in the mill and is being processed. It will begin with the fiscal year 1976 with the next budget to be submitted by the President.

The amendment would require that outlays; namely, appropriations by Congress, not exceed the revenues to be taken in by the Government for that fiscal year.

Let us take an example. If the revenues are estimated to be $300 billion for fiscal year 1976 and Congress desires to spend $320 billion, then it must raise the additional revenue if it is to spend the additional amount over and above the revenues expected to be taken in during that fiscal year.

I recognize that there are many Members of Congress and, I would guess, perhaps even a majority of Congress, who do not want a balanced budget, who think that deficit spending is a good thing. They are entitled to that view. I recognize that—just as I am entitled to the contrary view.

I know that this deficit spending is a good thing from a political point of view for Members of Congress, because they can spend and spend and spend and spend and not have to raise the taxes to pay for it. They would let it be paid out of inflation which, I say again, is the cruelest tax of all because it hits the working man the hardest, those in the lower and middle-income brackets and those living on fixed incomes, the elderly of the Nation.

Let me read again the amendment:

> The expenditures of the Government of the United States during each fiscal year shall not exceed its revenues.

Now, Mr. President, that is a constitutional provision in the constitution of every State among the 50 States in the United States. It is the way every State handles its own budgetary affairs.

The only government which does not have a policy of expenditures not exceeding revenues is the Federal Government of the United States of America.

All of us know how strong the German mark is, the Japanese yen, the Swiss franc, and the Dutch guilder.

I had an interesting conversation at a luncheon with the Finance Minister of West Germany, which has one of the soundest currencies in the world and one of the strongest currencies in the world.

I asked him, "As a matter of curiosity, what is your debt in Germany and what would be your deficit for this fiscal year?"

He said, "Deficit? Deficit? We do not have deficits in Germany. The West German Government does not have deficits. Our Constitution prevents us from having deficits."

Well, the U.S. Constitution does not carry that provision and I do not know that it necessarily should. It might make it too rigid because one cannot quickly change the American Constitution. But there is nothing rigid, nothing unreasonable about the proposal which I have submitted to the Senate today which merely says that the expenditures of the Government of the United States during each fiscal year shall not exceed its revenues.

I think not only is it not unreasonable but it is essential, if we are going to get any degree of financial responsibility.

The charge may be made, suppose there is an emergency, what do we do then? The law can be changed very quickly, as everyone knows, in the event that there is an emergency required.

Then the charge may be made, well, one Congress cannot bind another Congress. Of course it cannot. The legislation we are considering today, the basic legislation before the Senate, can be repealed. If it is enacted next month, it can be repealed the next month after that, or next year. But if Congress is willing to adopt the amendment I have submitted, then Congress is saying that we are willing, not this year, but we are willing, beginning with fiscal year 1976, to hold Government expenditures within the framework of Government revenues. If it were just for several years that the Federal Government has been running deficits, I would not have the deep concern I have today. I say to my colleagues that it has not been several years. It has been a long period of years. We have had Government deficits in 17 of the last 20 years, and we have not had a balanced budget since 1960—15 fiscal years ago.

I would certainly hope that the Senate would be willing to give consideration to adopting legislation which would merely say that beginning with fiscal year 1976, the expenditures of the Government of the United States during each fiscal year shall not exceed its revenues.

Mr. ERVIN. Mr. President, much of what was said yesterday concerning the amendment offered by the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) and the distinguished Senator from North Carolina (Mr. HELMS) is applicable to this amendment.

I agree with the Senator from Virginia that the people of the United States are asking Congress to give them bread in the form of financial restraint, but I do not see any use of Congress giving the people of the United States an unconstitutional stone instead of bread.

Article I, section 1, of the Constitution reads:

> All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

Section 8 of article I reads:

> The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defense and general Welfare of the United States . . .

Clause 7 of section 9 reads:

> No money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law . . .

This amendment, in effect, says that Congress hereafter shall not exercise its legislative powers except in a certain way, and that Congress hereafter shall be required to raise taxes sufficient to meet the appropriations, and the appropriations will never exceed the amount of the taxes. It is totally ineffective. It is inconsistent with the Constitution, which each Member of the Senate has stated upon oath that he will support, and it is absolutely nugatory. Instead of giving the people of the United States bread in the form of a balanced budget, it gives them an unconstitutional stone.

We might as well recognize that we cannot tie the hands of future Congresses; we cannot nullify the powers of Congress under the Constitution by a simple statute.

As the distinguished Senator from Virginia has said, the next Congress can change any of the provisions in this bill, if it is enacted. That is true. But the provisions of this bill, without this amendment, will be constitutional and of binding effect until they are changed by a subsequent Congress, making the provisions of this bill totally unlike the amendment which the distinguished Senator offers.

Mr. HARRY F. BYRD, JR. If the Senator will yield, that is precisely what this proposal would do.

Mr. ERVIN. This proposal would do nothing. I would vote for it if it was constitutional.

The only way the Senator from Virginia and I can secure making it impossible for Congress to adopt an unbalanced budget is to amend the Constitution and take away from Congress the power it now has, given to it by the Constitution.

Frankly, I do not see the use of adopting an amendment which flies in the face of the Constitution and, as I say, gives the people an unconstitutional stone instead of bread.

I share the views of the Senator from Virginia on financial matters in large part, but we cannot get a balanced budget by writing an unconstitutional statute. The only way we are going to get a balanced budget is for the Members of

the Senate and the Members of the House to have the manhood to stand up as they should and levy sufficient taxes to cover the appropriations or cut the appropriations so that they will not exceed the tax revenues available.

If I thought the amendment would have any effect at all and could be adopted by the Senate under its constitutional powers, I would vote for it. I know that it would have no effect, and I do not see any use in cluttering up a bill with provisions that are absolutely inconsistent with the Constitution.

Mr. HARRY F. BYRD, JR. Mr. President, I am astonished to hear the able and distinguished Senator from North Carolina say that it is unconstitutional for Congress to say we are not going to spend more money than we take in. I am utterly astonished at any such assertion.

Mr. ERVIN. I am not saying that. I am saying that it is unconstitutional for this Congress to say that this Congress or any succeeding Congress can do but one thing with respect to the budget, and that is to balance the budget. Congress cannot be stripped of its legislative powers by a legislative act.

Mr. HARRY F. BYRD, JR. Congress has the responsibility, in my judgment—not only the constitutional right but also the responsibility—to the people of the United States of America to bring some financial responsibility to the handling of public funds. To say that the Constitution does not permit Congress to pass legislation specifying that the Government shall live within its income, I find an absolutely astonishing assertion.

The Senator from Virginia may be the only Member of the Senate who is willing to vote to say that we must have a balanced budget. I do not mind being a minority. I do not like it. I am used to it. I know enough about politics; I have been in politics all my life. Politicians like to spend the public moneys, and they do not want to raise the taxes to pay for it. So what do we do? We create these tremendous deficits: 1970, a $13 billion deficit; 1971, a $30 billion deficit; 1972, a $29 billion deficit; 1973, a $25 billion deficit; 1974, an $18 billion deficit; 1975, an $18 billion deficit.

No wonder we have inflation; no wonder the wage earner is saying that it is difficult to make ends meet. I say we will not get inflation under control and we will not get the cost of living under control until we first get Government spending under control. We have to get away from these deficits and this is a procedure for getting away from these deficits.

It is for Congress to say, "Beginning in fiscal year 1976 we are not going to appropriate more money than comes into the Federal Treasury." Congress has control of the taxes. If enough revenue does not come in they can levy more taxes if that is what they want to do. But I submit the only responsible way to handle the fiscal affairs of this Government is to get back to a balanced budget and that is what this proposal would accomplish.

Mr. ERVIN. Mr. President, I believe that if a majority of the House and Senate or a majority of either body had voted as I have since I came to the Senate in June 1954, the national debt of the United States would not have increased one penny. Also if a majority of the Senate and a majority of the House had voted as I have since I came to the Senate in 1954, the debt limit of the United States would be exactly the same today as it was during the days of President Eisenhower.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the amendment be printed in the RECORD at this point.

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

At the appropriate place in the bill add a new section as follows:

SEC. . Notwithstanding any other provision of this or any other Act, beginning with the fiscal year 1976, the expenditures (budget outlays) of the Government of the United States during each fiscal year shall not exceed its revenues.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that two tables I have prepared showing the deplorable financial condition of the Federal Government be printed at this point in the RECORD.

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

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

(Prepared by Senator Harry F. Byrd, Jr., of Virginia)

[In billions of dollars]

	Receipts	Outlays	Surplus (+) or deficit (−)	Debt interest
1956	65.4	63.8	+1.6	6.8
1957	68.8	67.1	+1.7	7.3
1958	66.6	69.7	−3.1	7.8
1959	65.8	77.0	−11.2	7.8
1960	75.7	74.9	+.8	9.5
1961	75.2	79.3	−4.1	9.3
1962	79.7	86.6	−6.9	9.5
1963	83.6	90.1	−6.5	10.3
1964	87.2	95.8	−8.6	11.0
1965	90.9	94.8	−3.9	11.8
1966	101.4	106.5	−5.1	12.6
1967	111.8	126.8	−15.0	14.2
1968	114.7	143.1	−28.4	15.6
1969	143.3	148.8	−5.5	17.7
1970	143.2	156.3	−13.1	20.0
1971	133.7	163.7	−30.0	21.6
1972	148.8	178.0	−29.2	22.5
1973	161.4	186.4	−25.0	24.2
1974 [1]	185.6	203.7	−18.1	27.8
1975 [1]	202.8	220.6	−17.9	29.1
20-year total	2,205.6	2,433.0	−227.5	296.4

[1] Estimated figures.

Source: Office of Management and Budget and Treasury Department, Feb. 4, 1974.

RECEIPTS IN BILLIONS—FEBRUARY 1974

(Prepared by Senator Harry F. Byrd, Jr., of Virginia)

	Fiscal year—							
	1968	1969	1970	1971	1972	1973	[1] 1974	[1] 1975
Individual income taxes	$69	$87	$90	$86	$95	$103	$118	$129
Corporate income taxes	29	37	33	27	32	36	43	48
Total income taxes	98	124	123	113	126	139	161	177
Excise taxes (excluding highway)	10	11	11	10	11	10	11	11
Estate and gift	3	3	4	4	5	5	5	6
Customs	2	2	2	3	3	3	4	4
Miscellaneous	3	3	3	4	4	4	5	5
Total Federal fund receipts	116	143	143	134	149	161	186	203
Trust funds (Social Security and highway, less interfund transactions)	38	44	51	54	60	71	84	92
Total	154	188	194	188	209	232	270	295

EXPENDITURES IN BILLIONS

	Fiscal year—							
	1968	1969	1970	1971	1972	1973	[1] 1974	[1] 1975
Federal funds	$143	$149	$156	$164	$178	$186	$204	$221
Trust funds (less interfund transactions)	36	36	40	48	54	61	71	83
Total	179	185	196	212	232	247	275	304
Unified budget, surplus (+) or deficit (−)	−25	+3.1	−2	−24	−23	−15	−5	−9
Federal funds deficit	27	6.0	13	30	29	25	18	18

[1] Estimated figures.

Mr. ERVIN. I am as much concerned about the fiscal responsibility as the distinguished Senator from Virginia, for whom I entertain most profound affection and highest admiration, but this amendment states, in effect, that the 93d Congress would say to the 94th Congress, the 95th Congress, the 96th Congress, the 97th Congress, and all future Congresses, "You cannot exercise the powers given you by the Constitution of the United States."

Since I have sworn to uphold that Constitution, I cannot vote for a measure which I consider to be null and void under that Constitution, notwithstanding the fact that I find myself in complete agreement with the objectives which caused the distinguished Senator from Virginia to offer it. I wish I could support it, but I just cannot say to the people of the United States, "When you ask me for constitutional bread, I am going to give you an unconstitutional stone." I cannot support the amendment, notwithstanding the fact that I wish we could achieve what the Senator from Virginia has in mind in offering it.

Mr. HARRY F. BYRD, JR. Mr. President, I ask for the yeas and nays on the amendment.

The VICE PRESIDENT. Is there a sufficient second? There is not a sufficient second.

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

The VICE PRESIDENT. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Virginia (Mr. HARRY F. BYRD, JR.). The yeas and nays have been ordered, and clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Dakota (Mr. BURDICK), the Senator from Florida (Mr. CHILES), the Senator from Missouri (Mr. EAGLETON), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

I further announce that the Senator from New Jersey (Mr. WILLIAMS) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD) and the Senator from North Dakota (Mr. YOUNG) are absent on official business.

I also announce that the Senator from Vermont (Mr. AIKEN) is absent because of illness in the family.

I further announce that the Senator from Colorado (Mr. DOMINICK), the Senator from Maryland (Mr. MATHIAS), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from South Carolina (Mr. THURMOND). If present and voting, the Senator from Oregon would vote "nay" and the Senator from South Carolina would vote "yea."

The result was announced—yeas 35, nays 52, as follows:

[No. 79 Leg.]

YEAS—35

Allen	Domenici	Nunn
Baker	Eastland	Packwood
Bartlett	Fannin	Pell
Bellmon	Goldwater	Ribicoff
Biden	Gurney	Roth
Brock	Hansen	Scott, Hugh
Buckley	Helms	Scott, William L.
Byrd, Harry F., Jr.	Hollings	Stennis
Church	Hruska	Symington
Cook	Hughes	Talmadge
Curtis	Johnston	
Dole	McClellan	
	McClure	

NAYS—52

Abourezk	Haskell	Muskie
Bayh	Hathaway	Nelson
Beall	Huddleston	Pastore
Bennett	Humphrey	Pearson
Bentsen	Inouye	Percy
Bible	Jackson	Proxmire
Brooke	Javits	Randolph
Byrd, Robert C.	Kennedy	Schweiker
Cannon	Magnuson	Sparkman
Case	Mansfield	Stafford
Clark	McGee	Stevens
Cotton	McGovern	Stevenson
Cranston	McIntyre	Taft
Ervin	Metcalf	Tower
Fong	Metzenbaum	Tunney
Griffin	Mondale	Weicker
Hart	Montoya	
Hartke	Moss	

NOT VOTING—13

Aiken	Fulbright	Thurmond
Burdick	Gravel	Williams
Chiles	Hatfield	Young
Dominick	Long	
Eagleton	Mathias	

So the amendment (No. 1057) of Mr. HARRY F. BYRD, JR., was rejected.

Mr. BARTLETT. Mr. President, I ask unanimous consent that I be listed as a cosponsor of amendment No. 1051, which was just voted on.

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

Mr. HATHAWAY. Mr. President, I would like to address a question to the junior Senator from Tennessee with regard to title II of the Rules Committee version of the bill which establishes a Congressional Office of the Budget.

It is my understanding that the Senator from Tennessee has been intimately involved in the development of this legislation from its gestation in the Government Operations Committee to its present form and, in fact, is one of the floor managers of the bill.

Mr. BROCK. The Senator from Maine is correct. I have had considerable interest in this legislation and I am particularly interested in title II and in seeing that the Congressional Office of the Budget becomes a vital source of data to the Congress.

Mr. HATHAWAY. I would specifically like to direct the Senator's attention to section 202 of the bill which sets forth the duties and functions of the new office. I note that it is one of the responsibilities of the office to provide information to the Committees of the Budget—and members—which will assist in the discharge of the Budget Committee's responsibilities, with respect to the overall budget, appropriations bills, and other bills which authorize or provide authorization of tax expenditures. In addition, I note that the section requires the office to provide the Committees of the Budget such relevant information as these committees may request.

My question is whether, in your opinion, this language is broad enough to endow the Office with the authority to analyze the effectiveness both in fiscal terms and in substantive terms of the various Federal expenditure programs?

Mr. BROCK. It is certainly the intent of this bill to give Congress the capability of independently reviewing the effectiveness of Federal expenditure programs. The section directed explicitly at this problem is title VII which creates an Office of Program Review and Evaluation in the GAO which would assist committees and members in developing criteria and proper methods of evaluation. Of course, the GAO, under the Legislative Reorganization Act already has the authority for conducting program review and with this bill, would be able to upgrade their already fine work. And my understanding is that the GAO would call upon the information, data, and general assistance of COB as

would be appropriate and that COB would cooperate fully with GAO in these efforts.

Mr. HATHAWAY. I thank the Senator for his forthright answers to my questions, and am hopeful that this new office can provide the Congress with the tools it needs for more effective discharge of its program analysis and oversight position.

Mr. TALMADGE. Mr. President, I take this opportunity to commend the distinguished chairman and members of the Committee on Government Operations and the distinguished chairman and members of the Committee on Rules and Administration for their diligence and dedication to the cause of congressional budget reform.

This is a very complex bill. It deals with a complex subject. On balance, I believe that this is a good and necessary bill. I commend those who have made contributions to its formulation.

Also, I take this opportunity to congratulate my distinguished colleague from the State of Georgia (Mr. NUNN) on his efforts in this regard. During his campaign for the U.S. Senate, he promised the people of our State that he would do something about reckless Federal spending and the absence of a sensible congressional framework for determining spending priorities. My distinguished colleague from Georgia came to the Senate, put his nose to the grindstone, did his homework, and has mastered the subject. The people of our State are grateful for his efforts, and I salute him on a job well done.

AMENDMENT NO. 1028

Mr. KENNEDY. Mr. President, I call up amendment No. 1028, which I am offering jointly with the distinguished Senior Senator from Kansas (Mr. PEARSON). The cosponsors, the distinguished junior Senator from Kansas (Mr. DOLE) and the distinguished Senator from New Mexico (Mr. DOMINICI).

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 107, lines 16 and 17, strike out "Ninety-sixth Congress" and insert "Ninety-fifth Congress".

Mr. KENNEDY. Mr. President, before considering the amendment, I wish to join in commending the distinguished Senator from North Carolina (Mr. ERVIN), the distinguished Senator from Maine (Mr. MUSKIE), the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD), the distinguished Senator from Illinois (Mr. PERCY), the distinguished Senator from Florida (Mr. CHILES), and the distinguished Senator from Montana (Mr. METCALF), who have, I think, performed an outstanding service to the Senate and the country in developing the proposed legislation. I also commend the staffs who have helped prepare this legislation, especially Mr. Bob Wallace, whom I have known for a number of years, and who served with distinction as Assistant Secretary for Economic Policy in the Department of the Treasury in the early 1960's, under both President Kennedy and President Johnson. He is a capable and able person. I think all of us are indebted to the committees, and staffs which developed this bill.

Mr. President, I have one amendment. I had a chance, along with my colleague the distinguished Senator from Kansas (Mr. PEARSON), to talk with the chairman of the committee and the ranking member. I understand that they will be agreeable to accepting the amendment.

The amendment is a simple one.

As reported by the Government Operations Committee and the Rules Committee, the proposed Congressional Budget Act will establish comprehensive, far-reaching and long-overdue reforms in the way Congress handles the Federal budget. The proposed act holds out the promise of a historic new era in congressional control and responsibility over Federal spending.

Surely, the new act will become a landmark achievement of the 93d Congress, and a centerpiece in the continuing efforts by the Senate and the House to assert their long-dormant fiscal responsibilities and prerogatives under the Constitution.

The amendment that Senator PEARSON and I are proposing is a modification of one aspect of the bill—the transition rule and grandfather clause accompanying the creation of the new Senate Budget Committee established under the act.

As it should, the new 15-member Budget Committee will join the ranks of major committees of the Senate—the "paragraph 2" committees listed in Senate Rule 25.2. As a result, the so-called "two-major-committee" limitation of Senate Rule 25.6(a) would ordinarily be applicable, under which Senators are not permitted to serve on more than two major Senate committees.

Therefore, under the usual Senate rule, a Senator who now holds two major committee assignments would be required to give up one of those committees in order to serve on the new Budget Committee.

In dealing with this issue, the bill reported by the Government Operations Committee provided for the immediate application of the two-major-committee rule, as soon as the Budget Committee was established. As reported by the Rules Committee, however, the bill now contains a provision exempting the members of the new Budget Committee from the two-major-committee limitation for nearly 5 years, until January 1979, when the 96th Congress convenes.

The Kennedy-Pearson amendment would make the limitation applicable in January 1977, when the 95th Congress convenes. The amendment would thus limit the exemption to one full Congress instead of two full Congresses, as now proposed in the bill before the Senate.

In general, the theory of the grandfather clause, exempting Senators from the immediate application of the limitation, is wise as applied to the present situation. The new Budget Committee will unquestionably be an important one, but the details of its role and its workload are so unpredictable at this time, that it would be unreasonable to require Senators to choose in advance to give up an existing major committee assignment in order to serve on the Budget Committee. Therefore, it is appropriate to waive the two-major-committee rule during the initial period of operation of the new Budget Committee under the new budget procedures.

Although the principle of the grandfather clause is thus sound, the difficulty with its application in the pending bill is that it stretches out the "get acquainted" period for too long.

The two-major-committee limitation serves an extremely useful purpose in guaranteeing that the important responsibilities of Senate committees are shared widely among the Members of the Senate. Too often, as we know, the seniority system works in Congress to the disadvantage of capable but junior Members, who frequently must wait many years to win the committee assignments of their choice. By limiting the service of any Senator to no more than 2 of the 13 present "major" committees, the Senate succeeds in large part in making the most important committee assignments available reasonably rapidly to new Members, to Members with special training or expertise in a particular committee's jurisdiction, or to others who wish to shift their assignments.

In principle, therefore, in light of the preeminent anticipated role of the Budget Committee, the two-major-committee limitation should be applied to the new committee at the earliest practicable opportunity.

Moreover, there is a strong additional argument for early application of the two-major-committee limitation to the Budget Committee. Applied early, the limitation will serve the important purpose of maximizing the effectiveness of the new committee, because it means that Senators serving on the committee during its early years will have fully committed themselves to the success of the new congressional budget procedure. By giving up an existing major committee, the Members will signal their firm decision to serve in earnest on the new committee without expectation of later withdrawal from its membership.

In terms of the Senate's assertion of its own neglected constitutional responsibilities, a great deal is riding on the success of the Budget Committee. In the long run, the vigor of the new committee and its approach to its vital responsibilities will be best served by filling it as soon as possible with Senators who have made the committee an unequivocal major interest, not a tentative new adventure.

Finally, according to the present schedule for phasing in the new budget procedures, it appears that by 1977, the Senate will have had ample opportunity to assess the work of the new Budget Committee. It is difficult to believe, therefore, that more than a marginal further benefit will accrue if the two-major-committee limitation is deferred beyond 1977 to 1979. At least three factors lead to this conclusion:

First, there is every expectation that the Budget Act will clear Congress and be signed into law by the President within the next few weeks. Certainly, no one expects it to be delayed beyond the end of this Congress. Thus, in all likelihood,

the new Budget Committee and the new Congressional Office of the Budget will be established immediately, and they can begin staffing and assuming their budget responsibilities at once.

Second, as the bill requires, the transition to the new fiscal year proposed in the bill will take place relatively quickly. The bill extends the 1976 fiscal year from July 1, 1975, until September 30, 1976, at which time the new October 1–September 30 cycle for fiscal years will be in place.

Third, although the bill defers the activation of the concurrent resolution aspect of the new budget process until the fiscal year 1977, which begins on October 1, 1976, the bill also provides that under appropriate conditions, the resolution procedures may be advanced a year to fiscal 1976, which begins on July 1, 1975.

Thus, many of the new budget procedures will be in effect immediately upon enactment. And at the latest, essentially all of the new procedures will be in full effect in 1976 for the second session of the 94th Congress; they may well be in effect in 1975, for the first session of that Congress, if the launching of these new responsibilities goes smoothly.

Why, then, should there be 2 more years, 1977 and 1978, and another full Congress, the 95th Congress, before the two-major-committee limitation comes into effect? By January 1977, the Budget Committee will have had ample opportunity to develop its procedures and assess its workload, and by 1977, the regular Senate rules should apply.

On balance, the Kennedy-Pearson amendment represents a most desirable resolution of the various conflicting interests in the application of the two-major-committee rule. I urge the Senate to consider the amendment and to act favorably upon it.

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

Mr. KENNEDY. I yield.

Mr. PEARSON. Mr. President, I am pleased to join in offering this amendment to S. 1541, the Congressional Budget Act, together with my colleagues, Senators KENNEDY, DOLE, and DOMENICI.

Mr. President, we have offered this amendment in the hope of refining a proposal which needs very little improvement. In general, I support passage of S. 1541 as a significant step forward in efforts to achieve a goal we all share. Improvement in our budgetary process is a high priority in Congress, and I commend those of my colleagues who have worked long and hard to bring a bill to the floor which is comprehensive, reasoned, and long needed. The bill which we consider today should, if adopted, return the power of the purse to Congress, where it rightfully belongs, and bring the legislative branch up to date in assuring that it is given the proper tools with which to determine future budget policy.

During consideration of this measure, there was almost unanimous support for the creation of a congressional unit which would be devoted solely to the consideration of budgetary matters. For this reason, S. 1541 creates a 15-member Budget Committee to be one of the so-called "major committees" in the Senate. Because the bill contemplates a wholly new system of legislating budget policy in Congress, it is desirable that special consideration be given to this committee in its formative stages. For this reason, the bill exempts the Budget Committee from the requirements of paragraph 6, rule XXV of the Standing Rules of the Senate, which states that a Senator can serve on only two so-called "major committees." This exception applies for the remainder of the 93d Congress, as well as the 94th and 95th Congresses.

Throughout consideration of budget reform legislation, I have been concerned that the creation of a powerful Budget Committee would overshadow the work of other Senate committees. I am pleased that much of this concern has been mitigated. But even though I understand the need to allow Senators experienced in budgetary matters to serve on the Budget Committee without losing membership on other committees, I am not convinced that as much as 5 years is needed to accomplish this purpose.

Senators who support the 5-year exemption have argued that this time is needed to insure that the new process is well established before returning to the two major committee membership rule. However, 5 years gives a Senator much time to consolidate his influence over the legislative process through his membership on three major committees, and this situation would, I believe, work to the disadvantage of other Senators and the legislative process.

The time between enactment of this bill and the commencing of the 95th Congress is sufficient for Senators desiring to serve temporarily on the Budget Committee to establish the groundrules and turn the reins over to Members who wish to serve on only one other major committee. Indeed, this amendment could provide added impetus to initiate fully the concurrent resolution process prior to the present target date of fiscal year 1977, a step the committee may take under the bill.

Mr. President, I hope the managers of this bill will accept this amendment, thereby insuring that the intent of the Senate rules in this regard are preserved as much as possible. We are on the verge of approving the most significant reform in our procedures in many years. Certainly, we should not abandon those elements of the present system which have served us well in the past and which need to be protected and supported. I urge the adoption of this amendment.

Mr. ERVIN. Mr. President, I think this is a desirable amendment. It shortens the grandfather clause, but at the same time it gives a Senator who happens to be assigned to the Committee on the Budget a reasonable opportunity to make the decision as to whether he wishes to remain on that committee and give up some other major committee or do the opposite. I think it is a desirable amendment, and I would certainly like to see the Senate agree to it.

Mr. PERCY. Mr. President, I ordinarily am concerned about grandfather clauses. I speak now as the grandfather of three children whose political affiliations are yet to be determined.

Mr. ERVIN. I take it the Senator is referring to his grandchildren, rather than his own children.

Mr. PERCY. The grandchildren, yes. But in this particular case, I find tremendous virtue in the grandfather clause. Together with the Senator from North Carolina, I was concerned about the way the bill came out of the Committee on Government Operations in this particular respect, in that we were concerned that if immediately, as was provided in the Government operations bill, a Member would have to determine whether to go on the new Budget Committee or give up one of his existing standing committees, we would fail to get enough senior Members on the committee, and obviously, as we know, the power of a committee many times is determined by the knowledge and experience of its membership.

Therefore, in this particular case, it was Senator ERVIN's and my opinion that the Committee on Rules and Administration had improved the bill substantially. I find no objection, however, to gaining that experience in one term of Congress rather than two. It would implement the measure faster. The decision could be made intelligently after that period of time, I believe, particularly knowing that, if this bill is enacted in the very near future, we will have a chance to set this committee up and not only have a chance for experience with it this year, but also one additional full term. So I agree with the modification of the grandfather clause in this particular case, and I find no objection on this side of the aisle.

Mr. KENNEDY. Mr. President, I yield the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

Mr. ROBERT C. BYRD. Mr. President, may I say, on behalf of the Rules Committee—the distinguished chairman is not in the Chamber at the moment—that there is no objection on the part of that committee. This would allow sufficient time for Members appointed to the Budget Committee to determine how the process works and make a decision as to whether or not they want to retain membership on that committee or shift back to the major committee from which they would otherwise move. So I have no objection, and am agreeable to accepting the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

COMPREHENSIVE ALCOHOL ABUSE AND ALCOHOLISM PREVENTION, TREATMENT, AND REHABILITATION ACT AMENDMENTS OF 1974

Mr. HUGHES. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1125.

The PRESIDING OFFICER (Mr. Moss) laid before the Senate the amend-

ments of the House of Representatives to the bill (S. 1125) to amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act and other related acts to concentrate the resources of the Nation against the problem of alcohol abuse and alcoholism which were to strike out all after the enacting clause, and insert:

That this Act may be cited as the "Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1974".

TITLE I—FEDERAL ASSISTANCE FOR STATE AND LOCAL ALCOHOLISM AND ALCOHOL ABUSE PROGRAMS

PART A—GRANTS TO STATES

SEC. 101. The heading for part A of title III of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 is amended by striking out "FORMULA GRANTS" and inserting in lieu thereof "GRANTS TO STATES."

SEC. 102. (a) Section 301 of such Act is amended by inserting immediately after "for each of the next two fiscal years" the following: ", $60,000,000 for the fiscal year ending June 30, 1975, and $62,000,000 for the fiscal year ending June 30, 1976,".

(b) The section heading for such section is amended to read as follows:

"AUTHORIZATION FOR FORMULA GRANTS"

SEC. 103. Section 302 of such Act is amended by adding at the end thereof the following new subsection:

"(d) On the request of any State, the Secretary is authorized to arrange for the assignment of officers and employees of the Department or provide equipment or supplies in lieu of a portion of the allotment to such State. The allotment may be reduced by the fair market value of any equipment or supplies furnished to such State and by the amount of the pay, allowances, traveling expenses, and any other costs in connection with the detail of an officer or employee to the State. The amount by which such payments are so reduced shall be available for payment of such costs (including the costs of such equipment and supplies) by the Secretary, but shall for purposes of determining the allotment under section 302(a), be deemed to have been paid to the State."

SEC. 104. Section 303(a) of such Act is amended—

(1) by striking out in paragraph (3) "or groups," immediately after "nongovernmental organizations" and inserting in lieu thereof ", of groups to be served with attention to assuring representation of minority and poverty groups";

(2) by striking out "and" at the end of paragraph (9);

(3) by redesignating paragraph (10) as paragraph (11); and

(4) by adding after paragraph (9) the following new paragraph:

"(10) set forth, in accordance with criteria to be set by the Secretary, standards (including enforcement procedures and penalties) for (A) construction and licensing of public and private treatment facilities, and (B) for other community services or resources available to assist individuals to meet problems resulting from alcohol abuse; and".

SEC. 105. Part A of title III of such Act is amended by adding at the end thereof the following new section:

"SPECIAL GRANTS

"SEC. 304. (a) To assist States which have adopted the basic provisions of the Uniform Alcoholism and Intoxication Treatment Act to utilize fully the protections of that Act in their efforts to approach alcohol abuse and alcoholism from a community care standpoint, the Secretary, acting through the Institute, may, during the period beginning July 1, 1973, and ending June 30, 1976, make grants to such States (other than the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands) for the implementation of the Uniform Alcoholism and Intoxication Treatment Act. A grant under this section to any State may only be made for that State's costs (as determined in accordances with regulations prescribed by the Secretary) in implementing such Act for a period which does not exceed one year from the first day of the first month for which the grant is made. No State may receive more than three grants under this section.

"(b) No grant may be made under this section unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall by regulation prescribe. The Secretary may not approve an application of a State under this section unless he determines the following:

"(1) Under the laws of that State and of each of its political subdivisions no individual may be subject to criminal prosecution solely on the basis of his consumption of alcoholic beverages.

"(2) The laws of the State respecting acceptance of individuals into alcoholism and intoxication treatment programs are in accordance with the following standards of acceptance of individuals for such treatment (contained in section 10 of the Uniform Alcoholism and Intoxication Treatment Act):

"(A) A patient shall, if possible, be treated on a voluntary rather than an involuntary basis.

"(B) A patient shall be initially assigned or transferred to outpatient or intermediate treatment, unless he is found to require inpatient treatment.

"(C) A person shall not be denied treatment solely because he has withdrawn from treatment against medical advice on a prior occasion or because he has relapsed after earlier treatment.

"(D) An individualized treatment plan shall be prepared and maintained on a current basis for each patient.

"(E) Provision shall be made for a continuum of coordinated treatment services so that a person who leaves a facility or a form of treatment will have available and utilize other appropriate treatment.

"(3) The laws of the State respecting involuntary commitment of alcoholics are not inconsistent with section 14 of such Uniform Act.

"(4) The application of the State contains such assurances as the Secretary may require to carry out the purposes of this section.

"(c) The amount of any grant under this section to any State for any fiscal year may not exceed the sum of $100,000 and an amount equal to 10 per centum of the allotment of such State for such fiscal year under section 302 of this Act. Payments under grants under this section may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(d) For the purpose of making payments under grants under this section, there are authorized to be appropriated $13,000,000 for the fiscal year ending June 30, 1974, and for each of the next two fiscal years."

PART B—PROJECT GRANTS AND CONTRACTS

SEC. 111. Section 311 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 is amended to read as follows:

"GRANTS AND CONTRACTS FOR THE PREVENTION AND TREATMENT OF ALCOHOL ABUSE AND ALCOHOLISM

"SEC. 311. (a) The Secretary, acting through the Institute, may make grants to public and nonprofit private entities and may enter into contracts with public and private entities and with individuals—

"(1) to conduct demonstration, service, and evaluation projects,

"(2) to provide education and training,

"(3) to provide programs and services in cooperation with schools, courts, penal institutions, and other public agencies, and

"(4) to provide counseling and education activities on an individual or community basis,

for the prevention and treatment of alcohol abuse and alcoholism and for the rehabilitation of alcohol abusers and alcoholics.

"(b) Projects and programs for which grants and contracts are made under this section shall (1) whenever possible, be community based, seek to insure care of good quality in general community care facilities and under health insurance plans, and be integrated with, and provide for the active participation of, a wide range of public and nongovernmental agencies, organizations, institutions, and individuals; and (2) where appropriate utilize existing community resources (including community mental health centers).

"(c)(1) In administering this section, the Secretary shall require coordination of all applications for projects and programs in a State.

"(2) Each applicant from within a State, upon filing its application with the Secretary for a grant or contract under this section, shall submit a copy of its application for review by the State agency designated under section 303 of this Act, if such agency exists. Such State agency shall be given not more than thirty days from the date of receipt of the application to submit to the Secretary, in writing, an evaluation of the project or program set forth in the application. Such evaluation shall include comments on the relationship of the project to other projects and programs pending and approved and to the State comprehensive plan for treatment and prevention of alcohol abuse and alcholism under section 303. The State shall furnish the applicant a copy of any such evaluation.

"(3) Approval of any application for a grant or contract by the Secretary, including the earmarking of financial assistance for a program or project, may be granted only if the application substantially meets a set of criteria established by the Secretary that—

"(A) provides that the projects and programs for which assistance under this section is sought will be substantially administered by or under the supervision of the applicant;

"(B) provides for such methods of administration as are necessary for the proper and efficient operation of such programs and projects;

"(C) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant; and

"(D) provides reasonable assurance that Federal funds made available under this section for any period will be so used as to supplement and increase, to the extent feasible and practical, the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the projects and programs described in this section, and will in no event supplant such State, local, and other non-Federal funds.

"(d) To make payments under grants and contracts under this section, there are authorized to be appropriated $60,000,000 for the fiscal year ending June 30, 1975, and $75,000,000 for the fiscal year ending June 30, 1976."

PART C—ADMISSION TO HOSPITALS; CONFIDENTIALITY OF RECORDS

SEC. 121. Section 321 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 is amended to read as follows:

"ADMISSION OF ALCOHOL ABUSERS AND ALCOHOLICS TO PRIVATE AND PUBLIC HOSPITALS

"SEC. 321. (a) Alcohol abusers and alcoholics who are suffering from emergency medical conditions shall not be refused admission or treatment, solely because of their alcohol abuse or alcohol dependence, by any private or public general hospital which receives support in any form from any program supported in whole or in part by funds appropriated to any Federal department or agency.

"(b) The Secretary is authorized to make regulations for the enforcement of the policy of subsection (a). Such regulations shall include procedures for determining (after opportunity for a hearing if requested) if a violation of subsection (a) has occurred, notification of failure to comply with such subsection, and opportunity for a violator to comply with such subsection. If the Secretary determines that a hospital has violated subsection (a) and such violation continues after an opportunity has been afforded for compliance, the Secretary may suspend or revoke, after opportunity for a hearing, all or part of any support of any kind received by such hospital from any program administered by the Secretary. The Secretary may consult with the officials responsible for the administration of any other Federal program from which such hospital receives support of any kind, with respect to the suspension or revocation of such other Federal support for such hospital."

SEC. 122. Section 333 of such Act is amended to read as follows:

"CONFIDENTIALITY OF RECORDS

"SEC. 333. (a) Records of the identity, diagnosis, prognosis, or treatment of any patient which are maintained in connection with the performance of any program or activity relating to alcoholism or alcohol abuse education, training, treatment, rehabilitation, or research, which is conducted, regulated, or directly or indirectly assisted by any department or agency of the United States shall be confidential and may be disclosed only for the purposes and under the circumstances expressly authorized under subsection (b) of this section.

"(b)(1) If the patient, with respect to whom any given record referred to in subsection (a) of this section is maintained, gives his written consent, the content of such record may be disclosed—

"(A) to medical personnel for the purpose of diagnosis or treatment of the patient, and

"(B) to governmental personnel for the purpose of obtaining benefits to which the patient is entitled.

"(2) Whether or not the patient, with respect to whom any given record referred to in subsection (a) of this section is maintained, gives his written consent, the content of such record may be disclosed as follows:

"(A) To medical personnel to the extent necessary to meet a bona fide medical emergency.

"(B) To qualified personnel for the purpose of conducting scientific research, management or financial audits, or program evaluation, but such personnel may not identify, directly or indirectly, any individual patient in any report of such research, audit, or evaluation, or otherwise disclose patient identities in any manner.

"(C) In the case of a patient whose diagnosis and treatment is being conducted as a condition of his release from confinement pending trial or as a condition of probation or parole, or while he is in confinement, reports of such diagnosis or treatment may be made to the court, probation or parole officers, or other appropriate officials.

"(D) If authorized by an appropriate order of a court of competent jurisdiction granted after application showing good cause therefor. In assessing good cause the court shall weigh the public interest and the need for disclosure against the injury to the patient, to the physician-patient relationship, and to the treatment services. Upon the granting of such order, the court, in determining the extent to which any disclosure of all or any part of any record is necessary, shall impose appropriate safeguards against unauthorized disclosure.

"(c) Except as authorized by a court order granted under subsection (b)(2)(D) of this section, no record referred to in subsection (a) may be used to initiate or substantiate any criminal charges against a patient or to conduct any investigation of a patient.

"(d) The prohibitions of this section continue to apply to records concerning any individual who has been a patient, irrespective of whether or when he ceases to be a patient.

"(e) The Secretary shall prescribe regulations to carry out the purposes of this section. These regulations may contain such definitions, and may provide for such safeguards, procedures, and exceptions, as in the judgment of the Secretary are necessary or proper to effectuate the purposes of this section, to prevent circumvention or evasion thereof, or to facilitate compliance therewith.

"(f) Except as authorized under subsection (b) of this section, any person who violates any provision of this section or any regulation issued pursuant to this section shall be fined not more than $500 in the case of a first offense, and not more than $5,000 in the case of each subsequent offense."

TITLE II—ADMINISTRATION AND COORDINATION OF THE NATIONAL INSTITUTE OF MENTAL HEALTH, THE NATIONAL INSTITUTE ON ALCOHOLISM AND ALCOHOL ABUSE, AND THE NATIONAL INSTITUTE ON DRUG ABUSE

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

SEC. 201. (a) The Secretary of Health, Education, and Welfare shall establish, in the Department of Health, Education, and Welfare, the Alcohol, Drug Abuse, and Mental Health Administration (hereinafter in this section referred to as the "Administration"). The Administration shall be headed by an Administrator appointed by the Secretary. The Administrator, with the approval of the Secretary, may appoint a Deputy Administrator and may employ and prescribe the functions of such officers and employees, including attorneys, as are necessary to administer the activities to be carried out through the Administration.

(b) The Secretary, acting through the Administration, shall supervise the functions of the National Institute of Mental Health, the National Institute on Alcohol Abuse and Alcoholism, and the National Institute on Drug Abuse to assure that (1) the programs carried out through each such Institute receive appropriate and equitable support, and (2) there is cooperation among the Institutes in the implementation of such programs.

(c) The Secretary of Health, Education, and Welfare shall establish a National Panel on Alcohol, Drug Abuse, and Mental Health (hereinafter in this subsection referred to as the "panel") to advise, consult with, and make recommendations to, the Secretary concerning the activities to be carried out through the Administration. The panel shall consist of three members appointed by the Secretary as follows: One member shall be appointed from the public members of the National Advisory Mental Health Council established under section 217(c) of the Public Health Service Act, one member shall be appointed from the public members of the National Advisory Council on Alcohol Abuse and Alcoholism established under subsection (d) of such section, and one member shall be appointed from the public members of the National Advisory Council on Drug Abuse established under subsection (e)(1) of such section.

NATIONAL INSTITUTE OF MENTAL HEALTH

SEC. 202. Section 200 of the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 is amended to read as follows:

"SHORT TITLE; NATIONAL INSTITUTE OF MENTAL HEALTH

"SEC. 200. (a) This title may be cited as the 'Community Mental Health Centers Act'.

"(b) There shall be a National Institute of Mental Health to administer the programs and authorities of the Secretary with respect to mental health functions. The Secretary, acting through the Institute, shall, in carrying out the purposes of this Act and sections 301 and 303 of the Public Health Service Act with respect to mental illness, develop and conduct comprehensive health, education, training, research, and planning programs for the prevention and treatment of mental illness and for the rehabilitation of the mentally ill. The Secretary shall carry out, as necessary, through the Institute the administrative and financial management, policy development and planning, evaluation, and public information functions which are required for the implementation of such programs and authorities.

"(c)(1) The Institute shall be under the direction of a Director who shall be appointed by the Secretary.

"(2) The Director, with the approval of the Secretary, may employ and prescribe the functions of such officers and employees, including attorneys, as are necessary to administer the programs and authorities to be carried out through the Institute.

"(d) The programs to be carried out through the Institute shall be administered so as to encourage the broadest possible participation of professionals and paraprofessionals in the fields of medicine, science, the social sciences, and other related disciplines."

NATIONAL INSTITUTE ON ALCOHOLISM AND ALCOHOL ABUSE

SEC. 203. (a) Section 101 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 is amended to read as follows:

"ESTABLISHMENT OF THE INSTITUTE

"SEC. 101. (a) There is established the National Institute on Alcohol Abuse and Alcoholism (hereafter in this Act referred to as the 'Institute') to administer the programs and authorities assigned to the Secretary of Health, Education, and Welfare (hereafter in this Act referred to as the 'Secretary') by this Act and part C of the Community Mental Health Centers Act. The Secretary, acting through the Institute, shall, in carrying out the purposes of section 301 of the Public Health Service Act with respect to alcohol abuse and alcoholism, develop and conduct comprehensive health, education, training, research, and planning programs for the prevention and treatment of alcohol abuse and alcoholism and for the rehabilitation of alcohol abusers and alcoholics. The Secretary shall carry out, as necessary, through the Institute the administrative and financial management, policy development and planning, evaluation, and public information functions which are required for the implementation of such programs and authorities.

"(b)(1) The Institute shall be under the direction of a Director who shall be appointed by the Secretary.

"(2) The Director, with the approval of the Secretary, may employ and prescribe the functions of such officers and employees, including attorneys, as are necessary to administer the programs to be carried out through the Institute.

"(c) The programs to be carried out through the Institute shall be administered so as to encourage the broadest possible participation of professionals and paraprofessionals in the fields of medicine, science, the social sciences, and other related disciplines."

(b)(1) Section 102(2) of such Act is amended by inserting "and every three years thereafter" after "Act".

(2)(A) Section 102 of such Act is amended by striking out "and" at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting in lieu thereof "; and", and by adding after paragraph (4) the following new paragraph:

"(5) submit to Congress on or before the end of each calendar year a report on the extent to which other Federal programs and departments are supporting and dealing with the problems of alcohol abuse and alcoholism."

(B) The first report to be submitted by the Secretary of Health, Education, and Welfare under section 102(5) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 shall be submitted not later than December 31, 1974.

NATIONAL INSTITUTE ON DRUG ABUSE

SEC. 204. Subsections (a) and (b) of section 501 of the Drug Abuse Office and Treatment Act of 1972 is amended to read as follows:

"(a) There is established the National Institute on Drug Abuse (hereinafter in this section referred to as the 'Institute') to administer the programs and authorities of the Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the 'Secretary') with respect to drug abuse prevention functions. The Secretary, acting through the Institute, shall, in carrying out the purposes of section 301 of the Public Health Service Act with respect to drug abuse, develop and conduct comprehensive health, education, training, research, and planning programs for the prevention and treatment of drug abuse and for the rehabilitation of drug abusers. The Secretary shall carry out, as necessary, through the Institute the administrative and financial management, policy development and planning, evaluation, and public information functions which are required for the implementation of such programs and authorities.

"(b)(1) The Institute shall be under the direction of a Director who shall be appointed by the Secretary.

"(2) The Director, with the approval of the Secretary, may employ and prescribe the functions of such officers and employees, including attorneys, as are necessary to administer the programs and authorities to be carried out through the Institute."

INTERAGENCY COMMITTEE ON FEDERAL ACTIVITIES FOR ALCOHOLISM AND ALCOHOL ABUSE

SEC. 205. (a) The Secretary shall establish an Interagency Committee on Federal Activities for Alcoholism and Alcohol Abuse. The Committee shall evaluate the adequacy and technical soundness of all Federal programs and activities which relate to alcoholism and alcohol abuse and provide for the communication and exchange of information necessary to maintain the coordination and effectiveness of such programs and activities.

(b) The Secretary or his designee shall serve as Chairman of the Committee, the membership of which shall include (1) appropriate scientific, medical, or technical representation from the Department of Transportation, the Department of Justice, the Department of Defense, the Veterans' Administration, and such other Federal agencies and offices (including appropriate agencies and offices of the Department of Health, Education, and Welfare), as the Secretary determines administer programs directly affecting alcoholism and alcohol abuse, and (2) five individuals from the general public appointed by the President from individuals who by virtue of their training or experience are particularly qualified to participate in the performance of the Committee's functions. The Committee shall meet at the call of the Chairman, but not less often than four times a year.

(c) Each appointed member of the Committee shall be appointed for a term of four years, except that—

(1) any member 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; and

(2) of the members first appointed, two shall be appointed for a term of four years, two shall be appointed for a term of three years, and one shall be appointed for a term of one year, as designated by the President at the time of appointment.

Appointed members may serve after the expiration of their terms until their successors have taken office.

(d) Appointed members of the Committee shall receive for each day they are engaged in the performance of the functions of the Committee compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule, including traveltime; and all members, while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as such expenses are authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(e) The Secretary shall make available to the Committee such staff, information, and other assistance as it may require to carry out its activities effectively.

TITLE III—TECHNICAL AND CONFORMING AMENDMENTS

SEC. 301. Section 5108(c) of title 5, United States Code, is amended by striking out "and" at the end of paragraph (10), by striking out the period at the end of paragraph (11) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(12) the Secretary of Health, Education, and Welfare, subject to the standards and procedures prescribed by this chapter, may place a total of eleven positions in the National Institute on Alcohol Abuse and Alcoholism in GS-16, 17, and 18."

SEC. 302. Section 247 of the Community Mental Health Centers Act (42 U.S.C. 2688j-2) is repealed.

SEC. 303. (a) Subsection (a) of section 408 of the Drug Abuse Office and Treatment Act of 1972 (21 U.S.C. 1175 (a)) is amended by striking "authorized or assisted under any provision of this Act or any Act amended by this Act" and inserting in lieu thereof "conducted, regulated, or directly or indirectly assisted by any department or agency of the United States".

(b) Subsection (b)(2) of such section is amended (1) by striking "If the patient" and inserting in lieu thereof "Whether or not the patient", (2) by striking "does not give" and inserting in lieu thereof "gives", (3) by redesignating subparagraph (C) as (D), and (4) by inserting the following immediately after subparagraph (B):

"(C) In the case of a patient whose diagnosis and treatment is being conducted as a condition of his release from confinement pending trial or as a condition of probation or parole, or while he is in confinement, reports of such diagnosis or treatment may be made to the court, probation or parole officers, or other appropriate officials."

(c) Section 408(c) of such Act is amended by striking out "(C)" and inserting in lieu thereof "(D)."

(d) Such section is further amended by redesignating subsection (e) as subsection (f), and by inserting the following new subsection immediately after subsection (d):

"(e) The Director of the Special Action Office for Drug Abuse Prevention shall prescribe regulations to carry out the purposes of this section. These regulations may contain such definitions, and may provide for such safeguards, procedures, and exceptions, as in the judgment of the Director are necessary or proper to effectuate the purposes of this section, to prevent circumvention or evasion thereof, or to facilitate compliance therewith."

(e) Section 408(f) of such Act is amended by striking "discloses the contents of any record referred to in subsection (a)" and inserting in lieu thereof "violates any provision of this section or any regulation issued pursuant to this section".

(f) Effective on the date specified in section 104 of the Drug Abuse Office and Treatment Act of 1972, the first sentence of section 408(e) of that Act is amended by striking "Director of the Special Action Office for Drug Abuse Prevention" and inserting in lieu thereof "Secretary of Health, Education, and Welfare", and the second sentence of such section is amended by striking "Director" and inserting "Secretary" in lieu thereof. Any regulation issued prior to that date by the Director of the Special Action Office for Drug Abuse Prevention with respect to such section (whether before or after the enactment of this Act) shall remain in effect until revoked or amended by the Director or the Secretary, as the case may be.

And amend the title so as to read: "An Act to amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 and other related Acts to concentrate the resources of the Nation against the problem of alcohol abuse and alcoholism; to coordinate the National Institute of Mental Health, and National Institute on Alcoholism and Alcohol Abuse, and the National Institute on Drug Abuse; and for other purposes."

Mr. HUGHES. Mr. President, if S. 1125 is passed by the Congress and approved by the President, as I hope it will be, it will be the last major bill directed at the problem of alcoholism that I will be privileged to sponsor and work for as a Member of the Senate.

I believe that the bill in its final form is a sound one. It reflects a fair compromise between the House and Senate versions—a compromise reached through long hours of effort on the part of committee members and staffs, and I want to take this opportunity to express my appreciation to the distinguished Senator from New York (Mr. JAVITS) who is the senior minority member of the Labor and Public Welfare Committee. He has stood beside me throughout this effort and contributed a full measure of the legislative skills for which he is so well known.

In working out the final compromise version of the bill, the distinguished chairman of the House Subcommittee on Public Health and Environment, Mr. ROGERS, has displayed the finest kind of leadership and cooperation.

Because the Federal fight against alcoholism necessarily involves a number of different agencies, the bill involved a few problems of jurisdiction. We were able to resolve these problems with the help of the Senator from Massachusetts (Mr. KENNEDY), who is chairman of the Subcommittee on Health of the Labor and Public Welfare Committee, and the Senator from California (Mr. CRANSTON), the chairman of the Subcommittee on Health and Hospitals

of the Committee on Veterans' Affairs. I deeply appreciate their cooperation.

Mr. President, the basic purpose of S. 1125 is to improve and extend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970. I believe that it accomplishes this purpose and that it will effectively carry forward the commitment to the fight against alcoholism expressed by the Congress in that year. We have made a good start in the creation of a National Institute on Alcohol Abuse and Alcoholism, in the support given to the creation of 50-State alcoholism agencies, in the thrust of research and the training of personnel, in the visible growth in public understanding of the problem of alcoholism, and most of all, in the help that has been given to thousands of victims of this disease.

I earnestly hope that these efforts and more will go forward long after I leave the Senate.

Indeed, I feel confident that the fight will go on in one way or another. The dedicated men and women in the Congress, in the executive branch, in State and local governments, and all those working in this field will not let it die.

Mr. President, since the Senate and House were able to resolve their differences without the necessity for a conference, there is no conference report on S. 1125. I ask unanimous consent that there be printed in the RECORD at this point a discussion of the major differences and their resolution and a section-by-section analysis of the bill.

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

RESOLUTION OF MAJOR DIFFERENCES

1. Authorizations. The bill authorizes total expenditures of $374,000,000, compared to $499,000,000 in the Senate bill and $281,000,000 in the bill as approved by the House. The compromise amount is $125,000,000 below the Senate authorizations and $120,000,000 above the amounts approved by the House.

2. Organization. The Senate bill as originally introduced did not include provisions on the organization of agencies within the Department of Health, Education, and Welfare. The Administration itself decided during the summer of 1973 to organize the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse, and the National Institute of Mental Health as three separate institutes within a new Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA). The House bill was subsequently introduced with provisions establishing the Alcohol, Drug Abuse, and Mental Health Administration consisting of the three institutes.

Since the Department's authority to create ADAMHA in the absence of authorizing legislation was in doubt, and since legislative action would clarify the agency's status and the intention of Congress with respect to the functions and responsibilities of the three institutes, the Senate accepted the House title with amendments.

The provisions of Title II are intended to emphasize that each of the three institutes is to carry out under its own Director the responsibilities assigned to the Secretary in its area. The functions of the office of the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration are those of coordination and support. The three institutes will be responsible for substantive policy development and the administration of programs.

The Senate has also accepted with amendments a House provision creating an Interagency Committee on Federal Activities for Alcohol Abuse and Alcoholism.

3. Confidentiality. The House provisions on confidentiality of patient records have been accepted with amendments. No similar provisions were included in the Senate bill. These provisions, by amending section 408 of the Drug Abuse Office and Treatment Act of 1972, will, we believe, better protect the records of patients in drug abuse prevention and treatment programs and will at the same time make these records more readily accessible with the patient's consent for purposes that will serve his own interests in such goals as full rehabilitation and employment. The same substantive provisions are extended by the bill to the records of patients in alcoholism prevention and treatment programs.

ANALYSIS OF S. 1125 AS AMENDED

TITLE I

Part A

Section 101—Short Title—the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1974.

Section 102—Findings and Purpose, essentially as in Senate bill.

Part B—Grants to States

Section 105—Formula grants of $80,000,000 in each of the Fiscal Years 1975 and 1976. These are the Senate amounts. The House had approved $60,000,000 each year.

Section 106—Amendments of the Formula Grant section of the Act of 1970 relating to the assignment of Departmental personnel with costs attributable to a State's formula grant, the expenditure of formula allotments, the representation of minority and poverty groups on State advisory councils, and standards for construction and licensing of facilities.

Section 107—Special grants to the States for carrying out the basic provisions of the Uniform Alcoholism and Intoxication Treatment Act. $13,000,000 authorized in each of the Fiscal Years 1975, 1976, and 1977. Grants covering costs up to a maximum per year of $100,000 plus 10% of its formula allotment may be made to each State complying with the section's requirements relating to the adoption and implementation of the Uniform Act. No State may receive more than one grant per year under the Special Grant program, and those States which have adopted the Uniform Act prior to passage of this Act are equally eligible for grants for its implementation. Regulations are to be promulgated by the Secretary of Health, Education, and Welfare not later than July 1, 1974.

Although the authorization of $13,000,000 per year is not stated in the Senate bill, which instead stated an authorization of such sums as may be necessary, the maximum under the formula in both bills is $13,000,000; therefore, the Senate accepted the House language, as well as the House limitation of grant amounts to actual costs of implementing the Uniform Act.

Section 108—Amendment of the title of part A of title III.

Part C—Project grants and contracts

Section 111—Grants and Contracts for the prevention and treatment of alcohol abuse and alcoholism. $80,000,000 authorized for Fiscal 1975 and $95,000,000 authorized for Fiscal 1976. These amounts reflect and approximately balanced compromise for these fiscal years. The Senate had approved $100,000,000 and $110,000,000, and the House had approved $60,000,000 and $75,000,000.

The Senate bill's authorization of $90,000,000 for Fiscal 1974 was deleted since grants for that year were authorized in the one-year extension of the Community Mental Health Centers Act passed in June, 1973.

Part D—Admission to hospitals; confidentiality of records

Section 121—Prohibits those general hospitals receiving funds from any federal source from discriminating in their admissions or treatment policies against any person solely on the basis of his alcohol abuse or alcoholism. Each House had included provisions on this subject. The House accepted the Senate's language.

With respect to the programs which he administers, the Secretary is authorized to make regulations for the enforcement of this policy.

The Administrator of Veterans Affairs, through the Chief Medical Director, is required, to the maximum feasible extent consistent with their responsibilities under title 38, United States Code, to make applicable the regulations issued by the Secretary. Within 60 days after the establishment of regulations by the Secretary, the Administrator is required to submit to appropriate Congressional Committees and immediately thereafter to publish in the Federal Register a full report on the exercise of his responsibilities under this subsection.

Section 122—Confidentiality of Records. The House provisions on the confidentiality of records of clients in alcoholism programs are accepted with amendments. The Senate bill contained no provisions on confidentiality.

Records of clients in any federally conducted, regulated, or assisted alcoholism program are to be confidential and may be disclosed only under the circumstances and for the purposes stated in this section. Under regulations authorized by the section, disclosure is permitted with the written consent of the patient. Disclosure without his consent is permitted only to medical personnel to the extent necessary in a bona fide medical emergency, to qualified personnel for research, management, and evaluation of programs with no disclosure of patients' identities in the resulting reports, and when authorized by an appropriate order of a court granted after application showing good cause and with the court's weighing of the public interest and need for disclosure against injury to the patient and the treatment services. The court must impose safeguards against unauthorized disclosure.

The prohibitions on disclosure do not apply to the interchange of records within the Armed Forces, within those components of the Veterans' Administration furnishing health care to veterans, or between those components and the Armed Forces.

Except as provided below, the Secretary shall prescribe regulations for carrying out the purposes of this section.

The Administrator of Veterans' Affairs, through the Chief Medical Director, is required to the maximum feasible extent consistent with their responsibilities under title 38, United States Code, to make applicable the regulations issued by the Secretary. The Administrator is required to report on the exercise of his responsibilities under this section in the manner prescribed in section 121.

Authority for complete confidentiality of the records of patients in research programs is continued.

Part E—Interagency Committee on Federal Activities for Alcohol Abuse and Alcoholism. The Senate accepts the House provision with amendments. No similar provision was included in the Senate bill. The

provision establishes an Interagency Committee for the purpose of evaluating the adequacy and technical soundness of Federal alcoholism programs and working for the coordination of other Federal agency programs dealing with problems of alcohol abuse and alcoholism. Membership of the Committee shall include appropriate representatives of the Departments of Transportation, Justice, Defense, and Health, Education, and Welfare, the Veterans' Administration, such other Federal agencies as the Secretary determines, and five members representing the general public who are qualified. Either the Secretary or the Director of the National Institute on Alcohol Abuse and Alcoholism, or the Director's designee shall serve as chairman.

TITLE II—ADMINISTRATION AND COORDINATION OF THE NATIONAL INSTITUTE OF MENTAL HEALTH, THE NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM, AND THE NATIONAL INSTITUTE ON DRUG ABUSE

The Senate accepts with amendments Title II of the House bill establishing the Alcohol, Drug Abuse, and Mental Health Administration and the National Institute of Mental Health, the National Institute on Drug Abuse, and the National Institute on Alcohol Abuse and Alcoholism. No similar title was included in the Senate bill.

Section 201—The Secretary shall establish the Alcohol, Drug Abuse, and Mental Health Administration with an Administrator appointed by the President by and with the advice and consent of the Senate. The Administrator will be responsible for ensuring cooperation among the three Institutes and appropriate and equitable support for each Institute individually. A Secretary's advisory panel is created consisting of three members, one from each of the advisory councils of the individual Institutes, such councils having been established under section 217 of the Public Health Service Act.

Section 202—Amends Title IV of the Public Health Service Act to include as Part G the establishment of the National Institute of Mental Health.

Section 203—Amends section 101 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, which established the National Institute on Alcohol Abuse and Alcoholism.

Section 204—Amends subsections (a) and (b) of section 501 of the Drug Abuse Office and Treatment Act of 1972, which established the National Institute on Drug Abuse.

Note: The bill employs similar language in each of the above three sections establishing the Institutes. Each is to be headed by its own Director, and each Institute shall carry out the responsibilities assigned to the Secretary in its own field, including the administrative and financial management, policy development and planning, evaluation, and public information functions required for the implementation of programs and authorities.

TITLE III—TECHNICAL AND CONFORMING AMENDMENTS

Section 301—Authorizes the Secretary to place 11 positions in the National Institute on Alcohol Abuse and Alcoholism in Grades 16, 17, and 18.

Section 302—Repeals section 247 of the Community Mental Health Centers Act. Section 247 contains the alcoholism project and contract authority which now becomes a part of this Act.

Section 303—Amends section 408 of the Drug Abuse Office and Treatment Act relating to the confidentiality of records of patients in drug abuse prevention programs. The same substantive requirements are provided as are described in section 122 above. Patients in most alcohol and drug treatment programs will thus be protected by the same statutory provisions.

The Director of the Special Action Office for Drug Abuse Prevention will retain regulatory authority under section 408 until the Special Action Office goes out of existence as provided in section 104 of the Drug Abuse Office and Treatment Act of 1972; that is, June 30, 1975. On that date regulatory authority is transferred to the Secretary of Health, Education, and Welfare. The Director, and subsequently the Secretary when he assumes regulatory authority, must consult with the Administrator of Veterans Affairs and the heads of other Federal departments and agencies substantially affected by the regulations.

Upon the assumption by the Secretary of responsibilities under this section, the Administrator of Veterans' Affairs, through the Chief Medical Director, shall, to the maximum feasible extent consistent with their responsibilities under title 38, United States Code, make applicable the regulations established by the Secretary under this section. The Administrator is required to report on the exercise of his responsibilities under this section in the manner described in section 121.

NOTE ON PROVISIONS AFFECTING THE VETERANS' ADMINISTRATION

Neither the Senate nor the House bills contained provisions specifically relating to the role of the Veterans' Administration in the administration of alcohol and drug abuse prevention and treatment programs. However, in response to concerns expressed by Members of the Veterans' Affairs Committees, we have agreed to include provisions clarifying the authority and responsibility of the Veterans' Administration for assuring that eligible veterans with alcohol problems who require hospitalization will be admitted to VA hospitals on a non-discriminatory basis, and for protecting the confidentiality of the records of patients.

The Committee on Veterans' Affairs of the House and Senate have participated and cooperated fully in the drafting of these provisions, and those clarifying the authority of the Veterans' Administration with respect to the confidentiality of alcohol and drug abuse treatment records, and we are assured that the provisions are acceptable to the Members of those Committees.

In the exercise of his regulatory authority with respect to the confidentiality of drug treatment records, the Secretary of Health, Education, and Welfare, or the Director of the Special Action Office for Drug Abuse Prevention, as the case may be, is directed to consult with the Administrator of Veterans Affairs and with other affected department and agencies prior to the issuance of regulations. We emphasize that there must be timely opportunity for a full and effective exchange of views, and at the same time that none of the participants should be permitted to delay their responses on regulatory matters under consideration for an unreasonable length of time.

With respect to the representation of veterans seeking benefits or presenting claims, the Congress intends that the Veterans Administration will continue to include veterans' organization personnel so authorized among the categories of persons who are permitted access to appropriate medical records required in order to assist the individual veteran.

Mr. HUGHES. Mr. President, I move that the Senate concur in the House amendment, with an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. JAVITS. Mr. President, I urge the Senate to concur in the House amendment to the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1974 (S. 1745) and I am pleased to express agreement with the remarks on this measure made by my distinguished colleague and friend from Iowa, Senator HUGHES, chairman of the Alcoholism and Narcotics Subcommittee of the Committee on Labor and Public Welfare of which I am ranking minority member.

Since 1967—when I first introduced with Senator Moss the Alcoholism Care and Control Act of 1967—Congress has taken a series of legislative steps toward the goal of substantially easing the plight of millions of Americans suffering from the effects of alcohol abuse. This bill with its authorization of $374 million over 2 years represents a major step forward in that direction—since the passage of the landmark alcoholism law, Public Law 92-554—by providing adequate, coordinated assistance for the unfortunate victims of the tragic disease of alcoholism.

The bill also directs the Secretary to establish within the Department of Health, Education, and Welfare the Alcohol, Drug Abuse and Mental Health Administration. Through such a functional administration, ADAMHA, established in law it will be possible to assure greater coordinated supervision of the functions of the National Institutes of Mental Health, the National Institute on Alcohol Abuse and Alcoholism, and the soon-to-be-established National Institute on Drug Abuse, and that the programs carried out through each institute will receive equitable support and that there is appropriate cooperation among the quasi-independent institutes in the implementation of their programs.

I believe that by providing that the Administrator of ADAMHA will be appointed by the President, with the advice and consent of the Senate, is an extremely important feature. It recognizes that Congress is and must continue to be an equal partner in the process of determining the conduct of programs affecting the American people. That concept—of check and balance—is the genius of the American political system. Therefore, this advice and consent provision is essential in preserving congressional prerogatives in the appointment of the head of the administration responsible for fields of mental health, drug abuse, and alcoholism. At the same time senatorial advice and consent will further ensure that alcoholism and drugs are not treated as discrete diseases, but rather on an appropriate continuum of care.

I strongly support this bill because it represents a renewed commitment on the part of Congress for dealing with alcoholism as the major health problem it is. For too long now, too many have chosen to ignore the facts that point out the devastating consequences of alcoholism in America. Some of these facts are:

First. Nine million Americans—almost 10 percent of this Nation's work force—are alcohol abusers and alcoholics.

Second. These 9 million victims adversely affect the lives of 40 million Americans, many of whom are children.

Third. Intoxication plays a major role in half the highway fatalities in America, costing approximately 25,000 lives each year.

Fourth. Alcoholism is related to one-third of the suicides and one-half of the homicides in the United States.

Those are just a few of the tragic statistics but also clear, are the tragic consequences in terms of human suffering.

We must, therefore, seek to assure that the needs of alcoholics will be provided for in the same humane manner—without stigma or prejudice—that the needs of people afflicted by other diseases have been provided for.

This bill is designed to do just that. For not only does it approach alcohol abuse and alcoholism from a comprehensive community standpoint, but it also meets these problems through assistance to the States and through direct assistance to community-based programs diverting problem drinkers from criminal justice systems into prevention and treatment programs. Furthermore, better protection is provided for the confidentiality of patient records while at the same time making these records more readily accessible with the patient's consent for purposes that will serve his own and society's interests and goals.

Mr. President, the problems of alcohol abuse and alcoholism require our total commitment as a Nation and I urge that the "Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1974" be enacted into law.

Mr. KENNEDY. Mr. President, I want to take this opportunity to compliment my friend and colleague, the chairman of the Subcommittee on Alcoholism and Narcotics, HAROLD HUGHES. The amendment he is offering today is the culmination of a herculean effort on his part to extend and improve Federal legislation in this area. His leadership in the Congress respecting alcoholism is unparalleled.

I concur in the amendment which he has offered to the House-passed version of S. 1125.

I do want to take this opportunity to raise one issue respecting title II of the bill. The provisions of that title extend beyond the jurisdiction of Senator HUGHES' subcommittee and cross the jurisdiction of the Senate Health Subcommittee, which I chair. Specifically, this has to do with the establishment of an Alcohol, Drug Abuse, and Mental Health Administration within HEW and with respect to the establishment of the National Institute of Mental Health as a new part G of title IV of the Public Health Service Act. Senator HUGHES and I have worked closely on this legislation. And I want my colleagues in the Congress to know that I support these provisions. However, as Senator HUGHES understands, the inclusion of these provisions within S. 1125 in no way affects the jurisdiction of our respective subcommittees.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Iowa.

Mr. GRIFFIN. Mr. President, I wonder if, for the purposes of the RECORD, the distinguished Senator from Iowa would indicate whether or not his motion has been checked with and agreed to by the ranking Republican member on the committee having jurisdiction.

Mr. HUGHES. Yes; the Senator from Iowa, as chairman of the subcommittee, has checked with and has obtained the approval of the distinguished Senator from New York (Mr. JAVITS) in relation to placing the bill, as amended, before the Senate.

Mr. GRIFFIN. I thank the Senator. It is also my understanding that there is no objection to the matter from our side.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Iowa.

The motion was agreed to.

Mr. HUGHES. Mr. President, I ask unanimous consent that S. 1125 as now passed by the Senate be printed in the RECORD.

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

S. 1125

TITLE I—FEDERAL ASSISTANCE FOR STATE AND LOCAL ALCOHOLISM AND ALCOHOL ABUSE PROGRAMS

PART A—SHORT TITLE; FINDINGS AND PURPOSE

SHORT TITLE

SEC. 101. This title may be cited as the "Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1974".

FINDINGS AND PURPOSE

SEC. 102. (a) The Comprehensive Alcohol Abuse and Alcoholism Prevention Treatment, and Rehabilitation Act of 1970 is amended by adding after section 1 the following new section:

"FINDINGS AND PURPOSE

"SEC. 2. (a) The Congress finds that—

"(1) alcohol is one of the most dangerous drugs and the drug most frequently abused in the United States;

"(2) of the Nation's estimated ninety-five million drinkers, at least nine million, or 7 per centum of the adult population, are alcohol abusers and alcoholics;

"(3) problem drinking costs the national economy at least $15,000,000,000 annually in lost working time, medical and public assistance expenditures, and police and court costs;

"(4) alcohol abuse is found with increasing frequency among persons who are multiple-drug abusers and among former heroin users who are being treated in methadone maintenance programs;

"(5) alcohol abuse is being discovered among growing numbers of youth; and

"(6) alcoholism is an illness requiring treatment and rehabilitation through the assistance of a broad range of community health and social services, and with the cooperation of law enforcement agencies.

"(b) It is the policy of the United States and the purpose of this Act to (1) approach alcohol abuse and alcoholism from a comprehensive community care standpoint, and (2) meet the problems of alcohol abuse and alcoholism not only through Federal assistance to the States but also through direct Federal assistance to community-based programs meeting the urgent needs of special populations and developing methods for diverting problem drinkers from criminal justice systems into prevention and treatment programs.".

(b) The Congress declares that, in addition to the programs under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, programs under other Federal laws which provide Federal or federally assisted research, prevention, treatment, or rehabilitation in the fields of health and social services should be appropriately utilized to help eradicate alcohol abuse and alcoholism as a major problem.

PART B—GRANTS TO STATES

PROGRAM EXTENSION

SEC. 105. (a) Section 301 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 is amended by inserting immediately after "for each of the next two fiscal years" the following: ", $80,000,000 for the fiscal year ending June 30, 1975, and $80,000,000 for the fiscal year ending June 30, 1976,".

(b) The section heading for such section is amended to read as follows:

"AUTHORIZATION FOR FORMULA GRANTS"

PROGRAM IMPROVEMENTS

SEC. 106. (a)(1) Section 302 of such Act is amended by adding at the end thereof the following new subsection:

"(d) On the request of any State, the Secretary is authorized to arrange for the assignment of officers and employees of the Department or provide equipment or supplies in lieu of a portion of the allotment of such State. The allotment may be reduced by the fair market value of any equipment or supplies furnished to such State and by the amount of the pay, allowances, traveling expenses, and any other costs in connection with the detail of an officer or employee to the State. The amount by which such payments are so reduced shall be available for payment of such costs (including the costs of such equipment and supplies) by the Secretary, but shall for purposes of determining the allotment under section 302(a), be deemed to have been paid to the State.".

(2) Section 302(b) of such Act is amended (A) by striking out in the first sentence "so allotted to a State" and inserting in lieu thereof "allotted to a State in a fiscal year"; and (B) by striking out in the second sentence "for a fiscal year" and inserting in lieu thereof "in a fiscal year".

(b) Section 303(a) of such Act is amended—

(1) by striking out in paragraph (3) "or groups" and inserting in lieu thereof ", of groups to be served with attention to assuring representation of minority and poverty groups";

(2) by striking out "and" at the end of paragraph (9);

(3) by redesignating paragraph (10) as paragraph (11); and

(4) by adding after paragraph (9) the following new paragraph:

"(10) set forth, in accordance with criteria to be set by the Secretary, standards (including enforcement procedures and penalties) for (A) construction and licensing of public and private treatment facilities, and (B) for other community services or resources available to assist individuals to meet problems resulting from alcohol abuse; and".

UNIFORM ALCOHOLISM AND INTOXICATION TREATMENT ACT

SEC. 107. Part A of title III of such Act is amended by adding at the end thereof the following new section:

"SPECIAL GRANTS FOR IMPLEMENTATION OF THE UNIFORM ALCOHOLISM AND INTOXICATION TREATMENT ACT

"SEC. 304. (a) To assist States which have adopted the basic provisions of the Uniform Alcoholism and Intoxication Treatment Act (hereinafter in this section referred to as the 'Uniform Act') to utilize fully the protections of the Uniform Act in their efforts to ap-

proach alcohol abuse and alcoholism from a community care standpoint, the Secretary, acting through the Institute, shall, during the period beginning July 1, 1974, and ending June 30, 1977, make grants to such States for the implementation of the Uniform Act. A grant under this section to any State may only be made for that State's costs (as determined in accordance with regulations which the Secretary shall promulgate not later than July 1, 1974) in implementing the Uniform Act for a period which does not exceed one year from the first day of the first month for which the grant is made. No State may receive more than three grants under this section.

"(b) No grant may be made under this section unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall by regulation prescribe. The Secretary may not approve an application of a State under this section unless he determines the following:

"(1) The State and each of its political subdivisions are committed to the concept of care for alcoholism and alcohol abuse through community health and social service agencies, and, in accordance with the purposes of sections 1 and 19 of the Uniform Act, have repealed those portions of their criminal statutes and ordinances under which drunkenness is the gravamen of a petty criminal offense, such as loitering, vagrancy, or disturbing the peace.

"(2) The laws of the State respecting acceptance of individuals into alcoholism and intoxication treatment programs are in accordance with the following standards of acceptance of individuals for such treatment (contained in section 10 of the Uniform Act):

"(A) A patient shall, if possible, be treated on a voluntary rather than an involuntary basis.

"(B) A patient shall be initially assigned or transferred to outpatient or intermediate treatment, unless he is found to require inpatient treatment.

"(C) A person shall not be denied treatment solely because he has withdrawn from treatment against medical advice on a prior occasion or because he has relapsed after earlier treatment.

"(D) An individualized treatment plan shall be prepared and maintained on a current basis for each patient.

"(E) Provision shall be made for a continuum of coordinated treatment services so that a person who leaves a facility or a form of treatment will have available and utilize other appropriate treatment.

"(3) The laws of the State respecting involuntary commitment of alcoholics are consistent with the provisions of section 14 of the Uniform Act which protect individual rights.

"(4) The application of the State contains such assurances as the Secretary may require to carry out the purposes of this section.

For purposes of subsection (a), the term 'basic provisions of the Uniform Alcoholism and Intoxication Treatment Act shall not in the case of a State which has a State plan approved under section 303 include any provision of the Uniform Act respecting the organization of such State's treatment programs (as defined in the Uniform Act) which are inconsistent with the requirements of such State plan.

"(c) The amount of any grant under this section to any State for any fiscal year may not exceed the sum of $100,000 and an amount equal to 10 per centum of the allotment of such State for such fiscal year under section 302 of this Act. Payments under grants under this section may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(d) For the purpose of making payments under grants under this section, there are authorized to be appropriated $13,000,000 for the fiscal year ending June 30, 1975, and for each of the next two fiscal years.".

CONFORMING AMENDMENT

SEC. 108. The heading for part A of title III of such Act is amended by striking out "FORMULA GRANTS" and inserting in lieu thereof "GRANTS TO STATES".

PART C—PROJECT GRANTS AND CONTRACTS

GRANTS AND CONTRACTS FOR PREVENTION AND TREATMENT PROJECTS

SEC. 111. Section 311 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 is amended to read as follows:

"GRANTS AND CONTRACTS FOR THE PREVENTION AND TREATMENT OF ALCOHOL ABUSE AND ALCOHOLISM

"SEC. 311. (a) The Secretary, acting through the Institute, may make grants to public and nonprofit private entities and may enter into contracts with public and private entities and with individuals—

"(1) to conduct demonstration, service, and evaluation projects,

"(2) to provide education and training,

"(3) to provide programs and services in cooperation with schools, courts, penal institutions, and other public agencies, and

"(4) to provide counseling and education activities on an individual or community basis,

for the prevention and treatment of alcohol abuse and alcoholism and for the rehabilitation of alcohol abusers and alcoholics.

"(b) Projects and programs for which grants and contracts are made under this section shall (1) whenever possible, be community based, seek to insure care of good quality in general community care facilities and under health insurance plans, and be integrated with, and provide for the active participation of, a wide range of public and nongovernmental agencies, organizations, institutions, and individuals; and (2) where appropriate utilize existing community resources (including community mental health centers).

"(c) (1) In administering this section, the Secretary shall require coordination of all applications for projects and programs in a State.

"(2) Each applicant from within a State, upon filing its application with the Secretary for a grant or contract under this section, shall submit a copy of its application for review by the State agency designated under section 303 of this Act, if such designation has been made. Such State agency shall be given not more than thirty days from the date of receipt of the application to submit to the Secretary, in writing, an evaluation of the project or program set forth in the application. Such evaluation shall include comments on the relationship of the project to other projects and programs pending and approved and to the State comprehensive plan for treatment and prevention of alcohol abuse and alcoholism under section 303. The State shall furnish the applicant a copy of any such evaluation.

"(3) Approval of any application for a grant or contract by the Secretary, including the earmarking of financial assistance for a program or project, may be granted only if the application substantially meets a set of criteria established by the Secretary that—

"(A) provides that the projects and programs for which assistance under this section is sought will be substantially administered by or under the supervision of the applicant;

"(B) provides for such methods of administration as are necessary for the proper and efficient operation of such programs and projects;

"(C) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant; and

"(D) provides reasonable assurance that Federal funds made available under this section for any period will be so used as to supplement and increase, to the extent feasible and practical, the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the projects and programs described in this section, and will in no event supplant such State, local, and other non-Federal funds.

"(d) To make payments under grants and contracts under this section, there are authorized to be appropriated $80,000,000 for the fiscal year ending June 30, 1975, and $95,000,000 for the fiscal year ending June 30, 1976.".

PART D—ADMISSION TO HOSPITALS; CONFIDENTIALITY OF RECORDS

HOSPITAL ADMISSIONS

SEC. 121. (a) Section 321 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 is amended to read as follows:

"ADMISSION OF ALCOHOL ABUSERS AND ALCOHOLICS TO PRIVATE AND PUBLIC HOSPITALS

"SEC. 321. (a) Alcohol abusers and alcoholics who are suffering from medical conditions shall not be discriminated against in admission or treatment, solely because of their alcohol abuse or alcoholism, by any private or public general hospital which receives support in any form from any program supported in whole or in part by funds appropriated to any Federal department or agency.

"(b) (1) The Secretary is authorized to make regulations for the enforcement of the policy of subsection (a) with respect to the admission and treatment of alcohol abusers and alcoholics in hospitals which receive support of any kind from any program administered by the Secretary. Such regulations shall include procedures for determining (after opportunity for a hearing if requested) if a violation of subsection (a) has occurred, notification of failure to comply with such subsection, and opportunity for a violator to comply with such subsection. If the Secretary determines that a hospital subject to such regulations has violated subsection (a) and such violation continues after an opportunity has been afforded for compliance, the Secretary may suspend or revoke, after opportunity for a hearing, all or part of any support of any kind received by such hospital from any program administered by the Secretary. The Secretary may consult with the officials responsible for the administration of any other Federal program from which such hospital receives support of any kind, with respect to the suspension or revocation of such other Federal support for such hospital.

"(2) The Administrator of Veterans' Affairs, through the Chief Medical Director, shall, to the maximum feasible extent consistent with their responsibilities under title 38, United States Code, prescribe regulations making applicable the regulations prescribed by the Secretary under paragraph (1) of this subsection to the provision of hospital care, nursing home care, domiciliary care, and medical services under such title 38 to veterans suffering from alcohol abuse or alcoholism. In prescribing and implementing regulations pursuant to this paragraph, the Administrator shall, from time to time, consult with the Secretary in order to achieve the maximum possible coordination of the regulations, and the implementation thereof, which they each prescribe.".

(b) The Administrator of Veterans' Affairs shall submit to the appropriate committees of the House of Representatives and the Sen-

ate a full report (1) on the regulations (including guidelines, policies, and procedures thereunder) he has prescribed pursuant to section 321(b)(2) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, (2) explaining the bases for any inconsistency between such regulations and regulations of the Secretary under section 321(b)(1) of such Act, (3) on the extent, substance, and results of his consultations with the Secretary respecting the prescribing and implementation of the Administrator's regulations, and (4) containing such recommendations for legislation and administrative actions as he determines are necessary and desirable. The Administrator shall submit such report not later than sixty days after the effective date of the regulations prescribed by the Secretary under such section 321(b)(1), and shall timely publish such report in the Federal Register.

CONFIDENTIALITY

SEC. 122. (a) Section 333 of such Act is amended to read as follows:

"CONFIDENTIALITY OF RECORDS

"SEC. 333. (a) Records of the identity, diagnosis, prognosis, or treatment of any patient which are maintained in connection with the performance of any program or activity relating to alcoholism or alcohol abuse education, training, treatment, rehabilitation, or research, which is conducted, regulated, or directly or indirectly assisted by any department or agency of the United States shall, except as provided in subsection (e), be confidential and be disclosed only for the purposes and under the circumstances expressly authorized under subsection (b) of this section.

"(b)(1) The content of any record referred to in subsection (a) may be disclosed in accordance with the prior written consent of the patient with respect to whom such record is maintained, but only to such extent, under such circumstances, and for such purposes as may be allowed under regulations prescribed pursuant to subsection (g).

"(2) Whether or not the patient, with respect to whom any given record referred to in subsection (a) of this section is maintained, gives his written consent, the content of such record may be disclosed as follows:

"(A) To medical personnel to the extent necessary to meet a bona fide medical emergency.

"(B) To qualified personnel for the purpose of conducting scientific research, management audits, financial audits, or program evaluation, but such personnel may not identify, directly or indirectly, any individual patient in any report of such research, audit, or evaluation, or otherwise disclose patient identities in any manner.

"(C) If authorized by an appropriate order of a court of competent jurisdiction granted after application showing good cause therefor. In assessing good cause the court shall weigh the public interest and the need for disclosure against the injury to the patient, to the physician-patient relationship, and to the treatment services. Upon the granting of such order, the court, in determining the extent to which any disclosure of all or any part of any record is necessary, shall impose appropriate safeguards against unauthorized disclosure.

"(c) Except as authorized by a court order granted under subsection (b)(2)(C) of this section, no record referred to in subsection (a) may be used to initiate or substantiate any criminal charges against a patient or to conduct any investigation of a patient.

"(d) The prohibitions of this section continue to apply to records concerning any individual who has been a patient, irrespective of whether or when he ceases to be a patient.

"(e) The prohibitions of this section do not apply to any interchange of records—

"(1) within the Armed Forces or within those components of the Veterans' Administration furnishing health care to veterans, or

"(2) between such components and the Armed Forces.

"(f) Any person who violates any provision of this section or any regulation issued pursuant to this section shall be fined not more than $500 in the case of a first offense, and not more than $5,000 in the case of each subsequent offense.

"(g) Except as provided in subsection (h) of this section, the Secretary shall prescribe regulations to carry out the purposes of this section. These regulations may contain such definitions, and may provide for such safeguards and procedures, including procedures and criteria for the issuance and scope of orders under subsection (b)(2)(C), as in the judgment of the Secretary are necessary or proper to effectuate the purposes of this section, to prevent circumvention or evasion thereof, or to facilitate compliance therewith.

"(h) The Administrator of Veterans' Affairs, through the Chief Medical Director, shall, to the maximum feasible extent consistent with their responsibilities under title 38, United States Code, prescribe regulations making applicable the regulations prescribed by the Secretary under subsection (g) of this section to records maintained in connection with the provision of hospital care, nursing home care, domiciliary care, and medical services under such title 38 to veterans suffering from alcohol abuse or alcoholism. In prescribing and implementing regulations pursuant to this subsection, the Administrator shall, from time to time, consult with the Secretary in order to achieve the maximum possible coordination of the regulations, and the implementation thereof, which they each prescribe.".

(b) Section 303(a) of the Public Health Service Act (42 U.S.C. 242a(a)) is amended by striking out "the use and effect of drugs" and inserting in lieu thereof "mental health, including research on the use and effect of alcohol and other psychoactive drugs,".

(c) The Administrator of Veterans' Affairs shall submit to the appropriate committees of the House of Representatives and the Senate a full report (1) on the regulations (including guidelines, policies, and procedures thereunder) he has prescribed pursuant to section 333(h) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, (2) explaining the basis for any inconsistency between such regultaions and regulations of the Secretary under section 333(g) of such Act, (3) on the extent, substance, and results of his consultations with the Secretary respecting the prescribing and implementation of the Administrator's regulations, and (4) containing such recommendations for legislation and administrative actions as he determines are necessary and desirable. The Administrator shall submit such report not later than sixty days after the effective date of the regulations prescribed by the Secretary under such section 333(g), and shall timely publish such report in the Federal Register.

PART E—INTERAGENCY COMMITTEE

INTERAGENCY COMMITTEE

SEC. 131. Title I of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 is amended by adding at the end the following:

"INTERAGENCY COMMITTEE ON FEDERAL ACTIVITIES FOR ALCOHOL ABUSE AND ALCOHOLISM

"SEC. 103. (a) The Secretary shall establish an Interagency Committee on Federal Activities for Alcohol Abuse and Alcoholism (hereinafter in this section referred to as the 'Committee'). The Committee shall (1) evaluate the adequacy and technical soundness of all Federal programs and activities which relate to alcoholism and alcohol abuse and provide for the communication and exchange of information necessary to maintain the coordination and effectiveness of such programs and activities, and (2) seek to coordinate efforts undertaken to deal with alcohol abuse and alcoholism in carrying out Federal health, welfare, rehabilitation, highway safety, law enforcement, and economic opportunity laws.

"(b) The Secretary or the Director of the National Institute on Alcohol Abuse and Alcoholism (or the Director's designee) shall serve as Chairman of the Committee, the membership of which shall include (1) appropriate scientific, medical, or technical representation from the Department of Transportation, the Department of Justice, the Department of Defense, the Veterans' Administration, and such other Federal agencies and offices (including appropriate agencies and offices of the Department of Health, Education, and Welfare) as the Secretary determines administer programs directly affecting alcoholism and alcohol abuse, and (2) five individuals from the general public appointed by the Secretary from individuals who by virtue of their training or experience are particularly qualified to participate in the performance of the Committee's functions. The Committee shall meet at the call of the Chairman, but not less often than four times a year.

"(c) Each appointed member of the Committee shall be appointed for a term of four years, except that—

"(1) any member 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; and

"(2) of the members first appointed, two shall be appointed for a term of four years, two shall be appointed for a term of three years, and one shall be appointed for a term of one year, as designated by the Secretary at the time of appointment.

Appointed members may serve after the expiration of their terms until their successors have taken office.

"(d) Appointed members of the Committee shall receive for each day they are engaged in the performance of the functions of the Committee compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS–18 of the General Schedule, including traveltime; and all members, while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as such expenses are authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(e) The Secretary shall make available to the Committee such staff, information, and other assistance as it may require to carry out its activities effectively.".

TITLE II—ADMINISTRATION AND COORDINATION OF THE NATIONAL INSTITUTE OF MENTAL HEALTH, THE NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM, AND THE NATIONAL INSTITUTE ON DRUG ABUSE

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

SEC. 201. (a) The Secretary of Health, Education, and Welfare shall establish, in the Department of Health, Education, and Welfare, the Alcohol, Drug Abuse, and Mental Health Administration (hereinafter in this section referred to as the "Administration"). The Administration shall be headed by an Administrator appointed by the President,

by and with the advice and consent of the Senate. The Administrator, with the approval of the Secretary, may appoint a Deputy Administrator and may employ and prescribe the functions of such officers and employees, including attorneys, as are necessary to administer the activities to be carried out through the Administration.

(b) The Secretary, acting through the Administration, shall supervise the functions of the National Institute of Mental Health, the National Institute on Alcohol Abuse and Alcoholism, and the National Institute on Drug Abuse in order to assure that (1) the programs carried out through each such Institute receive appropriate and equitable support, and (2) there is cooperation among the Institutes in the implementation of such programs.

(c) The Secretary of Health, Education, and Welfare shall establish a National Panel on Alcohol, Drug Abuse, and Mental Health (hereinafter in this subsection referred to as the "panel") to advise, consult with, and make recommendations to the Secretary concerning the activities to be carried out through the Administration. The panel shall consist of three members appointed by the Secretary as follows: One member shall be appointed from the public members of the National Advisory Mental Health Council established under section 217 of the Public Health Service Act, one member shall be appointed from the public members of the National Advisory Council on Alcohol Abuse and Alcoholism established under such section, and one member shall be appointed from the public members of the National Advisory Council on Drug Abuse established under such section.

NATIONAL INSTITUTE OF MENTAL HEALTH

SEC. 202. Title IV of the Public Health Service Act is amended by redesignating part G as part H, by redesignating section 454 as section 461, and by inserting after part F the following new part:

"PART G—NATIONAL INSTITUTE OF MENTAL HEALTH

"ESTABLISHMENT OF INSTITUTE

"SEC. 455. (a) There is established the National Institute of Mental Health (hereinafter in this part referred to as the 'Institute') to administer the programs and authorities of the Secretary with respect to mental health. The Secretary, acting through the Institute, shall, in carrying out the purposes of sections 301 and 303 of this Act and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (other than part C of title II) with respect to mental illness, develop and conduct comprehensive health, education, training, research, and planning programs for the prevention and treatment of mental illness and for the rehabilitation of the mentally ill. The Secretary shall carry out through the Institute the administrative and financial management, policy development and planning, evaluation, and public information functions which are required for the implementation of such programs and authorities.

"(b)(1) The Institute shall be under the direction of a Director who shall be appointed by the Secretary.

"(2) The Director, with the approval of the Secretary, may employ and prescribe the functions of such officers and employees, including attorneys, as are necessary to administer the programs and authorities to be carried out through the Institute.

"(c) The programs to be carried out through the Institute shall be administered so as to encourage the broadest possible participation of professionals and paraprofessionals in the fields of medicine, science, the social sciences, and other related disciplines."

NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM

SEC. 203. (a) Section 101 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 is amended to read as follows:

SEC. 101. (a) There is established the National Institute on Alcohol Abuse and Alcoholism (hereafter in this Act referred to as the 'Institute') to administer the programs and authorities assigned to the Secretary of Health, Education, and Welfare (hereafter in this Act referred to as the 'Secretary') by this Act and part C of the Community Mental Health Centers Act. The Secretary, acting through the Institute, shall, in carrying out the purposes of sections 301 and 303 of the Public Health Service Act with respect to alcohol abuse and alcoholism, develop and conduct comprehensive health, education, training, research, and planning programs for the prevention and treatment of alcohol abuse and alcoholism and for the rehabilitation of alcohol abusers and alcoholics. The Secretary shall carry out through the Institute the administrative and financial management, policy development and planning, evaluation, and public information functions which are required for the implementation of such programs and authorities.

"(b)(1) The Institute shall be under the direction of a Director who shall be appointed by the Secretary.

"(2) The Director, with the approval of the Secretary, may employ and prescribe the functions of such officers and employees, including attorneys, as are necessary to administer the programs to be carried out through the Institute.

"(c) The programs to be carried out through the Institute shall be administered so as to encourage the broadest possible participation of professionals and paraprofessionals in the fields of medicine, science, the social sciences, and other related disciplines."

(b)(1) Section 102(2) of such Act is amended by inserting "and every three years thereafter" after "Act".

(2)(A) Section 102 of such Act is amended by striking out "and" at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting in lieu thereof "; and", and by adding after paragraph (4) the following:

"(5) submit to Congress on or before the end of each calendar year a report on the extent to which other Federal programs and departments are concerned and dealing effectively with the problems of alcohol abuse and alcoholism.

Before submitting a report under paragraph (5), the Secretary shall give each department and agency of the Government which (or a program of which) is referred to in the report he proposes to submit under such paragraph an opportunity to comment on the proposed report; and the Secretary shall include in the report submitted to Congress under such paragraph the comments received by him from any such department or agency within 30 days from the date the proposed report was submitted to such department or agency.".

(B) The first report to be submitted by the Secretary of Health, Education, and Welfare under section 102(5) of the Comprehensive Alcohol Abuse and Alcoholism Prevention Treatment, and Rehabilitation Act of 1970 shall be submitted not later than December 31, 1974.

NATIONAL INSTITUTE ON DRUG ABUSE

SEC. 204. Subsections (a) and (b) of section 501 of the Drug Abuse Office and Treatment Act of 1972 are amended to read as follows:

"(a) There is established the National Institute on Drug Abuse (hereinafter in this section referred to as the 'Institute') to administer the programs and authorities of the Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the 'Secretary') with respect to drug abuse prevention functions. The Secretary, acting through the Institute, shall, in carrying out the purposes of sections 301, 302, and 303 of the Public Health Service Act with respect to drug abuse, develop and conduct comprehensive health, education, training, research, and planning programs for the prevention and treatment of drug abuse and for the rehabilitation of drug abusers. The Secretary shall carry out through the Institute the administrative and financial management, policy development and planning, evaluation, and public information functions which are required for the implementation of such programs and authorities.

"(b)(1) The Institute shall be under the direction of a Director who shall be appointed by the Secretary.

"(2) The Director, with the approval of the Secretary, may employ and prescribe the functions of such officers and employees, including attorneys, as are necessary to administer the programs and authorities to be carried out through the Institute.".

TITLE III—TECHNICAL AND CONFORMING AMENDMENTS

SEC. 301. Section 5108(c) of title 5, United States Code, is amended—

(1) by striking out the period at the end of paragraph (10)(B) and inserting in lieu thereof a semicolon;

(2) by redesignating the paragraph (10) relating to the Law Enforcement Assistance Administration as paragraph (11) and by striking out the period at the end of that paragraph and inserting in lieu thereof a semicolon;

(3) by redesignating the paragraph (10) relating to the Chief Judge of the United States Tax Court as paragraph (12) and by striking out "and" at the end of that paragraph;

(4) by redesignating the paragraph (11) relating to the Chairman of the Equal Employment Opportunity Commission as paragraph (13) and by striking out the period at the end of that paragraph and inserting in lieu thereof "; and"; and

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

"(14) the Secretary of Health, Education, and Welfare, subject to the standards and procedures prescribed by this chapter, may place a total of eleven positions in the National Institute on Alcohol Abuse and Alcoholism in GS–16, 17, and 18.".

SEC. 302. Section 247 of the Community Mental Health Centers Act (42 U.S.C. 2688j–2) is repealed.

SEC. 303. (a) Section 408 of the Drug Abuse Office and Treatment Act of 1972 (21 U.S.C. 1175) is amended to read as follows:

"§ 408. Confidentiality of patient records

"(a) Records of the identity, diagnosis, prognosis, or treatment of any patient which are maintained in connection with the performance of any drug abuse prevention function conducted, regulated, or directly or indirectly assisted by any department or agency of the United States shall, except as provided in subsection (e), be confidential and be disclosed only for the purposes and under the circumstances expressly authorized under subsection (b) of this section.

"(b)(1) The content of any record referred to in subsection (a) may be disclosed in accordance with the prior written consent of the patient with respect to whom such record is maintained, but only to such extent, under such circumstances, and for such purposes as may be allowed under regulations prescribed pursuant to subsection (g).

"(2) Whether or not the patient, with respect to whom any given record referred to in subsection (a) of this section is maintained, gives his written consent, the content of such record may be disclosed as follows:

"(A) To medical personnel to the extent necessary to meet a bona fide medical emergency.

"(B) To qualified personnel for the purpose of conducting scientific research, management audits, financial audits, or program evaluation, but such personnel may not identify, directly or indirectly, any individual patient in any report of such research, audit, or evaluation, or otherwise disclose patient identities in any manner.

"(C) If authorized by an appropriate order of a court of competent jurisdiction granted after application showing good cause therefor. In assessing good cause the court shall weigh the public interest and the need for disclosure against the injury to the patient, to the physician-patient relationship, and to the treatment services. Upon the granting of such order, the court, in determining the extent to which any disclosure of all or any part of any record is necessary, shall impose appropriate safeguards against unauthorized disclosure.

"(c) Except as authorized by a court order granted under subsection (b)(2)(C) of this section, no record referred to in subsection (a) may be used to initiate or substantiate any criminal charges against a patient or to conduct any investigation of a patient.

"(d) The prohibitions of this section continue to apply to records concerning any individual who has been a patient, irrespective of whether or when he ceases to be a patient.

"(e) The prohibitions of this section do not apply to any interchange of records—

"(1) within the Armed Forces or within those components of the Veterans' Administation furnishing health care to veterans, or

"(2) between such components and the Armed Forces.

"(f) Any person who violates any provision of this section or any regulation issued pursuant to this section shall be fined not more than $500 in the case of a first offense, and not more than $5,000 in the case of each subsequent offense.

"(g) The Director of the Special Action Office for Drug Abuse Prevention, after consultation with the Administrator of Veterans' Affairs and the heads of other Federal departments and agencies substantially affected thereby, shall prescribe regulations to carry out the purposes of this section. These regulations may contain such definitions, and may provide for such safeguards and procedures, including procedures and criteria for the issuance and scope of orders under subsection (b)(2)(C), as in the judgment of the Director are necessary or proper to effectuate the purposes of this section, to prevent circumvention or evasion thereof, or to facilitate compliance therewith.".

(b)(1) Effective on the date specified in section 104 of the Drug Abuse Office and Treatment Act of 1972 (21 U.S.C. 1104), the first sentence of section 408(g) of that Act (21 U.S.C. 1175) is amended by striking "Director of the Special Action Office for Drug Abuse Prevention" and inserting in lieu thereof "Secretary of Health, Education, and Welfare", and the second sentence of such section is amended by striking "Director" and inserting "Secretary" in lieu thereof.

(2) Effective on the date specified in paragraph (1) of this subsection, section 408 of such Act is further amended by—

(A) striking out "The" and inserting in lieu thereof "Except as provided in subsection (h) of this section, the" in the first sentence of subsection (g) of such section; and

(B) adding at the end of such section the following new subsection:

"(h) The Administrator of Veterans' Affairs, through the Chief Medical Director, shall, to the maximum feasible extent consistent with their responsibilities under title 38, United States Code, prescribe regulations making applicable the regulations established by the Secretary under subsection (g) of this section to records maintained in connection with the provision of hospital care, nursing home care, domiciliary care, and medical services under such title 38 to veterans suffering from drug abuse. In prescribing and implementing regulations pursuant to this subsection, the Administrator shall, from time to time, consult with the Secretary in order to achieve the maximum possible coordination of the regulations, and the implementation thereof, which they each prescribe.".

(c) The Administrator of Veterans' Affairs shall submit to the appropriate committees of the House of Representatives and the Senate a full report (1) on the regulations (including guidelines, policies, and procedures thereunder) he has prescribed pursuant to section 408(h) of the Drug Abuse Office and Treatment Act of 1972, (2) explaining the bases for any inconsistency between such regulations and the regulations of the Secretary of Health, Education, and Welfare under section 408(g) of that Act, (3) on the extent, substance, and results of his consultations with the Secretary respecting the prescribing and implementation of the Administrator's regulations, and (4) containing such recommendations for legislation and administrative actions as he determines are necessary and desirable. The Administrator shall submit such report not later than sixty days after the effective date of the regulations prescribed by the Secretary under such section 408(g), and shall timely publish such report in the Federal Register.

(d) Any regulation under or with respect to section 408 of the Drug Abuse Office and Treatment Act of 1972 (21 U.S.C. 1175) issued by the Director of the Special Action Office for Drug Abuse Prevention prior to the date specified in section 104 of that Act (21 U.S.C. 1104), whether before or after the enactment of this Act, shall remain in effect until revoked or amended by the Director or the Secretary of Health, Education, and Welfare, as the case may be.

ORDER FOR PRINTING OF A BILL

Mr. KENNEDY. Mr. President, on September 11 the Senate agreed to an amendment to H.R. 7724, the National Service Awards and Protection of Human Subjects Act. No copies were printed at the time. Because of the unusual interest in the amendment, I ask unanimous consent that H.R. 7724, as amended and passed by the Senate, be printed.

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

CONGRESSIONAL BUDGET ACT OF 1974

The Senate continued with the consideration of the bill (S. 1541) to provide for the reform of congressional procedures with respect to the enactment of fiscal measures; to provide ceilings on Federal expenditures and the national debt; to create a budget committee in each House; to create a congressional office of the budget, and for other purposes.

AMENDMENT NO. 473

Mr. HARTKE. Mr. President, I call up my amendment No. 473 and ask that it be read.

The PRESIDING OFFICER. There is not a copy of the amendment at the desk.

Mr. HARTKE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

Mr. HARTKE's amendment (No. 473) is as follows:

TITLE II. OFFICE OF COUNSEL GENERAL

DECLARATION OF PURPOSE

SEC. 201. The Congress finds and declares that there is a need for a professional legal counsel to the Congress learned in the law, the Constitution, and the legislative process; that the Congress is a coequal branch of the United States Government with specific powers under article I of the United States Constitution; that the enacment of laws necessitates the continual review of such laws under the United States Constitution; that representation of the Congress in the coequal judiciary branch in all matters of law and fact is now a function of the coequal branch, the executive; that to insure the continued equality of the three branches of Government under the United States Constitution and to advise Members of the constitutionality of proposed legislation, it is hereby declared to be the intent of Congress to establish with the legislative branch an Office of the Counsel General which will carry out the purposes herein set forth.

ESTABLISHMENT

SEC. 202. (a) There is established in the legislative branch of the Government the Office of Counsel General (hereinafter referred to as the "Office");

(b) There shall be in the Office a Counsel General (hereinafter referred to as the "Counsel") and a Deputy Counsel General (hereinafter referred to as the "Deputy Counsel"), each of whom shall be appointed by the President pro tempore of the Senate and the Speaker of the House of Representatives and confirmed by a majority vote of each House;

(c) The Counsel and Deputy Counsel shall be chosen without regard to political affiliation and solely on the basis of fitness to perform the duties of the Office;

(d) The Office shall be under the control and supervision of the Counsel, and shall have a seal adopted by him. The Deputy Counsel shall perform such duties as may be assigned to him by the Counsel, not inconsistent with this Act, and during the absence or incapacity of the Counsel, or during a vacancy in that office, shall act as the Counsel;

(e) The annual compensation of the Counsel shall be the same as Members of Congress. The annual compensation of the Deputy Counsel shall be at the rate provided for level IV of the Executive Schedule in title 5 of the United States Code.

(f) No person may serve as Counsel or Deputy Counsel while a candidate for or holder of any elected office, whether local, State, or Federal, or while engaged in any other business, vocation, or employment;

(g) The terms of office of the Counsel and the Deputy Counsel first appointed shall expire on January 31, 1977. The term of office of Counsel and Deputy Counsel subsequently appointed shall expire on January 31 every four years thereafter. Except in the case of his removal under the provisions of subsection (h), a Counsel or Deputy Counsel may serve until his successor is appointed.

(h) The Counsel or Deputy Counsel may be removed at any time by a joint resolution of the Senate and House of Representatives,

when, in the judgment of the Congress, either has become permanently incapacitated, or has been guilty of any felony, misconduct, or any other conduct involving moral turpitude.

DUTIES OF THE COUNSEL GENERAL

SEC. 203. (a) It shall be the duty of the Counsel General, under such rules as the Committee on the Judiciary of the Senate and the House of Representatives may jointly prescribe from time to time, to:

(1) Render to committees, Members, and disbursing officers of the Congress, the Comptroller General, and other officers exclusively within the legislative branch, legal opinions upon questions arising under the Constitution and laws of the United States;

(2) Render to committee and Members advice with respect to the purpose and effect of provisions contained in Acts of the Congress, or to be inserted in proposed legislative measures;

(3) Perform such duties with respect to legislative review of executive actions as shall be prescribed by such rules;

(4) Appear as amicus curiae, upon the request, or with the approval, of the Committee on the Judiciary of the Senate or the House of Representatives, in any action pending in any court of the United States in which there is placed in issue the constitutional validity or interpretation of any Act of the Congress, or the validity of any official proceeding of or action taken by either House of Congress or by any committee, Member, officer, office, or agency of the Congress; and

(5) Represent, upon the request, or with the approval of the Committee on the Judiciary of the Senate or the House of Representatives, either House of Congress or any committee, Member, officer, office, or agency. of the Congress in any legal action pending in any court of the United States to which such House committee, Member, officer, office, or agency is a party and in which there is placed in issue the validity of any official proceeding of or action taken by such House, committee, Member, officer, office or agency.

(b) Upon receipt of written notice from the Counsel to the effect that he has undertaken pursuant to subsection (a)(5) of this section to perform any such specified representational service with respect to any designated action or proceeding pending or to be instituted in a court of the United States, the Attorney General shall be relieved of responsibility and shall have no authority to perform such service in such action or proceeding except at the request or with the approval of the Counsel General.

(c) The Counsel General shall seek the assistance and cooperation of a Member, committee, officer, office, or agency in all proceedings under this Act when such Member, committee, officer, office, or agency is a party to an action or has a present or future interest in the action.

ADMINISTRATIVE PROVISIONS

SEC. 204. (a) In order to carry out the provisions of this Act, the Counsel General is authorized to—

(1) appoint and fix the compensation of such Assistant Counsels General, clerks, and other personnel as may be necessary to carry on the work of the Office. Assistant Counsels General shall be appointed without reference to political affiliations and solely on the basis of fitness to perform the duties of the Office;

(2) to make, promulgate, issue, rescind, and amend such rules and regulations as may be necessary to carry out the duties of the Office under this Act;:

(3) delegate authority for the performance of any such duty to any officer or employee of such Office;

(4) obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code;

(5) use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

AUTHORIZATION OF APPROPRIATIONS

SEC. 205. There are hereby authorized to be appropriated to the Office of the Counsel General such sums as may be required for the performance of the duties of the Counsel General under this Act. Amounts so appropriated shall be disbursed by the Secretary of the Senate on vouchers approved by the Counsel General.

Mr. HARTKE. Mr. President, this amendment provides for the establishment of the Office of Counsel General, or what my be called Congressional Counsel General.

This is not a new measure before the Senate; it is one which I have been proposing for a number of years. Our Constitution states that the Legislature is a coequal branch of the Government. However, at the present time, in regard to interpretation of the laws or other matters affecting the Legislature, the Congress has had to rely upon one of two procedures: either to depend on the Attorney General of the United States, as a part of the executive branch, to interpret and present congressional intent, or ask for the appointment of special committees, such as in the case of the Watergate Committee.

I have discussed the Office of Counsel General with the floor manager, the distinguished Senator from North Carolina, and he has indicated, on his own volition, that he intends to hold hearings on my proposition. However, I would like to have that stated for the RECORD as conclusive evidence that the matter will be given the attention it deserves.

Mr. ERVIN. Mr. President, the distinguished Senator from Indiana is correct. He has introduced a bill to establish an Office of Counsel General for Congress. I might state that, prior to the time the present measure was reported to the Senate, the Judiciary Subcommittee on Separation of Powers had made arrangements to conduct a hearing on such bills, I believe next week, and I invite the distinguished Senator from Indiana to appear as a witness at that hearing.

Mr. HARTKE. I thank the distinguished Senator from North Carolina for those assurances, and I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

AMENDME IT NO. 468

Mr. HARTKE. Mr. President, I call up my amendment No. 468, and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

Mr. HARTKE. I ask unanimous consent that the reading of the amendment be dispensed with.

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

Mr. HARTKE's amendment (No. 468) is as follows:

TITLE II—OFFICE OF CONSTITUENT ASSISTANCE

DECLARATION OF PURPOSE

SEC. 201. The Congress finds and declares that there is a need for a more explicit and reasonable method of handling constituent inquiries to the various Members; and that the bureaucratic process in the Federal Government is such that the citizenry is unable to ascertain the appropriate remedy to pursue in cases of grievances; that the various issues which concern the citizenry are so numerous that an analysis of these issues will lead to an informed representation; and that the staffs of the various Members are unable to expertly assist their constituents. In order to meet the needs of the constituents of the Members and to establish a framework of national issue analysis within which the decisions of the Congress persons can be made in a consistent and considered manner, and to stimulate an informed awareness of the national priorities, it is hereby declared to be the intent of Congress to establish an office within the Congress which will carry out the purposes herein set forth.

ESTABLISHMENT

SEC. 202. (a) There is established in the legislative branch of the Government the Office of Constituent Assistance (hereinafter referred to as the "Office").

(b) There shall be in the Office a Director of Constituent Assistance (hereinafter referred to as the "Director") and an Assistant Director of Constituent Assistance (hereinafter referred to as the "Assistant Director"), each of whom shall be appointed by the President pro tempore of the Senate and the Speaker of the House of Representatives and confirmed by a majority vote of each House.

(c) The Office shall be under the control and supervision of the Director, and shall have a seal adopted by him. The Assistant Director shall perform such duties as may be assigned to him by the Director, and during the absence or incapacity of the Director, or during a vacancy in that office, shall act as the Director.

(d) No person may serve as Director or Assistant Director while a candidate for or holder of any elected office, whether local, State, or Federal, or while engaged in any other business, vocation, or employment.

(e) The annual compensation of the Director shall be at the rate provided for level III of the Executive Schedule in title 5 of the United States Code. The annual compensation of the Assistant Director shall be at the rate provided for level IV of such Executive Schedule.

(f) The terms of office for the Director and the Assistant Director first appointed shall expire on January 31, 1977. The terms of office of Directors and Assistant Directors subsequently appointed shall expire on January 31 every four years thereafter. Except in the case of his removal under the provisions of subsection (g), a Director or Assistant Director may serve until his successor is appointed.

(g) The Director or Assistant Director may be removed at any time by a joint resolution of the Senate and House of Representatives, when, in the judgment of the Congress, either has become permanently incapacitated, or has been guilty of any felony, misconduct, or any other conduct involving moral turpitude.

(h) The professional staff members, including the Director and Assistant Director, shall be persons selected without regard to political affiliations who, as a result of training, experience, and attainments, are exceptionally qualified to execute the purpose of the Office.

DUTIES OF THE DIRECTOR AND ASSISTANT DIRECTOR

SEC. 203. (a) Upon the request of any Member of either House of Congress, or the request of any standing committee, special committee, or select committee of the House of Representatives or of the Senate, or any joint committee of the Congress, the Director is authorized—

(1) to conduct or cause to be conducted, in such manner as he determines to be appropriate, an appropriate investigation of any administrative action not exempted under section 205, which might be—

(A) contrary to law or regulation;

(B) unreasonable, unfair, oppressive, or inconsistent with the general course of an administrative agency's functioning;

(C) mistaken in law or arbitrary in ascertainments of facts;

(D) improper in motivation or based on irrelevant considerations;

(E) unclear or inadequately explained when reasons should have been revealed;

(F) inefficiency performed; or

(G) otherwise objectionable;

(2) prepare a complete report on the results of the investigation, and furnish a copy of the report to the requesting Member or committee and furnish a copy of the report to the head of the agency concerned with a request for a reply, and whenever he determines not to investigate, inform the requesting Member or committee of his determination, with his reasons therefor; and

(3) prepare such interim reports to the Congress as he deems appropriate.

(b) The Director shall cause to be issued a questionnaire each week to each Member and committee which shall request information pertaining to a list of issues which each recipient shall promptly return to the Director indicating the number of constituent inquiries on each issue. The questionnaire shall—

(1) be without regard to political affiliation;

(2) contain available space for the addition of issues;

(3) contain space for comments peculiar to regional analysis; and

(4) reflect patterns peculiar to a single issue.

FUNCTIONS

SEC. 204. (a) The Office shall make such studies as it deems necessary to carry out the purposes of section 201. Primary emphasis shall be given to supplying such analysis as will be most useful to the Congress in voting on the measures which come before it, and on providing the framework and overview of priority considerations within which a meaningful consideration of individual measures can be undertaken.

(b) The Office shall submit to the Congress on the first Monday of each month, unless a legal holiday in which case the first working day thereafter, and annually on March 1 of each year, a report on constituent inquiries and copies of such reports shall be furnished to each committee and each Member of the Senate and the House of Representatives. The reports shall contain—

(1) an index of the issues and the total number of inquiries per each issue as furnished by the office of each Member and committee;

(2) issues under investigation by the Office, and the agency involved; and

(3) recommendations concerning priorities among Federal programs and courses of action, including the identification of those programs and courses of action which should be given greatest priority and those which could more properly be deferred as reflected by the constituent inquiries.

EXEMPTED MATTERS

SEC. 205. No complaint shall be subject to investigation by the Director under the provisions of this Act if such complaint involves—

(A) any administrative action concerning the appointment, removal, discipline, benefits, or other personnel matters with respect to—

(1) any member of the Armed Forces of the United States;

(2) any officer or employee of the Government of the United States;

(B) any administrative action, which occurred more than one year prior to the date on which the person complaining of such action had actual notice thereof, except in unusual circumstances, the Director may investigate a complaint of an administrative action that would otherwise be exempt under this paragraph;

(C) any administrative action based upon a complaint which the Director determines, at his discretion, to be trivial, frivolous, vexatious, or not made in good faith.

DEFINITIONS

SEC. 206. As used in this Act, the term—

(A) "administrative action" includes action, omission, decision, recommendation, practice, or procedure;

(B) "agency" means each authority of the Government of the United States, whether or not it is within or subject to review by another agency, and any officer, or member thereof acting or purporting to act in the exercise of his official duties, but does not include—

(1) the President;

(2) the Congress;

(3) the courts of the United States;

(4) the governments of the territories or possessions of the United States;

(5) the government of the District of Columbia;

(6) agencies composed of representatives of the parties or of representatives of organizations of the parties to the disputes determined by them;

(7) courts-martial and military commissions; or

(8) military authority exercised in the field in time of war or national emergency.

ADMINISTRATIVE PROVISIONS

SEC. 207. (a) In order to carry out the provisions of this Act, the Director is authorized to—

(1) employ and fix the compensation of such attorneys, clerks, and other personnel as may be necessary to carry on the work of the Office, and such personnel shall be employed without reference to political affiliations and solely on the basis of fitness to perform the duties of the office;

(2) to make, promulgate, issue, rescind, and amend such rules and regulations as may be necessary to carry out the duties of the Office under this Act;

(3) delegate authority for the performance of any such duty to any officer or employee of such Office;

(4) request such information, data, and reports from any agency as the Director may from time to time require and as may be produced consistent with other law;

(5) hold private discussions or meetings with either the person complaining of an administrative action under investigation or officers or employees of the agency concerned, or both;

(6) prepare and submit annually to the President, to the Speaker of the House of Representatives and to the President pro tempore of the Senate a report on the activities of the Office during the previous year;

(7) obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code; and

(8) use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(b) Upon request made by the Director each agency is authorized to make its information, data, and reports (including suggestions, estimates, and statistics) available to the greatest practical extent consistent with other laws to the Director in the performance of his functions.

(c) Section 2107 of title 5, United States Code, is amended by—

(1) striking out the "and" at the end of paragraph (7);

(2) striking the period at the end of paragraph (8) and inserting in lieu thereof a semicolon and the word "and"; and

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

"(9) the Director, Assistant Director, and employees of the Office of Constituent Assistance.".

EFFECT OF OTHER LAWS

SEC. 208. The provisions of this Act shall be in addition to the provisions of any other law or regulation under which any remedy or right of appeal is provided for any person, or any procedure is provided for the inquiry into or investigation of any matter, and nothing in this Act shall limit or affect any such remedy, right of appeal, or procedure. The powers conferred on the Director by this Act may be exercised by him notwithstanding any other provision of law to the effect that any administrative action or omission shall be final or that no appeal shall lie in respect thereof.

AUTHORIZATION OF APPROPRIATION

SEC. 209. There are hereby authorized to be appropriated to the Office of Constituent Assistance such sums as may be required for the performance of the duties of the Office under this Act. Amounts so appropriated shall be disbursed by the Secretary of the Senate on vouchers approved by the Office of Constituent Assistance.

Mr. HARTKE. Mr. President, this amendment also seeks congressional reforms similar to mine, and would establish the previous amendment, an Office of Constituent Assistance.

The purpose of my amendment is to find a more explicit and efficient method to deal with the work of the Congress. We have at present staff members spending a great deal of time doing casework. They are trying to assure that constituents receive proper attention from the massive governmental bureaucracy.

I have discussed this amendment with the chairman of the Subcommittee on the Separation of Powers with the acting floor manager, the distinguished Senator from North Carolina (Mr. ERVIN). He has assured me that hearings will be held on this proposal. I should like the assurance of the floor manager that such hearings will be held at a time convenient to the committee.

Mr. ERVIN. Mr. President, the Senator from Indiana has a bill to establish an Office of Constituent Assistance. The staff has had consultations with the distinguished Senator from Montana (Mr. METCALF), who is chairman of the Subcommittee on Budgeting, Management, and Expenditures, and he has agreed to held hearings on that concept as speedily as possible. I can assure the Senator from Indiana that if he does not press his amendment to S. 1541, the Subcommittee on Government Operations will conduct speedy hearings on the concept put forward in his amendment.

Mr. HARTKE. I want to thank the distinguished Senator from North Carolina. Hearings on both amendments which I have proposed are preferential to proceeding with them here on the floor at this time. With that assurance, I ask unanimous consent that amendment No. 468 be withdrawn.

The PRESIDING OFFICER (Mr. ABOUREZK). Before the yeas and nays are ordered, the Chair will state that the Senator has a right to withdraw his amendment without asking unanimous consent.

The amendment is withdrawn.

Mr. HARTKE. Mr. President, I ask unanimous consent that two statements concerning the two amendments I have just offered be printed in the RECORD.

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

STATEMENT BY SENATOR HARTKE

A LEGAL COUNSEL FOR THE CONGRESS

The founding fathers of our nation provided that the powers of the United States government be distributed among the Legislative, Executive, and Judicial branches. By this separation of powers and a number of checks and balances, the writers of the Constitution hoped to avoid excessive concentration of power which would lead to abuse. This system has stood the test of time because it has allowed for flexibility and change in a world in which enormous changes have taken place. To meet the changes, major shifts of power from the States to the Federal Government and from the Legislative branch to the Executive branch have taken place. These shifts in power have to some extent been necessary to cope with the problems of our age. The Courts have kept in step with the times by challenging the encroachment of the Federal Government upon the rights and liberties of citizens. The Executive has grown to meet the demands of a modern society. However, the Legislative branch has not kept in step with these developments and has not acted to preserve its domain in a changing world. Consequently the doctrine of separation of powers and the doctrine of checks and balances are threatened by the fact that the Legislative branch has not developed the means of dealing with the vast amount of power in the Executive bureaucracy.

As the volume of business, size, and number of agencies and departments in the Executive branch has proliferated, Congress has been forced to allow the Executive branch to develop its own rules, regulations, and procedures, while at the same time relying more and more upon the Executive branch to supply it with the information needed to legislate on complex subjects. As the size of this Executive leviathan has grown to powerful proportions, Congress has done little to see that it remains responsive to Congressional oversight and thus to the people. Today the Legislative powers of Congress are in fact threatened by the vastness of the Executive complex.

There is an increasing need for Congress to expand its watchfulness not in order to interfere with the proper functioning of the Executive branch, but to insure its proper functioning by timely action to prevent abdication of its powers and abuse of powers delegated to the Executive agencies. When Congress has been specific in its delegations of power, the agencies concerned have tended to be more able to apply themselves to the tasks at hand. By the same token, agency performance should be improved if Congress has a means to indicate when the departments and agencies have lost sight of the direction Congress has set forth.

The conflicts between the interests of Congress and those of the Executive branch have increased with the proliferation of departments and agencies designed to serve special constituencies. These constituencies represent separate interests, which makes it increasingly necessary for Congress to have someone who can speak not for the constituencies which become involved in the daily administering of legislation, but for the Congress and the people who sought the legislation in the first place. Congress has always depended upon the Courts and litigation to control the Executive branch, and upon the Justice Department, which is simply another arm of the Executive, to represent the view of Congress before the Courts. However, in view of the vast changes which have taken place in recent years, the time has now come to equip Congress with the tools needed to challenge the growing supremacy of the Executive in this area.

There have been cases in which there has been a sufficient conflict of interest between Congress and the Executive, or sufficient special interest by Congress, to make it desirable for special counsel for the Congress' to be appointed to appear before the Courts as amicus curiae. It is the duty of Congress to enact legislation, and there is certainly enough work in this area to keep it busy, but Congress needs assistance in seeing that the legislation once passed actually becomes the law and remains the law. This is not to suggest that the enforcement of laws or the interpretation of laws is the proper domain of Congress, nor that the Courts have an obligation to read statutes the way Congress reads a statute. Indeed Congress does not always have one clear intention, nor has its intention always been expressed clearly in the law it enacts. However, in an age where executive powers have become so extensive, the Courts should be eager to seek the viewpoint of Congress on its laws in order to offset the growing power of the Executive, and it should be the practice for Congress to present its view before the Courts if it so chooses.

At present the Justice Department represents the "United States" in Court proceedings, and this is as it should be. However, the Courts, like the framers of the Constitution, have always been concerned about the absolute power of the man who not only enforces the law but can also make the law he will enforce. Thus, since the Justice Department acting as a party to a case often presents the view of the Executive branch that has made the regulations involved in the outcome of the case, it would seem to be only appropriate for the Courts to consult Congress which made the law as to whether those regulations were an appropriate exercise of its delegation of authority. A Counsel for the Congress would not be in the business of enforcing the law, but rather he would provide an authoritative interpretation of the laws on behalf of the institution of Congress rather than for the Courts to rely solely upon the Justice Department or another party to the case. The Court in the final analysis is to make the decision in the case as to which view of the law will be held valid, but it will be after listening to arguments, not only by the Executive branch, but by the Congress as well.

Thus, in some cases, a remedy to abuse of Executive powers may be found by the presentation of Congressional intent to the Court. However, there often is no real remedy to be obtained from a Court. In these cases which involve resolutions on foreign affairs or cases which are still at an earlier stage of executive rule making, if members and Committees of Congress could obtain the legal opinion of its Counsel upon matters in dispute, some restraining influence might be exerted upon the Executive branch.

To summarize, Congress needs a voice after legislation has been passed. This voice is that of a lawyer who will go before the Courts and represent the Congress just as a private lawyer does, but he will not, except in exceptional cases such as contempt of Congress, actually intervene or initiate a case. Like a private lawyer, he will have functions as an advisor to Congress and in the presentation of legal opinions to Committees or Members of Congress he will indicate whether the laws which Congress has adopted are being respected by the Executive branch of the government. I am today introducing legislation to establish a legal counsel for Congress.

The Counsel of Congress should be the finest legal counsel Congress can obtain. Although this proposal limits his term of office to four years, it is probable that he would remain in office even as the composition of Congress changes. That is not only because his appointment is to be made without regard to political affiliation, but also because Congress would hesitate to remove a man who conscientiously attempted to ascertain the meaning of legislation and represent the interest of Congress as an institution. Congress would hesitate to politically devalue an office which would be so valuable to it. It is not, however, inconceivable that Congress may decide that its Counsel has failed to maintain those high standards which it hopes. In such cases, it would be in Congressional interest to name a new man. Thus, the power of the Congressional Counsel would be directly proportional to his loyalty to ascertaining as accurately as possible the meaning and intent of legislation.

There are certain built-in checks on the Counsel General. First, he must have the authority of either the House or Senate Judiciary Committee to enter a Court as an amicus. Secondly, his position as an amicus is limited to presenting the viewpoint of Congress on the constitutionality of its laws and to representing Congress in assisting the Courts to ascertain the meaning of its legislation. To the extent that his views on the meaning of legislation are solidly based, he will become respected by the Courts. However, to the extent that he would come under control of some political faction, he would tend to be disregarded by the Courts.

There will be a great deal of restraint acting on any man who dares to present the legislative intent of Congress and act as the lawyer representing Congress. Like a private lawyer he must represent his own client, and also be persuasive to the Court. It is indeed the quality of the Counsel which would determine his success. Furthermore, there is essentially nothing new in his function since the Congress already has someone interpreting its intent in the form of the Attorney General. However, no matter how fine a lawyer he may be, the Attorney General is still a part of the Executive branch which the Congress is seeking to control and cannot escape representing the interests of the Executive branch. In an age where the volume of business has become so great that Congress cannot maintain a watchful eye over all the executive agencies, the idea that the Attorney General can present the view of Congressional intent is in effect to allow the administrative agencies of the government to have more and more opportunity to promulgate law at variance with the will of Congress. Much of the history of administrative law centers around the question of the delegation of authority of a growing and complex society. This delegation of authority has often been necessary. However, the Courts in their development of administrative law have laid down limitations on the powers of the legislative agencies to make their own law. The delegation doctrine may at times seem rather broad, but the idea remains that Congress must not abdicate its powers wholesale to the Executive branch. The Congressional Counsel General might be considered as an additional check against the Executive power in support of that doctrine.

The precedent for such an officer in the Legislative branch comes in part from the existence of the General Accounting Office which functions as an agency of Congress. The General Accounting Office under the Comptroller General makes independent examinations of the way that government agencies fulfill their financial responsibilities. The Comptroller General has access, with limited exceptions, to the papers of all departments. He also determines accounting procedures, settles accounts for disbursing and collecting officers, and renders decisions on the legality of expenditures of public funds. In many respects the Congressional Counsel General would be far more limited

than the Comptroller General in that he will have no access to papers nor will he have any decision-making powers affecting the other branches of the government.

The functions of the congressional counsel general

The Counsel for Congress under my amendment will perform functions at several stages of the legal process subject to "such rules as the Committees on the Judiciary of the Senate and House of Representatives may prescribe jointly from time to time."

First of all, the Congressional Counsel General would "perform such duties with respect to legislative review of executive actions as shall be prescribed by such rules." Congress often fails to take into account all the factors which later arise in the administration of legislation. In order to encourage the Administrative agencies and departments to respect Congressional legislation, Congress must do a far better job of legislative oversight. Thus, the Counsel of Congress could assist Congress in the initiation of new and corrective legislation. By reviewing the actions of Courts and administrative agencies, he will uncover areas of policy where there is no existing legislation, where the existing legislation is unclear, or where legislation is in effect being made by the Executive. Each year the Counsel could present to Congress an agenda of law revisions with recommendations and alternatives to be considered. This would greatly help Congress perform its oversight and legislative review function. Emphasis upon this particular role of the Counsel General may very well reduce the role he will have to play in subsequent Court proceedings.

Secondly, the Counsel of Congress would "render to committees and Members of Congress advice with respect to the purpose and effect of provisions contained in Acts of the Congress or to be inserted in proposed legislative measures." Thus, the Counsel would provide upon request confidential advisories on the effects and constitutionality of proposed legislation during the legislative process so that legislation will have more likelihood of having effect and being enforced.

Third, the Counsel of Congress would "render to committees, Members, and disbursing officers of the Congress, and to the Comptroller General, legal opinions upon questions arising under the Constitution and laws of the United States." The Congressional Counsel General, through the rendering of legal opinions upon the laws of Congress to committees of Congress, will provide a way for Members and committees of Congress to present an authoritative viewpoint to Executive departments and agencies upon the validity, but not the merit, of regulations such as the new antidumping regulations or various income tax regulations. In this capacity the Counsel will speak authoritatively in the sense of being the counsel representing Congress. However, he will have no dictatorial powers in as much as any department or agency will still be able to promulgate any rules it wishes and then test their validity in Court.

In this capacity the Counsel of Congress could maintain, with the co-ordination of the respective committees of Congress, the history, purpose, and intent of legislation so that after enactment of legislation there will be a complete and authoritative legislative history. This legislative history would become part of the material to be sent to the President with a bill and entered into the Federal Register or a similar publication. This will not only enable the Executive to perform its function better but also assist future Counsels of Congress in performing their functions of rendering legal opinions and representing Congress before the Courts on the meaning of its laws. It should be noted that the proposal does not seek to integrate the legal staffs of the Committees or Legislative Counsel. This is deliberate in order to maintain the pluralism of views within the Congress which the present system provides.

Fourth, the Counsel would "appear as amicus curiae, upon the request, or with the approval, of the Committee on the Judiciary of the Senate or House of Representatives, in any action pending in any court of the United States in which there is placed in issue the constitutional validity or interpretation of any Act of the Congress, or the validity of any official proceeding of or actions taken by either House of Congress or by any committee, Member, officer, office, or agency of the Congress." The Courts will still have the right to determine who may appear as amicus curiae, but this section will make it possible for the Courts to accept the Congressional Counsel General in the capacity of lawyer for Congress.

Fifth, the Counsel would "represent, upon the request, or with the approval of the Committee on the Judiciary of the Senate or House of Representatives, either House of Congress or any committee, Member, officer, office, or agency of the Congress in any legal action pending in any court of the United States to which such House committee, Member, office or agency is a party and in which there is placed in issue the validity of any official proceeding of or action taken by such House, committee, officer, office or agency." The Congressional Counsel General would be authorized to replace the Attorney General in this capacity. The reason for this stems from the peculiar interest of Congress in these cases, and the right of Congress to prosecute its own contempt cases. Although this authority has been in the past delegated to the Justice Department, the existence of a full-time Congressional Counsel would only make it appropriate that he be responsible for a case within the traditional powers of Congress.

The purpose of these provisions is to restore the authority of Congress to make valid law. Individual Congressmen or Committees could follow the course of a bill after its enactment, but Congress already has its hands full with current legislation. Furthermore, no one Congressman can speak with much authority, nor can a Committee co-ordinate these efforts without a large staff working in this area exclusively. On the other hand it has been suggested that the Justice Department could be made into an independent agency, but the question would then arise as to how to control it and make it responsible to the people. The Congressional Counsel General would be tied directly to the legislative branch.

In summary, the proposal to create a Congressional Counsel General is perhaps a novel one, but one which is necessitated by the growth of administrative bureaucracy. It is a means to assist Congress internally by assisting it in performing its oversight function, by review of executive and judicial acts as well as by assisting in improving its legislation. It is also a means to assist Congress externally by keeping the Administrative departments and agencies responsive to Congress from which their authority is derived. In both his internal and external functions the Congressional Counsel General will assist in making Congress a more effective branch of our government and thus strengthen the principle of separation of powers.

AMENDMENT NO. 468 TO S. 1541

My amendment to establish an Office of Constituent Assistance is long overdue in the Congress. The quantity of mail we are receiving is at an all time high.

During the past fifty years, we have witnessed the growth of an ever-more-complex society. Problems of housing, employment, education, and health which hardly were imagined a half-century ago now beset us. Whether it is federalism under Alexander Hamilton, Franklin Roosevelt or Richard Nixon, the problem is the same, government of the people, by the people and for the people in Washington, D.C.

Today, there are few aspects of our daily lives that are not touched upon by the government. One need only look about in this, the Nation's Capital, to see the vastness of our government. Behind the walls of glass and stone sit people whose actions and decisions affect the lives of others who may be hundreds or thousands of miles away.

Inevitably, careless or senseless exercises of public authority occur. The bureaucratic process is prone to impersonality and "red tape." Caught up in confusing regulations, procedures, and policies, the individual citizen is often helpless. Nearly two hundred years ago our forefathers entered into a Declaration of Independence for the people claiming: "In every stage of those oppressions we have petitioned for redress in the most humble terms: Our repeated petitions have been answered only by repeated injury."

We, the elected representatives of the people, must establish a peaceful, efficient, productive, direct method for the people to petition their complex government for redress of their grievances.

The people who come to us in Congress in search of help, request an answer to a problem or a redress of a grievance. In short, they make use of us as their advocates. No function could be more appropriate, for we are here in Washington to represent their interests and look to their welfare.

So great have the needs of our constituents become that Members of Congress and their staffs spend from one-third to one-half of their time on what has come to be called "casework." Although constituents write to us about a multitude of problems, many letters concern a right or a benefit which has been denied or an administrative action which was undertaken arbitrarily.

In the face of an ever-increasing amount of casework, our staffs are finding it difficult to keep up with the mail. We must protect against the possibility that constituent requests for assistance receive only perfunctory treatment. The most diligent and efficient staff has a limit to the amount of casework which it can handle in depth.

Mr. President, because I join my colleagues in placing a high priority on case work, and because I am alarmed at the prospects for its rapid growth in the future, I am today offering legislation which would create an Office of Constituent Assistance as part of the legislative branch. This office will assist Members of Congress in handling some of their casework, and thus free their staffs to spend more time on legislative activities.

I believe that the ties between a Member of Congress and a constituent are vital to the democratic process. Nothing in my proposal would weaken those ties or intrude upon that important relationship. In fact, the office I propose would actually strengthen our relationship with constituents by making it possible for us to serve them better.

The Office of Constituent Assistance would investigate those cases which have been referred to it by a Member of Congress or by a congressional committee. The director of the office is empowered to investigate those cases involving administrative actions which might be: First, contrary to law or regulation; second, arbitrary or unfair; third, mistaken in law; fourth, unclear or inadequately explained when reasons should have been revealed; fifth, improper in motivation or based on irrelevant considerations; sixth, inefficiently performed; or seventh, otherwise objectionable.

Certain matters and governmental agencies are exempted from the investigative powers of the Office of Constituent Assistance. Any administrative action which relates to a personnel decision affected a member of the

Armed Forces or an officer or employee of the Government of the United States, or any administrative action based upon a complaint which the director of the office determines to be trivial or frivolous is exempted from investigation by the director. Similarly, the director's investigative powers do not extend to matters concerning the President, the Congress, the courts of the United States, or court-martial and military commissions. I raise these points because I wish to assure my colleagues that this legislation would not establish an all-powerful office of investigation. I merely propose to create a congressional office to help us in providing our constituents with assistance.

The office would also assist us in establishing a priority analysis of issues which are of the greatest concern to the people. Each congressperson and committee would send a weekly report to the office indicating the number of letters received on each issue. The office would make a monthly report of each congressperson of the inquiries and an analysis thereof.

The Director of the Office of Constituent Assistance would be an officer of Congress, appointed by the President pro tempore of the Senate and the Speaker of the House, upon the advice and consent of both Houses, for a term of four years. His findings and recommendations would be reported directly to the Member of Congress by whom the case was referred.

The paramount virtue of the Office of Constituent Assistance is that it would provide each of us with a central staff of caseworkers to assist our personal staffs. As is the case with the Office of Legislative Counsel and the Congressional Research Service, the Office of Constituent Assistance would make available a deep reservoir of expert talent to assist us in our work.

There is a second important advantage to be gained from establishing this office. At the present time, 535 different offices handle casework but many of the problems handled by one office are mirror images of the problems handled by others. One centralized office will make it possible to determine if there are any patterns and common elements to constituent problems and thus facilitate legislative efforts to correct the conditions which cause these problems.

The establishment of such an office does not mean that we are less interested in the needs of our constituents, nor will it mean that we are in any manner removed from our responsibilities as advocates for our constituents. The Office of Constituent Assistance will enable us to perform these functions more efficiently and more effectively than in the past.

In summary, I believe that the Office of Constituent Assistance would have these major advantages:

First, it would assist us in handling the ever-increasing volume of casework.

Second, it would enable us to give more detailed and expert attention to the problems of our constituents.

Third, it would enable our staffs to devote more time to legislative activities.

Fourth, it would enable each of us to handle the problems of our constituents with more efficiency.

Fifth, it would assist the Congress in correcting those administrative deficiencies which give rise to constituent complaints.

Mr. President, I have attempted to draft my proposal so that the delicate web of checks and balances and the layers of mutual respect and trust which exist among the various branches of Government are not injured. I am convinced that the caseworkers on our staffs are dedicated and highly competent professionals whose devotion to their work is proved every day of the year. In the final analysis, however, the amount of casework and our desire to do our best to meet the needs of constituents require us to seek help. That is why I am proposing that the Office of Constituent Assistance be established.

Mr. ERVIN. Mr. President, the bill of the Senator from Indiana (Mr. HARTKE) to create a Counsel General for Congress was originally referred to the Judiciary Subcommittee on Separation of Powers. However, the present version has been referred to the Committee on Rules and Administration. However, the Subcommittee on Separation of Powers is considering several bills in this field. In case we report out some other bill, our objective will be to offer the Senator's bill as an amendment to it. So the Senator from Indiana is assured of a speedy hearing by the Subcommittee on Separation of Powers, on the General Counsel bill as well as by the Government Operations Subcommittee on the Office of Constituent Assistance bill.

Mr. HARTKE. That is very favorable. I would like to have both proposals given full consideration. As the chairman knows, a special counsel had to be appointed for the so-called Watergate Committee, of which the distinguished Senator from North Carolina is the chairman. The special counsel could have been appointed by routine regulation provided by a very orderly procedure.

I want to thank the distinguished Senator from North Carolina very much for his cooperation and consideration.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ERVIN. Mr. President, I suggest the absence of a quorum and would ask the aides to inform Senators who have further amendments to call up that we are about to go to third reading.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk procedeed to call the roll.

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

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

Mr. MONDALE. Mr. President, I send to the desk a joint amendment on behalf of myself and the Senator from California (Mr. TUNNEY) and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 124, beginning with line 14, strike out through the period in line 18, and insert in lieu thereof the following:

(e) Hearings and Report.—Before reporting the first concurrent resolution the Committee on the Budget of the Senate shall conduct hearings each year during which individual Members of Congress and public witnesses shall have an opportunity to testify on matters to be considered with respect to the first concurrent resolution on the budget referred to in subsection (a) for the fiscal year beginning on October 1 of each year. On or before May 1 of such year, the Committee on the Budget of each House shall report to its House such first concurrent resolution.

Mr. MONDALE. Mr. President, I send to the desk a joint amendment on behalf of myself and the distinguished Senator from California (Mr. TUNNEY).

First of all, I wish to congratulate the distinguished managers of the bill, the Senator from North Carolina (Mr. ERVIN), and the Senator from Maine (Mr. MUSKIE), together with the Senator from Montana (Mr. METCALF) for their magnificent work on the pending bill. I wish to thank as well the members of the Committee on Rules under the leadership of the Senator from Nevada (Mr. CANNON) and the distinguished majority whip (Mr. ROBERT C. BYRD) for their work in improving the bill.

But the original bill before the Metcalf subcommittee had many faults.

It proposed Budget Committees with majorities drawn in an unrepresentative manner.

It attempted to set binding ceilings in March of each year reaching down to Appropriations Subcommittees or even individual programs. This would be an impossible task, and it would virtually bind the Appropriations Committees—which do have the time and expertise to look at individual program needs—hand and foot.

It proposed complex procedures for floor amendments to budget resolutions—so-called rules of consistency—which would make floor amendments so difficult as to be nearly impossible.

The bill now before us is a remarkable improvement. In outline:

It provides for a budget committee with membership appointed in the regular manner, by party caucuses.

It provides for establishment of an overall, recommended target ceiling in May of each year, with subtargets by broad budget functions. This will permit the fiscal policy and priorities debate which we have always lacked.

It then permits the appropriations process to go forward unhindered.

It provides for a second concurrent resolution in August of each year, to reexamine decisions taken in the first resolution in light of subsequent economic changes and action on individual spending and revenue measures.

Finally, it provides for a reconciliation bill, incorporating revenue changes or appropriations recessions, to bring appropriations decisions into line with budget policies set in the second concurrent resolution. I believe that this process—while still complex—is far more flexible, workable, and representative than the original proposal.

I am particularly pleased that four approaches which I have long advocated appear in the pending bill.

First, that ceilings established in the first budget resolution are recommended targets, not binding on subsequent appropriations, and that these ceilings do not extend down to appropriations subcommittees or individual programs.

Second, that the bill provides for the option of pro rata reductions in appropriations for controllable expenditures if agreement cannot be reached on specific actions to meet the overall budget levels set in the second budget resolution.

Third, that the bill directs the Congressional Office of Budget to prepare a

tax expenditure budget each year, so that the Congress can make tax decisions, like spending decisions, with a clear view of who benefits from each provision. Tax loopholes are a form of Government aid, and the pending bill recognizes that fact.

Fourth, that the bill specifically provides for review and evaluation, directly and by grant or contract, of Federal programs by congressional committees. I have long felt that we in Congress are forced to rely too much on evaluations prepared by or for executive agencies—and that these evaluations too often fail to address our real concerns, and often enough are heavily influenced by official positions taken by executive agencies.

And I am pleased that the pending bill contains other features found in amendment No. 601, the Congressional Budget Control and Reform Act of 1973, which I introduced last year with the distinguished Senator from New York (Mr. JAVITS) the ranking minority member of the Government Operations Committee. These include a change in the fiscal year from June 30 to October 1—(we had recommended a calendar year-fiscal year) to permit detailed examination of the President's budget before the fiscal year begins, and exemption of the Social Security Trust Fund and other similar open-ended Federal commitments from direct control.

The amendment which the Senator from California (Mr. TUNNEY) and I propose is a simple one. It states in the law that Budget Committees will hold public hearings, with testimony from individual members of Congress and other interested persons, before reporting the first budget resolution to the Senate.

This first resolution will provide the vehicle for the great debate over Federal fiscal policy—the level of Federal deficit or surplus—which has such tremendous influence over the health of our economy. And it will set initial targets for allocating Federal funds to broad purposes within the overall ceiling on expenditures.

Although the first resolution is not binding in a legal sense, the process set forth in the pending bill will work well only if the first budget resolution is an honest and thoughtful effort by the Budget Committees and the Congress to come to grips with these questions. And this requires that a broad range of views be spread on the public record.

The report of the Committee on Rules recognizes the importance of public testimony. The report states:

> . . . It is anticipated that the first budget resolution will be reported after hearings to take the testimony of Members of Congress and outside organizations.

However, the bill itself refers only to recommendations from congressional standing committees. Because this reference to participation by committees does appear in legislative language, and I believe testimony by individual Members of Congress and interested groups and persons to be of great importance, I am hopeful that the distinguished managers of the bill will accept this amendment.

Mr. President, this amendment was discussed with the acting floor manager, who is not now in the Chamber, the Senator from Maine (Mr. MUSKIE). The amendment would make it clear that the Budget Committee will hold public hearings, with testimony from individual Members of Congress and other interested persons, before reporting the first budget resolution to the Senate.

This is a modest amendment, that public hearings will be held prior to the time the Budget Committee reports, and I would hope that the distinguished floor manager of the bill, the Senator from North Carolina, would accept it.

Mr. ERVIN. Mr. President, will the Senator give me the number of his amendment?

Mr. MONDALE. It is an unprinted amendment which I discussed the other day with the acting manager of the bill, the Senator from Maine (Mr. MUSKIE). It simply would require that hearings would be held. I do not believe there is any controversy about it.

Mr. ERVIN. Mr. President, I see no objection to the amendment as contemplated. I do not think it is necessary to spell it out particularly in the bill because, pursuant to the practice of all committees considering legislation, it has been the purpose of those who introduced and have worked on this bill that the Committee on the Budget will conduct public hearings prior to reporting the first concurrent resolution. That is what the distinguished Senator from Minnesota has in mind.

Mr. MONDALE. The Senator is correct. There is a reference to public hearings in the committee report. I think it was contemplated that public hearings would be held. This amendment simply confirms that fact and requires it by law.

Mr. GRIFFIN. Mr. President, if the Senator will yield briefly for a question, I have briefly examined the amendment and since the resolution to be adopted by the committee would encompass all areas of Government activity and expenditure, it could be anticipated that a great many witnesses might request an opportunity to justify. So for the purposes of legislative history, does the Senator from Minnesota intend to mandate or compel the committee, because it has some public hearings, to listen to everyone who requests the opportunity to testify, no matter how large that number might be? That would be a matter of possible concern but I do not know whether I am anticipating problems or not.

Mr. MONDALE. The answer is "No." The committee is charged with conducting the hearings. We would not seek to restrict the committee's discretion to impose limits, because it would be almost impossible, particularly in controversial matters, to hear all those who would seek to be heard. The power to set limits would still remain exclusively within the purview of the committee.

This is a modest amendment, simply to provide that there shall be public hearings.

Mr. GRIFFIN. That may be a contribution to the legislative history, making it clear that there shall be public hearings and that witnesses will be heard. The statement by the Senator from Minnesota at least recognizes that it may be necessary from time to time for the committee to have representative witnesses of various points of view and it may not be able to listen to everyone who conceivably might want to come down to testify.

Mr. MONDALE. I agree with the Senator. There are occasions when it is impossible for the committee to complete its work unless it has some power to limit the scope of the number of witnesses.

Mr. GRIFFIN. I think this could become a problem, particularly since we are writing into law a definite timetable when a resolution has to be reported and has to be passed.

Mr. MONDALE. I agree with the Senator.

Mr. President, in conclusion I wish to say that the bill before us is a very hopeful development. It can enable the Congress to conduct a debate over Federal fiscal policy which we have never really been able to conduct before. It can help us to take a tough look at what our real priorities are—not only in the area of direct expenditures, but in the area of tax expenditures as well. It can for the first time allow us to respond in an independent way to the budget submitted by the executive branch. And it can help us to look, not just at proposed increases or decreases in spending, but at how effective individual programs are in carrying out their intended purposes and to see which ones may be obsolete.

It can do all these things. But I hope we will be mindful of the experience in 1948 when the Congress last embarked on a similar effort. I believe the lesson of 1948 is this: the burden is on the Congress to deal in a responsible and flexible way with this new process. The experience of 1948 should teach us that if we set targets which are attractive but impractical, we will destroy the budget process itself.

With the broad support which the pending bill has received, with the wide consultation which went into its development, and with the help of the distinguished leadership on both sides of the aisle, I am hopeful that the Congressional Budget Act of 1974 will mark a new era of full congressional participation in this country's financial affairs.

Mr. TUNNEY. Mr. President, I am most pleased to join with the senior Senator from Minnesota in sponsoring this amendment to the Congressional Budget Act of 1974.

The budget reform bill now before us represents a landmark in the effort to assert the responsible leadership role intended for Congress by the Founding Fathers. This bill is the fruit of many hours of hard labor on the part of the members and staff of the Joint Study Committee on Budget Control, and the Committee on Government Operations and Rules and Administration of the Senate. It is a significant accomplish-

ment that will long enhance the reputation of the 93d Congress as one of the most fruitful and hardworking Congresses in our history.

Mr. President, last April I offered, for myself and Mr. BUCKLEY, a series of budget reform proposals in the form of a bill, S. 1516, the Legislative Priorities and Budget Reform Act of 1973. It gives me great pleasure to note that many of the key features of S. 1516 were incorporated in the bill before us today.

Last April I called for legislation to provide procedures through which Congress could systematically review major spending programs and establish explicit budgetary priorities. I called also for the creation of a fully equipped professional staff of program and budget analysts capable of functioning with the same precision and scope as its executive counterpart, the Office of Management and Budget. The Congressional Budget Act of 1974 that is before us now achieves these worthy objectives.

My statement of April 10, 1973, accompanying introduction of the Legislative Priorities and Budget Reform Act of 1973, pointed out that—

The decisions of the Budget Committees, when approved by Congress, will be among the most important of all determinations made each session. They will determine the magnitude and direction of Federal economic impact for the indefinite future. They will set the tone for the entire Federal establishment.

The determinations of the Budget Committees as provided for in the pending legislation are no less significant. It is, therefore, imperative that all Members of Congress and representatives of the general public have an assured opportunity to present their views to the Budget Committees prior to time the committees report the first concurrent resolutions to their respective Houses. Individuals, Members of Congress and public interest groups from one end of the political spectrum to the other have important contributions to make to the debate on national priorities. We should provide that these views have assured access to the Budget Committees. The amendment we are offering today mandates and thus reinforces the intention of the Committee on Rules and Administration to provide for public hearings of the Senate Budget Committee on all matters related to the first concurrent resolution. Its acceptance by the Senate will be further proof of our strong determination to enact fair and responsible legislation to strengthen the role of the Congress in determining national priorities and in controlling Federal expenditures.

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

The amendment was agreed to.

AMENDMENT NO. 1041

Mr. BEALL. Mr. President, I call up my amendment No. 1041.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

The amendment is as follows:

On page 173, immediately below the matter between lines 15 and 16, insert the following:

FEDERAL PROGRAM EVALUATION DIGEST

SEC. 703. The Director of the Office of Management and Budget shall be responsible for preparing and making available each year a digest of all Federal programs, except any program that the President determines should not be included on the grounds of national security. With respect to each program, the digest shall—

(1) state the name of the program, the statute authorizing the program, specify the Federal officials administering the program, and give a brief description of the program;

(2) state the original purposes, goals, and objectives of the program, and any changes thereto;

(3) include an evaluation by the head of the program on whether and how the purposes, goals, and objectives are being achieved;

(4) include references to any study, conducted partially or completely with Federal funds, evaluating the program, and, to the maximum extent practicable, references to any study conducted completely with non-Federal funds, evaluating the program;

(5) state the total administrative costs of the program paid out of Federal funds, the total costs of the program paid out of Federal funds, and the total of such administrative costs so paid as a percentage of such total costs so paid;

(6) include the average cost to the program for each recipient; and

(7) to the maximum extent practicable, include cross references to the program and matters related to the program which are included in the latest available catalog of Federal Domestic Assistance (including any supplements thereto).

Mr. BEALL. Mr. President, I ask unanimous consent that Joe Carter, my legislative assistant, may have the privilege of the floor during the consideration of this matter.

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

The Chair would request that the Senator use his microphone.

Mr. BEALL. Mr. President, I have three amendments that I had intended to propose for this bill. The one we are calling up now is No. 1041.

The amendment I am offering would require the preparation of a Federal program evaluation digest. Presently, there is published each year the Catalog of Federal Domestic Assistance. This catalog runs some 817 pages and lists about 1,200 programs. It has proved useful to our citizens and our communities in determining what Federal programs or benefits are available and how to apply for them.

I see the need in the Congress, and elsewhere, for a similar publication that, in effect, would be a handy reference guide for all Federal programs. The Federal Program Evaluation Digest would, to the extent feasible, be cross-referenced to the Catalog of Federal Domestic Assistance and contain the following information:

First, the name of the program, the statute authorizing the program, specify the Federal officials administering the program, and give a brief description of the program;

Second, the original purposes, goals, and objectives of the program, and any changes thereto;

Third, an evaluation by the head of the program on whether and how the purposes, goals, and objectives are being achieved;

Fourth, references to any study, conducted partially or completely with Federal funds, evaluating the program, and to the maximum extent practicable, references to any study conducted completed with non-Federal funds, evaluating the program;

Fifth, the total administrative costs of the program paid out of Federal funds, the total costs of the program paid out of Federal funds, and the total of such administrative costs so paid as a percentage of such total costs so paid;

Sixth, the average cost to the program for each recipient; and

Seventh, cross-references to the program and matters related to the program which are included in the latest available catalog of Federal Domestic Assistance—including any supplements thereto.

There is a major distinction, however, in that this digest, unlike the Catalog of Federal Domestic Assistance, would include all Federal programs, and not just domestic programs, except to the extent that national defense does not permit a program's listing.

How many of my colleagues, while on the Senate floor, have been confronted with an amendment increasing an appropriation for a program for which there was no ready source of information that the digest would contain?

I believe that such a digest would be a useful and valuable tool for improving our understanding of programs and our ability to determine priorities.

So I urge the adoption of this amendment in the hope that it will go a little way toward making us somewhat better informed than we are now as to the kinds of programs that are operated through Federal programs and what the consequences of our actions with regard to those programs might be, in view of the experience we have had with the programs.

Mr. ERVIN. Mr. President, I respectfully submit the amendment has no place in this bill. The pending bill is a bill to establish a congressional budget system. This amendment would impose certain obligations on the Office of Management and Budget.

I sincerely hope that the distinguished Senator from Maryland will withdraw the amendment, or, if he does not, that the Senate will defeat it. To have effective legislation in this field, we should stick to our purpose, which is to establish a congressional budgetary system, and not complicate it with amendments that relate to the Office of Management and Budget.

Mr. BEALL. I, of course, respect the opinion of the distinguished Senator from North Carolina, but I must hasten to say that I disagree with his analysis that this amendment does not treat the purposes of the bill. I think it is very much to the point of the bill.

As I understand the bill, it is to create machinery that will better equip and enable us in the Congress to carry out our primary constitutional responsibility, that being the responsibility to provide funds for the operation of the Federal

Government; and I laud the purposes of the bill. I have introduced legislation on this subject I believe the pending bill is a good measure, and I intend to vote for it. I hope it is enacted into law. But I think the proposal we are making here can be very helpful in carrying out the purposes of this legislation, because all we are asking for is to provide ourselves with information that we are going to have to have and should have if we are going to adequately consider the matters contained in the Federal budget and the consequences of the actions we might take with respect to the various programs being offered by the Federal Government.

I am sure we are all aware of the beneficial effects of the Catalog of Federal Domestic Assistance. This is a move now to further equip us with tools to carry out our responsibility. I believe it belongs in the bill. I think it will enhance the bill and will enable us to do the job. I suggest that an evaluation digest would be of assistance not only to the committee but to the new congressional office being established.

Mr. PERCY. Mr. President, will the Senator yield for just a few questions?

Mr. BEALL. Certainly.

Mr. PERCY. Could my distinguished colleague concisely state to what extent such a digest would duplicate or overlap the Catalog of Federal Domestic Assistance, for which our colleague the Senator from Delaware (Mr. ROTH) has worked so hard and unceasingly?

Mr. BEALL. The Catalog of Federal Domestic Assistance is really just that—a catalog listing programs. It is of use, of course, but it is primarily of use to local and State officials who have to leaf through the Government bureaucracy to see what they are entitled to. This evaluation would be for our purposes. It is an evaluation of the program and it is broader in its contents because it would include all Federal programs except those which would be excluded for reasons of national security.

Mr. PERCY. Does not the President's budget, which comes to us in four huge volumes, constitute in itself a digest of all Federal programs?

Mr. BEALL. It presents the President's budget it is not an evaluation of the programs. That is what I am looking to here—an evaluation—and that does not list any evaluation.

Mr. PERCY. Third, since one of the principles we are trying to achieve is to price out every bill and every amendment and have the Congressional Office of the Budget tell us what it would cost, may I ask how much it would cost to produce such a voluminous digest? How many man-hours would be involved by the executive branch of the Government in producing such a digest?

Mr. BEALL. I cannot answer that question. It is a legitimate question, and we should all be concerned about the cost of all programs, but I should not think it would cost any more than the present Catalog of Federal Domestic Assistance. Whatever amount spent on it, I believe would be money well spent, because it is only through evaluation that we save money and the avoidance of the extension or duplication of programs that should not be extended or duplicated.

I would say that any money we spend to equip ourselves will end up in savings to the taxpayers.

Mr. PERCY. Titles VII and VIII of this bill have requirements for program evaluation and submission of fiscal data, with GAO participating in this process. To what extent would that effort and those titles be duplicated by this particular amendment?

Mr. BEALL. This amendment does not duplicate that effort. With regard to that subsection of the law, I have another amendment, somewhat similar to the one the Senator from Minnesota has, although ours is more specific. I do not think we are duplicating that. Again, it is a supplement rather than a duplication.

Mr. PERCY. I would find, on that record, that I would have to oppose the amendment. But I do thank the Senator from Maryland very much, indeed, for his explanation of the amendment. Many of the objectives he has worked for, I would agree with. But I must, in my own mind, know how much it should cost and how much work would be involved. I would like to see an analysis from the Office of Management and Budget.

We did not have such an amendment before us in committee. I am not sure that a part of the objective is not already provided for in the bill. It is with regret that I must state my opposition, but I thank the Senator from Maryland very much for his amendment.

Mr. ERVIN. I would like to emphasize what the distinguished Senator from Illinois has just said. The Government Operations Committee worked on the bill for 8 months, and the Committee on Rules for 2 months. They had no such proposal as this before them.

I submit that the distinguished Senator from Maryland, if he wants this proposal, should put it in the form of a separate bill and let it be processed as new legislative ideas are. The bill ought to be considered by the Office of Management and Budget, for it would give the Office of Management and Budget an awful lot of work to do. I am advised that the Office is opposed to the bill.

I hope the Senator from Maryland will withdraw his amendment, instead of trying to legislate on new matter at this late hour in the consideration of the bill. Let him put his proposal in a separate bill, and let it be processed in a separate manner, rather than by piggybacking it on this bill.

Mr. BEALL. I appreciate the Senator's remarks about separate legislation. I point out that in February 1973 I introduced a bill, S. 758, on the whole subject of budget reform and improved oversight This provision was included as a part of that legislation.

I testified before the Budget Committee on that subject, and submitted testimony to the Government Operations Committee. So it is not something that has come fresh today. It is a matter that has been in the legislative mill for a little over a year. It is a proposal that has gone through at least two committees of the Senate.

I can see why the OMB would be opposed to the proposal. I can see why they do not want to have the additional responsibility of listing all evaluating of programs. They already are doing some of this, but this would require that OMB do it for us, so that we would have a ready source of information and listing of evaluations of programs. I do not believe, the fact that the OMB is opposed, mandates opposition on our part.

It is something that is necessary and helpful, it is perfectly within our rights to charge the OMB with doing the job. They and the program directors with the administration have the material available that is called for in the amendment. I just cannot change my mind because they do not want to do it. I think it is a job that deserves to be done. I think they ought to provide us the kind of information we need in order to carry out our constitutional responsibility to provide and appropriate money to operate the Federal Government.

Mr. PERCY. Would the Senator from Maryland be receptive to the possibility of developing an amendment to his own amendment that might provide for a study, so that we could at least carry this proposal forward? It is certainly not the desire of the Senator from Illinois to stand in the way of program evaluation. We need evaluations. We have frequently commented on that. The Government Operations Committee bill had a strong program evaluation title in its version of this bill.

The objective is worthy. But some of the unanswered questions are such that I could not support the amendment in the form of a directive to the Office of Management and Budget. But certainly there would be a basis, sufficient and logical, behind a proposal for a study, so that we would know more about it. It would enable the Committee on Government Operations, with such a study, to report a separate piece of legislation, if the Senator would have such a bill that we could consider—and I believe he has.

Mr. BEALL. I appreciate the suggestion of the Senator from Illinois. I do not know that a study is necessary. I think it is a matter that the Committee on Government Operations could consider, without an independent committee study of itself, and get some action that is agreeable, as far as I am concerned.

Mr. PERCY. I should like to ask the chairman of the committee, in view of the fact that we do have a piece of legislation before us, whether we could not make our own study. We have a competent staff. We could draw on the OMB staff. The Senator from Maryland is correct when he says that we could make our own study in committee.

Mr. ERVIN. The Brock-Metcalf amendment would direct the Budget Committee to study methods of improving the analytical system and an evaluation of the existing program. As I understand that amendment, the Budget Committee would be authorized to study

the matters set forth in the amendment of the Senator from Maryland. I can assure him, on behalf of the Committee on Government Operations, that if, instead of allowing it to be considered by the Budget Committee under the Brock-Metcalf amendment, it were to be considered as a separate bill, we would consider it as a separate matter in the Committee on Government Operations.

Mr. BEALL. I appreciate the suggestion of the chairman of the committee. With that kind of assurance, there is every indication that this proposal will get consideration, and the result would be that we would have the kind of digest to provide us the information that would be very useful when we consider budgetary programs.

Mr. President, with that assurance, I will withdraw the amendment and see that it is introduced in cleaner form as a separate piece of legislation.

Mr. PERCY. I think this a very wise action. So that the Senator from Illinois may be clear, then, the legislative history will indicate the strong desire, on both sides, to have authority granted to the Budget Committee. This bill, if finally passed, would undertake to provide the very kind of evaluation that the Senator from Maryland has proposed. Certainly it would expedite the work of the staff of the Government Operations Committee, which will certainly lend its support to the study. If the Senator from Illinois serves on the Budget Committee, he would carry out the obligation to see to it that we carry such a study forward at an early date.

Mr. BEALL. I appreciate the cooperation of the Senator from Illinois. We are suggesting the publication of a document that would be useful to members of the Committee on the Budget and to Senators generally.

Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. BEALL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. ROBERT C. BYRD. Mr. President, I offer an amendment as follows: That wherever, in the bill—or any amendment thereto that may already have been agreed to—the word "highly" appears immediately preceding the word "privileged", the word "highly" be stricken.

I offer this amendment because the word "highly is meaningless, it is surplusage, and I do not know how it got there. I thought that in our Rules Committee meetings with staff people, we had stricken that word wherever we saw it.

There is no such thing as a "highly" privileged motion or resolution. A motion or resolution is either privileged or not privileged. There are no degrees of privilege.

Apparently that language was kept in as boilerplate language from somewhere, and I think it is bad for the Senate to continue to legislate using such terminology when it is absolutely superfluous, meaningless, and nothing but deadwood.

I ask the Chair, so that all Senators may have the Chair's reaction to this question, to determine, upon consultation with the Parliamentarian, whether the Parliamentarian agrees with my statement.

The PRESIDING OFFICER. The Parliamentarian advises the Chair he agrees totally with the statement of the Senator from West Virginia.

Mr. ROBERT C. BYRD. I offer that amendment.

The amendment is as follows:

Wherever the word "highly" appears before the word "privileges" delete same in the language as reported and amendments thereto.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I assume that the clerk, when the bill is finally enacted, will remove that word, in accordance with the amendment.

Mr. ERVIN. Mr. President, I suggest, as the Senator from Illinois has suggested, that the word "totally" also be deleted with reference to the statement of the Parliamentarian's concurrence.

I see no objection to the amendment; I think it is a desirable amendment.

Mr. PERCY. I see no objection either, Mr. President.

The PRESIDING OFFICER. The bill is open to further amendment.

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. ROBERT C. BYRD. Mr. President, on behalf of the distinguished Senator from Nevada (Mr. CANNON), I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 164, line 14, strike out "March 20" and insert in lieu thereof "March 29".

Mr. ROBERT C. BYRD. Mr. President, this amendment has been discussed with the two able managers of the bill, Senators ERVIN and PERCY, and they have agreed to accept it.

I shall read a letter addressed to Senator CANNON from Senator PROXMIRE which is self explanatory and which in itself explains the purport of the amendment.

The letter reads as follows:

MARCH 15, 1974.

Hon. HOWARD W. CANNON,
Chairman, Rules and Administration Committee, U.S. Senate.

DEAR HOWARD: I would like to request that a small technical amendment be appended to S. 1541, as reported by your committee on February 21, 1974. The bill requires the Joint Economic Committee to make its Annual Report on the President's Economic Report "not later than March 20th of each year" (page 164, line 14). In the same bill the Joint Economic Committee is required to report to the Budget Committee on April 1 of each year. In order to better coordinate these two reports, and also to give the Committee some additional time to prepare our Annual Report, we would like to have the deadline for the Joint Economic Committee's Annual Report to Congress changed from March 20 to March 29 of each year.

Thank you very much for your consideration.

Sincerely,

WILLIAM PROXMIRE,
Vice Chairman.

Mr. President, the amendment will do precisely that, that is, change the deadline for the Joint Economic Committee's annual report from March 20, as presently provided in the bill, to March 29 of each year.

Mr. PERCY. Mr. President, I should like to address myself to this amendment both as a longtime member of the Joint Economic Committee and as a cosponsor of the pending legislation. I think it will, to all intents and purposes, bring about the finest possible analysis we can obtain. We will depend on the Joint Economic Committee to give us as accurate an assessment as it can as to the state of the economy and the impact the Federal budget should have on that economy. The additional 9 days will be valuable time, well spent by the committee. I fully support the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia (Mr. ROBERT C. BYRD), on behalf of the Senator from Nevada (Mr. CANNON).

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I have cleared the following requests with the Republican leadership and with the two distinguished managers of the pending bill, Senators ERVIN and PERCY. All Senators have been notified by the hot line in their respective cloakrooms that a unanimous-consent request for an agreement would be propounded on the pending bill at approximately this hour.

Mr. President, I ask unanimous consent that there be a time limitation of not to exceed 6 hours for general debate on the pending bill and that that debate be controlled by and equally divided between Senators PERCY and ERVIN; provided further, that the time for limitation on debate begin running immediately upon the agreement to the unanimous-consent proposals I am now making; provided further, that time on any amendment to the bill be limited to 1 hour, to be equally divided and controlled

in the usual form; provided further, that time on any amendment to an amendment, debatable motion or appeal be limited to 30 minutes, to be equally divided and controlled in the usual form; provided also that the agreement itself be in the usual form, with the final vote to occur on passage of the bill at 2 p.m. on tomorrow—paragraph 3 of rule XII being waived therefor; with the additional proviso that an amendment to be proposed by the distinguished Senator from Mississippi (Mr. STENNIS) and which is not likely to be considered germane to the bill be, nevertheless, in order.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from West Virginia?

Mr. PERCY. Mr. President, reserving the right to object—and I do not intend to object—for purposes of clarification my understanding is that no nongermane amendment would be in order except for the Stennis amendment; is that not correct?

Mr. ROBERT C. BYRD. That is correct. May I say, in further response to the able Senator, that I know of an amendment which will be proposed by Senators MONDALE and NELSON. I believe that amendment is germane. I know of two amendments that will be offered by the Senator from Delaware (Mr. ROTH). There is also an amendment which I understand will be offered by the Senator from Florida (Mr. CHILES). I anticipate that that amendment will be germane.

But, in any event, for the protection of all the aforementioned Senators, I would include in my unanimous-consent request that those amendments be in order regardless of their germaneness. I do not think there is any problem.

Mr. PERCY. Further to indicate the protection that has been provided to Senators on this side of the aisle, I have conferred with the assistant minority leader, the Senator from Michigan (Mr. GRIFFIN), and he has checked to the best of his ability as to whether Senators who have amendments need more time, or more time for debate and discussion; and, to the best of his knowledge, there are no Senators who have made any such requests. All have been notified on the audio system, and their offices have been notified. As a matter of fact, the floor manager of the bill, the chairman of the Government Operations Committee, the Senator from North Carolina (Mr. ERVIN), and the Senator from Illinois, have indicated several times that it would be their hope, that we could actually finish by this evening; but we have all agreed that every Senator should have all the time necessary because of the tremendous importance of this bill to the Senate, to the Congress, and to the procedures under which we operate.

I have had a request from the distinguished Senator from Nebraska (Mr. CURTIS) that he have time to speak on the bill. The distinguished Senator from New York (Mr. JAVITS) wishes to do so also, and he will do so at the time he offers his amendment.

So far as I know, the rights of all Senators have been protected by this. I feel it is now appropriate that we move forward to a time certain for a vote on the bill.

I would merely like to indicate the importance attached to this bill by everyone with whom we have been in touch. I think every Senator who has participated with us, particularly the leadership, which has leaned over backwards to make certain that we have given as thorough an analysis as possible and move forward as expeditiously as possible, should be commended.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, before the Chair propounds the request, it occurs to me that Senator PROXMIRE had indicated to me that he may or may not have an amendment which he would wish to offer. I cannot recall precisely the nature of that amendment at this time, but I would venture to say that it would be germane. In any event, I think he ought to be protected, and we ought to have that understanding likewise in accepting this request.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from West Virginia?

The Chair hears none, and it is so ordered.

The text of the unanimous-consent agreement is as follows:

Ordered, That during the further consideration of S. 1541, the so-called "Federal Act to Control Expenditures and Establish National Priorities", debate on any amendment shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any amendment in the second degree, debatable motion or appeal shall be limited to ½ hour, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That to the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill (except two amendments to be offered by the Senator from Delaware (Mr. ROTH), and one amendment each to be offered by the Senator from Mississippi (Mr. STENNIS), the Senator from Wisconsin (Mr. PROXMIRE), the Senator from Florida (Mr. CHILES), and the Senator from Wisconsin (Mr. NELSON) shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall not exceed 6 hours, to be equally divided and controlled, respectively, by the Senator from North Carolina (Mr. ERVIN) and the Senator from Illinois (Mr. PERCY): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion or appeal.

Ordered further, That the vote on final passage of the said bill shall occur at 2:00 p.m., on Friday, March 22, 1974.

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10 a.m. tomorrow.

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

ORDER FOR CONSIDERATION OF THE UNFINISHED BUSINESS, S. 1541, TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that immediately folowing the recognition of the two leaders or their designees under the standing order tomorrow, the Senate resume consideration of the unfinished business.

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

ORDER FOR THE NELSON-MONDALE AMENDMENT TO BE LAID BEFORE THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the amendment to be offered by Mr. NELSON and Mr. MONDALE be laid before the Senate at the close of business today and made the pending question on tomorrow.

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

ORDER FOR RECOGNITION OF SENATOR ROTH TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I would certainly want to protect Senator ROTH, who I understand wanted to call up his amendment tomorrow. He has two amendments, one of which he will call up today, and one tomorrow. I ask unanimous consent that Mr. ROTH be recognized upon the disposition of the Nelson-Mondale amendment tomorrow, to call up his amendment.

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

CONGRESSIONAL BUDGET ACT OF 1974

The Senate continued with the consideration of the bill (S. 1541) to provide for the reform of congressional procedures with respect to the enactment of fiscal measures; to provide ceilings on Federal expenditures and the national debt; to create a budget committee in each House; to create a congressional office of the budget, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Who yields time?

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from North Carolina yield me 3 minutes?

Mr. ERVIN. I am delighted to yield 3 minutes to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. I thank the Senator from North Carolina.

"NATIONAL SECURITY" TAPS

Mr. HARRY F. BYRD, JR. Mr. President, the Washington Post today published an excellent article written by the distinguished Senator from Wisconsin (Mr. NELSON). The article deals in some detail with the question of wiretapping and the need to protect the citizenry of our Nation against unwarranted invasion of privacy.

Obviously, Senator NELSON's article involves a great deal of research. It is handled with great care, and it explores this very important subject in a comprehensive manner.

I commend the able Senator from Wisconsin (Mr. NELSON) on this article. I am not necessarily in agreement with every detail, but I support the general concept that he enunciates, and I am in general agreement with the views he expressed.

I ask unanimous consent that the article by Senator NELSON, published in today's Washington Post, be printed in the RECORD.

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

"NATIONAL SECURITY" TAPS

(By GAYLORD NELSON)

Civil rights leader Martin Luther King, Jr., newspaper columnist Joseph Kraft, former Nixon presidential aides William Safire and John Sears, former National Security Council staff members Morton Halperin and Anthony Lake, former congressional aide Dunn Gifford, and boxer Muhammed Ali—these citizens have something in common. Their telephone conversations have been wiretapped by the federal government for so-called "national security" reasons. And they are merely a handful among thousands.

In each case the government acted without obtaining a judicial warrant approving of the "tap." The government therefore did not explain to a court the justification for the surveillances. Nor did the government voluntarily inform any of the individuals involved that their telephone conversations had been secretly intercepted. Most of those tapped never learn about it.

Despite the righteous indignation of congressional representatives, lawyers, and the public, warrantless wiretapping continues. Last January the Justice Department reported that in one week it had authorized three warrantless wiretaps in national security cases—an average week's quota according to the department. The department did not indicate whether the taps included surveillances of American citizens. Nor did the department indicate the basis for believing the taps necessary. And that is precisely the problem.

Warrantless wiretaps give the government an unreviewed and unchecked power to invade a citizen's privacy. The government alone determines whom it should tap and when it should tap. Neither a court, nor the Congress, nor the individual involved has an opportunity to demonstrate that there is no justification for the tap.

Because they escape scrutiny by anyone outside government, warrantless wiretaps are a dangerous and fundamental assault on the individual's right to privacy and other civil liberties. They pose a threat to the freedom of every citizen, regardless of his or her station in life. In a 1928 surveillance case Supreme Court Justice Oliver Wendell Holmes called warrantless wiretaps "dirty business." In 1931, J. Edgar Hoover—who by then had been FBI director for seven years—called them "unethical" (his position softened in later years).

Warrantless taps also are, in my view, unconstitutional. The Fourth Amendment explicitly provides that every citizen should be free from government searches and seizures that are not authorized by a judicial warrant. There is no exception for "national security" cases. The basic notion underlying the amendment is that a neutral court—not a government blinded by its lawful investigatory responsibilities—should decide whether any search contemplated by the government is reasonable.

In the 1967 *Katz* and *Berger* decisions, the Supreme Court held that the Fourth Amendment's protections apply to government wiretapping. The Court also held in the 1972 *Keith* case that the government could not wiretap American citizens without a judicial warrant even when the citizen's activities threaten "domestic security." The Court reserved judgment, however, for those cases in which American citizens have a "significant connection" with foreign powers and their agents.

Because the Court has not yet decided this latter question, the present administration maintains that the government can, without a warrant, tap American citizens and others whose activities involve foreign affairs. It was on this basis that the Justice Department authorized three warrantless wiretaps last January.

Congress should not tolerate the continued use of these warrantless wiretaps for so-called "national security" purposes. It is indeed ironic for the government to invoke "national security" to violate those constitutional rights and liberties which the government is obligated to defend. And remedial legislation should include at least four basic elements.

First, before the government could wiretap American citizens for national security purposes, it should have to obtain a judicial warrant based on probable cause that a crime had been or was about to be committed. This provision would simply recognize the rights guaranteed to every citizen by the Fourth Amendment.

Second, before the government could wiretap foreign powers (i.e., embassies) or their agents, it should have to obtain a judicial warrant based on a belief that the surveillance is necessary to protect national security. The warrant standards for foreign power taps should thus be less rigorous than those applied to American citizens.

The justification for this second provision is plain. The government's desire to wiretap should be reviewed by a court. There should be no exceptions. Otherwise the exceptions could be stretched to sanction an unreasonable invasion of an American citizen's privacy. This second warrant requirement would in no way undermine the government's ability to protect against foreign attack or subversion; the government would be able to wiretap foreign powers and their agents any time there is a real need.

Third, every American citizen wiretapped should be informed of the surveillance within 30 days after the last authorized interception. This would afford the individual an opportunity to protect against violations of his constitutional rights. The disclosure of the wiretap should be postponed, however, if the government satisfies the court that the person wiretapped is engaged in a continuing criminal enterprise or that disclosure would endanger national security interests.

Fourth, there should be continuing congressional oversight of wiretaps and other surveillance activities engaged in by the government. At least once a year, representatives of the government should testify, under oath, before a joint congressional committee about their surveillance activities, in this way, Congress can determine whether the government is complying fully with the laws and whether additional legislation is needed to protect individual privacy.

A number of Senators have joined me in introducing two bills (S. 2820 and S. 2738) which incorporate these basic elements. Other bills might be able to improve on these measures. But in any event, the need for congressional action is clear. A citizen's constitutional right to privacy should not exist at the sufferance of some government official's definition of "national security."

The PRESIDING OFFICER. Who yields time?

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

The PRESIDING OFFICER. On whose time?

Mr. HARRY F. BYRD, JR. The time to be equally divided.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

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

Mr. ERVIN. I yield 2 minutes to the distinguished majority leader.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed a bill (H.R. 11929) to amend section 15d of the Tennessee Valley Authority Act of 1933 to provide that expenditures for pollution control facilities will be credited against required power investment return payments and repayments, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 5236) to provide for the conveyance of certain mineral interests of the United States in property in Utah to the record owners of the surface of that property.

The VICE PRESIDENT subsequently signed the enrolled bill.

HOUSE BILL REFERRED

The bill (H.R. 11929) to amend section 15d of the Tennessee Valley Authority Act of 1933 to provide that expenditures for pollution control facilities will be credited against required power investment return payments and repayments, was read twice by its title and referred to the Committee on Public Works.

DEATH OF CHET HUNTLEY

Mr. MANSFIELD. Mr. President, it is with a sense of deep personal regret that I note the passing yesterday morning of an old friend and a man well known to all of us, Chet Huntley, who passed away in Bozeman, Mont.

Chet Huntley was born in Montana. He lived in Saco, along the highline, in Cardwell, in the Jefferson County. His folks had a ranch in that area and one later at Reedpoint, in the eastern part

of the State. His mother, of course, lives in Billings.

About 4 years ago, Chet Huntley left a well-paying position as the other half of the Huntley-Brinkley team to return home to Montana, and there he was the driving force behind the Big Sky recreational facility. It is sad to note that the formal dedication of Big Sky was to take place this coming weekend.

Chet had a great love for Montana, and Montana had great affection for him. There is not much that one can say about a friend who is so well known. I can only say that, while I did not expect him to last too long after cancer was found 2 months ago, I certainly did not expect him to pass away from this Earth so soon.

Chet made many contributions because of his frankness and candor, not only on a nationwide scale but I think in the field of international affairs as well. Certainly, he had a great effect upon his native State. His was a most productive and fulfilling life and he left his mark indelibly in the pursuits he chose; chiefly, as a newscaster, analyzer and interpreter of prominent significance. It is for these reasons that we mourn the passing of this distinguished American, this Montanan of the first rank, this man who was a good friend, and this man who contributed so much to his State and to the Nation.

At this time, on behalf of Mrs. Mansfield and myself, I wish to extend deepest condolences to his wife, Tippy, to his two daughters, and to his mother, who, as I said earlier, lives in Billings, Mont.

May his soul rest in peace.

Mr. President, I ask unanimous consent that the obituary in today's New York Times be printed in the RECORD.

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

CHET HUNTLEY, 62, IS DEAD; GAVE THE NEWS TO MILLIONS—HALF OF HUNTLEY-BRINKLEY TEAM ON NBC TV ALMOST 15 YEARS

(By Michael T. Kaufman)

Chet Huntley, the former television newscaster, died of cancer yesterday in Bozeman, Mont., where he was preparing for the dedication this Saturday of a $25-million recreational complex called Big Sky, which he had organized. He was 62 years old and had undergone surgery two months ago for abdominal cancer.

Until almost four years ago, Mr. Huntley appeared nightly on the National Broadcasting Company's "Huntley-Brinkley Report." A consumer-research company found in 1965 that he and David Brinkley, his news partner, were recognized by more adult Americans than Cary Grant, James Stewart, the Beatles and John Wayne.

Not all of these adult Americans were sure which of the two was which, but most recognized that the tall, rangy one with the low-timbered voice was Chet Huntley. Mr. Brinkley, who is still on the air, is more boyish and slight.

They appeared together almost 15 years, describing wars, assassinations, strikes, elections, floods. They also reported on long hair, roller-skating postmen and lesser events of the day. With dashes of humor spicing an essentially serious, authoritative delivery, they created one of television's most consistently successful programs.

"GOOD NIGHT, DAVID"

The program's coda, "Good night, David"—"Good night, Chet," was heard each night by many millions. It was parodied each day by thousands and like Jimmy Durante's "Good night Mrs. Calabash, wherever you are," and Edward R. Murrow's "Good night and good luck," the sign-off became part of the language.

Last night the "N.B.C. Nightly News," Mr. Brinkley spoke of the years the two men worked together.

"Most pleasant to think about," Mr. Brinkley said, "was that wherever we traveled around this country we both ran into younger people, college age and older, who said: 'You know I grew up with you guys. You were part of my youth, part of my education and part of my life.' He certainly was touched and moved and affected by that. He had that to think about and the knowledge that he always told them the truth as far as he knew it. . . .

"I guess we and television grew up together. Now, that part of it is over, and I believe Chet had every right to think he had left the American people something useful, honest and of permanent value."

Mr. Huntley's last good night as his partner came in July of 1970. The first was in 1956, when he and Mr. Brinkley were the staff correspondents chosen by N.B.C. as anchor men for news coverage of the Democratic and Republican National Conventions.

Originally, the intention had been that they would alternate. But without previous design, the two stayed on camera together, interweaving their commentary.

REPLACEMENT FOR SWAYZE

At that time network executives were searching for someone to take the place of John Cameron Swayze on the nightly news. They had wanted John Hersey, the author, but he had turned them down. Others sought Henry Cabot Lodge Jr., who preferred to stay on as United States representative at the United Nations. Mr. Huntley and Mr. Brinkley were the third choice. They did their first show Oct. 20, 1956.

From the start the two complemented each other. Mr. Brinkley was the sophisticated easterner, with a dry understated irony and a puckish smile. Mr. Huntley was more serious, even somber. He was the rangy Westerner, who with a naive doggedness questioned what seemed to him unusual or strange. Sometimes the commentary consisted of nothing more than an expressive raised eyebrow.

Mr. Huntley's ties to the West and the frontier were very strong. The furnishings of his modern office at Rockefeller Center included the rolltop desk his father had used as a railroad telegrapher in Bozeman, a brass spittoon and an 1870 Winchester rifle.

His experiences growing up on his grandfather's sheep ranch near the Canadian border formed the heart of his 1968 book, "The Generous Years: Remembrances of a Frontier Boyhood."

In it, he wrote of a high school English teacher named Callie Allison, who taught him grammar and instilled in him a respect for the language. With her encouragement he won a scholarship in a national debating contest.

He went to the University of Washington, and in his last year worked at KPCB, a small radio station in Seattle.

"I did everything from sweeping out the joint to spinning records, writing advertising copy, dreaming up new programs and running the transmitter when the engineer went out for coffee," Mr. Huntley recalled.

Jobs at a number of local stations followed and stints as an announcer at dance-band contests. In 1937, he joined the N.B.C. affiliate in Los Angeles. For the next 20 years he worked mostly on the West Coast for each of the three major networks. He won national awards for a radio series on discrimination against Mexican Americans and for his reporting on the wartime relocation of Japanese Americans.

He gained a reputation as a hard-working reporter who was not afraid to interject commentary. In the early nineteen-fifties he was attacked by anti-Communist vigilantes angered by his outspoken criticism of Senator Joseph R. McCarthy. At one point, Mr. Huntley went to court and won a $10,000 slander judgment against a woman who had denounced him as a Communist.

CROSSED PICKET LINE

Perhaps his most controversial move came on March 29, 1967, when he crossed picket lines set up by striking members of the American Federation of Television and Radio Artists. His partner, Mr. Brinkley, honored the strike. Mr. Huntley, who was then believed to be earning about $200,000, said he didn't think newsmen belonged in a union with singers and dancers.

Shortly after that, Mr. Huntley had to sell his New Jersey cattle farm because of vandalism and sniping attacks on his herd.

In 1968, the Federal Communications Commission rebuked N.B.C. for allowing Mr. Huntley to deliver attacks on Federal meat-inspection requirements while having interests in a cattle-feeding concern. More recently, he was attacked for the Big Sky project by conservationists who said the scheme defaced wilderness area. Characteristically, Mr. Huntley fought back, calling his critics "so-called conservationists."

Mr. Huntley's first marriage, to Ingrid Rolin, ended in divorce in 1959.

He is survived by his widow, the former Tipton Stringer, who was a television weather broadcaster; two daughters of his first marriage, Mrs. Sharon Arensmeier and Mrs. Leanne Khajazi; his mother and three sisters.

Mr. METCALF. Mr. President, the Nation and his home State of Montana mourn today the passing of a distinguished American, Chet Huntley. One of the truly great newsmen of this country, he will be missed by all who knew him.

Pioneer in television journalism, winner of nearly every major award, employee of all three national networks but best remembered for his long association with David Brinkley on NBC, Chet was known to millions of Americans. His death at 62 to lung cancer was not totally unexpected, but that does not ease our loss.

Chet was born and raised in Montana and received most of his undergraduate college education at Montana State University in Bozeman. When he retired from broadcasting in mid-1970, he returned to the beautiful Gallatin Valley. There he died yesterday, within a few miles of Bozeman.

Chet Huntley has always occupied a special place in the hearts of Montanans. We were proud of his national accomplishments, pleased that he returned to us after retirement, and terribly saddened at the news of his death. We will miss him very much.

Mr. President, Mrs. Metcalf and I extend to Tippy and to the other members of the Huntley family our deepest condolences on the death of Chet. He was a fine person and a great American.

CONGRESSIONAL BUDGET ACT OF 1974

The Senate continued with the consideration of the bill (S. 1541) to provide for the reform of congressional procedures with respect to the enactment of fiscal measures; to provide ceilings on

Federal expenditures and the national debt; to create a budget committee in each House; to create a congressional office of the budget, and for other purposes.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask that the time be charged equally against both sides on the bill.

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

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. ERVIN. I yield 5 minutes on the bill to the Senator from Alabama for such use as he may see fit to make of it.

Mr. ALLEN. I thank the distinguished Senator from North Carolina.

PUBLIC FINANCING OF FEDERAL ELECTIONS

Mr. ALLEN. Mr. President, I understand from the leadership that after the present bill has been disposed of, S. 3044, the public financing of Federal elections bill, will be laid before the Senate and made the pending business.

I would like to outline several amendments that I plan to offer to this bill. I have one amendment I wish to send to the desk at the conclusion of my remarks for printing and to lie on the desk.

Mr. President, the first amendment that I will offer is an amendment that would provide that the so-called checkoff, which is being doubled under the bill, require affirmative action by the taxpayer. The bill as reported by the Committee on Rules and Administration provides that if the taxpayer does not object to the checkoff then it will be presumed that he wants the checkoff to apply.

The amendment would be an amendment that was offered last year and adopted, I believe, by a voice vote in the Senate. It was offered by the distinguished Senator from Louisiana and it would require affirmative action by the taxpayer to implement the checkoff.

Under the bill coming out of committee the effect of that would be that if the taxpayer did not check off the $2 or $4, as provided by the bill, then it will be presumed that he intended that it be checked off, which is just the opposite of what his action would indicate he wanted done. That would require that it be affirmative.

Another amendment would strike title I in its entirety, which provides for the public financing of Federal elections. There is a lot of good in the bill and if we could prune out the public financing feature then certain other features of the bill would be good. So an effort will be made to strike title I.

Then, another amendment will be offered which would cut the amount of the permissible contributions from the $3,000 per person per election down to the amount which the bill provides can be matched with Federal funds, that amount being $100 in congressional elections, congressional meaning House and Senate races both, and then $250 in campaigns for the Presidential nominations of the major parties. So an effort will be made to cut the amount of the maximum contribution from the $3,000 provided in the bill, which is a deduction, of course, under the present law, down to $250 in Presidential nomination campaigns and down to $100 for congressional races, the theory being that those amounts are the only ones that can have equal matching from the public treasury, and what is the use of permitting excess contributions which could not be matched.

So, Mr. President, another amendment will be offered to strike title V in its entirety. That is the one that doubles the checkoff and the amount.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ERVIN. I yield to the distinguished Senator 3 additional minutes on the bill.

The PRESIDING OFFICER. The Senator is recognized.

Mr. ALLEN. The other feature is a doubling of the credit amount or the deduction amount or the deduction amount by a taxpayer contributing to political races.

Another amendment would be to add a new section providing for the elimination of honoraria to Members of Congress. That amendment reads:

No Member of Congress shall accept or receive any honorarium, fee, payment, or expense allowance other than for actual out-of-pocket traveling and lodging expenses from any source whatsoever for any speech, article, writing, discussion, message, or appearance other than in payment of his official salary and for official reimbursements or allowances from the U.S. Treasury.

The theory behind this amendment would be that inasmuch as the Senate has acted and has vetoed, in effect, the President's recommendation for a salary increase for Members of Congress, this would prevent Members of Congress from receiving honorariums and it is closely allied to the matter of contributions. It was with that thought in mind it is being offered.

Mr. President, I send the last amendment to which I made reference to the desk and ask that it lie on the table and be printed, to be called up at a later date.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

CONGRESSIONAL BUDGET ACT OF 1974

The Senate continued with the consideration of the bill (S. 1541) to provide for the reform of congressional procedures with respect to the enactment of fiscal measures; to provide ceilings on Federal expenditures and the national debt; to create a budget committee in each House; to create a congressional office of the budget, and for other purposes.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time be equally charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. A quorum call is in progress.

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

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

Mr. ROTH. Mr. President, I call up an amendment which I have at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. ROTH. I ask unanimous consent that further reading of the amendment be dispensed with.

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

Mr. ROTH's amendment is as follows:

On page 184, line 5, strike all of Title X and insert, in its place, Title X—Impoundment Control Procedures.

SEC. 1001. Transmission of Special Messages by President.

(a) In general.—Whenever the President, the Director of the Office of Management and Budget, the head of any department or agency of the United States, or any officer or employee of the United States impounds any budget authority authorized or made available for a specific purpose or project, or orders, permits, or approves the impounding of any such budget authority by any other officer or employee of the United States, the President shall, within ten days thereafter, transmit to the House of Representatives and the Senate a special message specifying—

(1) the amount of the budget authority impounded;

(2) the date on which the budget authority was ordered to be impounded;

(3) the date the budget authority was impounded;

(4) any account, department, or establishment of the Government to which such impounded budget authority would have been available for obligation except for such impoundment, and the specific projects or governmental functions involved;

(5) the period of time during which the budget authority is to be impounded;

(6) the reasons for the impoundment, including any legal authority invoked by him to justify the impoundment;

(7) to the maximum extent practicable, the estimated fiscal, economic, and budgetary effect of the impoundment; and

(8) all facts, circumstances, and considerations relating to or bearing upon the impoundment and the decision to effect the impoundment, including an analysis of such facts, circumstances, and considerations in terms of their application to any legal authority and specific elements of legal authority invoked by him to justify such impoundment, and to the maximum extent practicable, the estimated effect of such impoundment upon the objects, purposes, and programs for which the budget authority was provided.

(b) Delivery to House and Senate.—Each special message submitted pursuant to subsection (a) shall be transmitted to the House of Representatives and the Senate on the same day, and shall be delivered to the Clerk of the House of Representatives if the House is not in session, and to the Secretary of the Senate if the Senate is not in session. Each special message so transmitted shall be referred to the Committee on Appropriations of the House of Representatives and to the Committee on Appropriations of the Senate; and each such message shall be printed as a document for each House.

(c) Transmission to Comptroller General.—A copy of each special message submitted pursuant to subsection (a) shall be transmitted to the Comptroller General of the United States on the same day it is transmitted to the House of Representatives and the Senate. In order to assist the Congress in the exercise of its functions under sections 1002 and 1004 the Comptroller General shall review each such message and inform the House of Representatives and the Senate as promptly as possible with respect to (1) the facts surrounding the impoundment set forth in such message (including the probable effects thereof) and (a) whether or not (or to what extent), in his judgment, such impoundment was in accordance with existing statutory authority, provided, however, that the authority hereby conferred shall not be used for the purpose of eliminating a program the creation or continuation of which has been authorized by Congress.

(d) Transmission of supplementary messages.—If any information contained in a special message submitted pursuant to subsection (a) is subsequently revised, the President shall within ten days transmit to the Congress and the Comptroller General a supplementary message stating and explaining such revision. Any such supplementary message shall be delivered, referred, and printed as provided in subsection (b); and the Comptroller General shall promptly notify the House of Representatives and the Senate of any changes in the information submitted by him under subsection (c) which may be necessitated by such revision.

(e) Printing.—Any special or supplementary message transmitted pursuant to this section shall be printed in the first issue of the Federal Register published after such transmittal.

(f) Publication of impoundments.—The President shall publish in the Federal Register, each month a list of any budget authority impounded as of the first calendar day of that month. Each such list shall be published no later than the tenth calendar day of the month and shall contain the information required to be submitted by special message pursuant to subsection (a).

SEC. 1002. Disapproval of impoundments by House or Senate.

Any impoundment of budget authority set forth in a special message transmitted pursuant to section 1001 shall cease if within sixty calendar days of continuous session after the date on which the message is received by the Congress the specific impoundment shall have been disapproved by either House of Congress by passage of a resolution in accordance with the procedure set out in section 1004. The effect of such disapproval shall be to require an immediate end to the impoundment.

SEC. 1003. Definition of Impoundment.

For purposes of this title, the impounding of budget authority includes—

(1) withholding or delaying the expenditure or obligation of budget authority (whether by establishing reserves or otherwise) appropriated for projects or activities, and the termination of authorized projects or activities for which appropriations have been made, and

(2) any other type of Executive action or inaction which effectively precludes the obligation or expenditure of authorized budget authority or the creation of obligations by contract in advance of appropriations as specifically authorized by law.

SEC. 1004. Congressional Procedures.

(a) Definition of resolution; Continuity of session.—

(1) For purposes of this section and section 1002 the term "resolution" means only a resolution of the House of Representatives or the Senate which expresses its disapproval of an impoundment of budget authority set forth in a special message transmitted by the President under section 1001, and which is introduced and acted upon by the House of Representatives or the Senate (as the case may be) before the end of the first period of sixty calendar days of continuous session of the Congress after the date on which the President's message is received by the Congress.

(2) For purposes of this section, and section 1002, the continuity of a session shall be considered as broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of the sixty-day period referred to in paragraph (1) of this subsection (and in section 1002) and the thirty-day period referred to in subsection (c)(1). If a special message is transmitted under section 1001 during any Congress and the last session of such Congress adjourns sine die before the expiration of sixty calendar days of continuous session (or a special message is so transmitted after the last session of the Congress adjourns sine die), the message shall be deemed to have been retransmitted on the first day of the succeeding Congress and the sixty-day period referred to in paragraph (1) of this subsection and in section 1002 (with respect to such message) shall commence on such first day.

(b) Referral.—Any resolution introduced with respect to a special message shall be referred to the Committee on Appropriations of the House of Representatives or the Senate, as the case may be.

(c) Discharge of Committee.—

(1) If the committee to which a resolution with respect to a special message has been referred has not reported it at the end of thirty calendar days of continuous session after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution with respect to the same message which has been referred to the committee.

(2) A motion to discharge may be made only by an individual favoring the resolution, may be made only if supported by one-fifth of the Members of the House involved (a quorum being present), and is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same special message); and debate thereon shall be limited to not more than one hour, to be directed equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(3) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same special message.

(d) Floor consideration.—

(1) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a special message, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion 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 on the resolution shall be limited to not more than two hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(e) Motions.—Motions to postpone, made with respect to the consideration of a resolution with respect to a special message, and motions to proceed to the consideration of other business, shall be decided without debate.

(f) Appeals.—All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to any resolution referred to in this section shall be decided without debate.

SEC. 1005. Reports of Impoundments by Comptroller General.

If the Comptroller General finds that the President, the Director of the Office of Management and Budget, the head of any department or agency of the United States, or any other officer or employee of the United States has impounded any budget authority authorized or made available for a specific purpose or project or has ordered, permitted, or approved the impounding of any such budget authority by any other officer or employee of the United States, and the President fails to transmit a special message with respect to such impoundment as required by this title, the Comptroller General shall report such impoundment and any available information concerning it to both Houses of Congress; and the provisions of this title shall apply with respect to such impoundment in the same manner and with the same effect as if such report of the Comptroller General were a special message submitted by the President under section 1001, with the sixty-day period provided in section 1002 being deemed to have commenced at the time at which the Comptroller General makes the report. As used in section 1004, the term "special message" includes a report made by the Comptroller General under this section.

SEC. 1006. Suits by Comptroller General to enforce controls.

The Comptroller General is hereby expressly empowered as the representative of the Congress through attorneys of his own selection, with the approval of the Congress in any particular case, to sue any department, agency, officer, or employee of the United States in a civil action in the United States District Court for the District of Columbia to enforce the provisions of this title, and such court is hereby expressly empowered to enter in such civil action any decree, judgment, or order which may be necessary or appropriate to secure compliance with the provisions of this title by such department, agency, officer, or employee. Within the purview of this section, the Office of Management and Budget shall be construed to be an agency of the United States, and the officers and employees of the Office of Management and Budget shall be construed to be officers or employees of the United States.

SEC. 1007. Repeal of existing impoundment reporting provision.

Section 203 of the Budget and Accounting Procedures Act of 1950 is repealed.

SEC. 1008. Disclaimer.

Nothing contained in this title shall be construed as—

(1) asserting or conceding the constitutional powers or limitations of either the Congress or the President;

(2) ratifying any impoundment heretofore or hereafter executed or approved by the President or any other Federal officer or employee, except insofar as pursuant to statutory authorization then in effect; or

(3) affecting in any way the claims or defenses of any party to litigation concerning any impoundment ordered or executed before the date of the enactment of this Act.

Mr. ROTH. Mr. President, this is an argument I have made before in this Chamber, so I will try to keep my remarks brief. The amendment follows very closely the language of the House-passed bill H.R. 7130 in which the issue of impoundments was thoroughly debated and upheld by a vote of 295 to 108. I have introduced this House title as a substitute for the existing title X of S. 1541, but I want to point out to my colleagues that I have added one important feature.

Under the language in H.R. 7130, the Comptroller General is required to rule on his interpretation of the legality of any impoundment, to act, in a sense, as the Congress agent, so that every reservation of funds need not necessarily be presented for a vote of affirmation or rejection. This is only sensible, since I feel that many of us agree that the Executive should have certain limited authority to save public money when this is done in the spirit of prudent administrative and managerial responsibility. But I have added the following clause, to insure that the Comptroller has the ability to challenge wholesale impoundments that might distort or even negate the intent of Congress.

That language is that—

The authority hereby conferred shall not be used for the purpose of eliminating a program, the creation or continuation of which has been authorized by Congress.

THE IMPORTANCE OF BALANCE

Mr. President, earlier in this debate over the budget reform bill, I made an earnest plea to have Congress put some teeth back into the legislation, to have us construct a system, a mechanism under which the budget resolution would become a meaningful step in the annual cycle of budget decisions. I feel most strongly that a resolution, easily breached, is no resolution at all. Instead, it is a device to allow Congress the luxury of touting reform without being constrained by any real discipline.

As I see the legislation at this point, I feel that the President must have some latitude to recommend program reservation, provided that he cannot use this authority to totally subvert the will of Congress.

Specifically, this language seeks to change the thrust of the language in title X. My amendment would provide that impoundments made by the President will stand unless Congress overrules him. I think this makes only good sense. Let me point out why. Congress adopts, from time to time, a debt ceiling. The President, under the Constitution, has the responsibility and the obligation to abide by that debt ceiling.

He cannot spend in a manner that would exceed that ceiling, so long as there is no further action by Congress.

Yet if we passed this legislation as submitted, next year we could be putting the President in an inflexible position unless Congress chooses to act.

Last fall, Congress adopted a debt ceiling that is consistent with $250 billion in spending during the current fiscal year. Any spending beyond that amount would exceed the debt ceiling and violate it. So if the President is withholding for that purpose, he is merely trying to abide by the ceiling adopted by Congress, and that only makes sense to me.

But what we are saying under the present title is that the President could not use any Executive discretion at all. Unless Congress saw to it that all of its actions were truly consistent, we could possibly be in the ambiguous position of not complying with the debt ceiling, and that could raise all kinds of ramifications.

Let me stress that Congress has the opportunity to disprove any Presidential impoundment action by a simple majority vote, in either House. That is hardly an overwhelming task for us. We approve and disapprove hundreds of motions every year.

Second, we will not be bombarded with referrals to the floor. The Comptroller General will act as a filter, picking out those actions he feels have been taken without proper statutory authority. His expertise and counsel should help us to deal with this problem more expeditiously.

The existing title X, based on a bill submitted recently by Senator ERVIN, would ban all but the most tightly defined impoundments, and give the Comptroller General the right to sue, in our behalf, to have an action overruled in court. But should this be a matter we delegate to the courts? Are we saying that Congress, which most closely represents the interests of the program recipients, should wash its hands of the matter, delegating it to the GAO and the courts?

I, for one, feel we would be abdicating our authority and responsibility, if we did. Why under the system I propose, our House of Congress could settle the issue in a day, in a matter of hours, if it took such umbrage with a Presidential impoundment referred through the Comptroller. All that would be required under expediting rules is a simple resolution of disapproval from the Appropriations Committee and a simple majority vote of one house. With a minimal quorum present, as few as 26 Senators could overrule the President under my proposal.

Mr. President, I would like to make a couple of observations. I think most of the principal points have already been covered.

First, I should like to reemphasize that at one time, the distinguished principal sponsor of this title proposed the use of congressional disapproval.

Second, the chairman of the House Appropriations Committee apparently feels that this is an appropriate method of bringing about some control, as does a firm majority of the entire House. So it is hardly a partisan fight. We are all faced with the real, and ever present problem of gaining effective control over our actions.

But I think the most important point to make is that Congress will not be fulfilling its responsibility merely by the impoundment proposal now contained in S. 1541. We would be making it impossible, really, to bring the budget within control. The House and the Senate do not—I would like to emphasize do not—consider each appropriation in the context of the whole budget. And under the mechanism the Senate has approved, I suspect we will not depart too far from our present-day patterns of behavior.

If we really are going to be fiscally responsible, we ought to adopt a legislative budget, break it down by priorities, and set the limits of each of those categories. We are not doing that. But here we are saying to the President, "You cannot impound unless the courts get around to approving your action." We could get by, doing nothing, just sitting on our hands. We would not be required to indicate our vote.

I think it should be our obligation, when impoundments are reported, that we stand up and be counted.

At the present time, the President does not have a very effective voice in the final enactment of spending bills. We have 13 regular appropriations, each including many items. They come late in the year. Normally it is impossible for the President to veto them.

I feel that this bill in its present form will only continue the fragmented budgetary process; and by passing this measure, we are going to make it more difficult to bring control into the picture.

The President is impounding now because Congress has not been willing to live within a budget and establish difficult priorities. He is acting because there is a vacuum. I think it is our responsibility to adopt both a comprehensive procedure which will insure that Congress has to "face the music," and failing that, at least has to be counted on the occasion of any impoundment which the Comptroller feels has been made outside the legitimate territory of statutory guidelines.

Mr. MUSKIE. Mr. President, may I say first that title X as a way to deal with the impoundment issue was developed as a way to cut through the impasse between the House and Senate versions of the impoundment legislation.

The version enacted by the Senate, three times in the Congress, provides very precisely that impoundment shall not take effect unless approved by Congress.

The House version provides that impoundment shall take effect unless disapproved by Congress.

Clearly, the difference between the two is that with the House version, the burden is placed on Congress to act. With respect to the Senate version, the appropriation initially approved by Congress

stands until Congress itself agrees to the modification.

What we are talking about in impoundment legislation is to strengthen the hand of Congress in a situation where power has shifted toward the President because of his excessive use of authority under the Antideficiency Act. Those two pieces of legislation enacted in two Houses, so diametrically opposed to each other, have left us in an impasse for several months. Neither side was interested in going to conference because there was no way of compromising those two fundamentally contrary theories.

It is for that reason that Senator ERVIN and I introduced legislation, which is now incorporated in title X of the bill, which seeks to cut through the impasse. We seek to do it by a simple amendment of the Antideficiency Act.

It might be useful if I explain the technique.

The purpose of title X is to define and clarify the authority of the President and other officers and employees of the executive branch to place appropriated funds in reserve. The Antideficiency Act, as amended in 1950 (31 U.S.C. 665), permitted executive officers to establish reserves "to provide for contingencies, or to effect savings whenever savings are made possible by or through changes in requirements, greater efficiency of operations, or other developments subsequent to the date on which such appropriation was made available." The language of section 1001 in the pending measure retains the authority to establish reserves for contingencies, or to effect savings whenever savings are made possible by changes in requirements or greater efficiency of operations. That language in the Antideficiency Act is retained. Indeed, it is essential in terms of sensible administration of programs authorized by Congress. But the "other developments" clause would be deleted by this bill because it has been treated by some officials of the executive branch as a justification for establishing reserves because of economic or other developments. Clearly that use was never intended by the Congress. It is that use which has provoked this controversy over impoundments.

Section 1001 further defines the boundaries of the Antideficiency Act by prohibiting the use of reserves for fiscal policy purposes or to achieve less than the full objectives and scope of programs enacted and funded by Congress. The apportionment process is to be used only for routine administrative purposes such as to avoid deficiencies in executive branch accounts, not for the making of policy or the setting of priorities.

The committee's amendments to the Antideficiency Act are fully consistent with the legislative intent and history of the 1950 amendment. The 1950 language was anticipated in a June 5, 1947 joint report by the Bureau of the Budget and the General Accounting Office. The Senate Committee on Appropriations had asked the two agencies to recommend ways of improving the Antideficiency Act. The resulting report, which recommended clarified authority for setting aside reserves for contingencies and savings, stated that the authority "must be exercised with considerable care in order to avoid usurping the powers of Congress." In reporting the antideficiency language in 1950, the House Committee on Appropriations explained that the technique of setting aside reserves was not to be used to thwart the will of Congress: "It is perfectly justifiable and proper for all possible economies to be effected and savings to be made. But there is no warrant or justification for the thwarting of a major policy of Congress by the impounding of funds." H. Rept. No. 1797, 81st Cong., 2d Sess., p. 311. Moreover, nothing in the language or legislative history of the Antideficiency Act suggests in any way that Congress intended the executive branch to place funds in reserve as part of economic policy.

That the committee's amendments to the Antideficiency Act are also consistent with recent decisions by Federal courts is demonstrated with regard to withholding funds for fiscal policy purposes. Judge Oliver Gasch of the U.S. District Court for the District of Columbia disagreed with the administration that the executive branch could withhold funds simply because it—

> Desires to control overall federal spending or to give priority to other programs which it believes are more laudable. Control of federal spending is an entirely laudable objective, but there is no authority either in Article II of the Constitution or in the case law, for the defendants' position that they may achieve this by refusing to comply with the terms of a statute.

Massachusetts v. *Weinberger* (Civ. Action No. 1303–73, D.D.C.) and *District of Columbia* v. *Weinberger* (Civ. Action No. 1322–73, D.D.C.). Reprinted at 119 CONGRESSIONAL RECORD, pp. 2656–71 (July 30, 1973).

So, Mr. President, title X is designed to correct the problem that was generated by improper interpretation of the Antideficiency Act by the executive, to use it for purposes it was never designed to serve. So, in order to break the impasse between the House and the Senate, which has left us in a stalemate on this issue for the past several months, this technique was developed by Senator ERVIN and myself. I think it makes a great deal of sense. It makes a great deal of sense that it be included in a piece of legislation dealing with congressional procedures dealing with the budget, procedures designed to develop budgetary and fiscal discipline in the ways in which Congress manages its fiscal affairs.

It is our belief, those of us who have participated in the development of this legislation, that it will have that effect. If it will not, then this is all a hopeless exercise. If it will not, Congress will find other ways to be spendthrift, I am sure. But if budget reform legislation achieves its objective of fiscal discipline in the Congress and in the executive, there will be no need in the future for the kind of confrontation between the executive branch and the Congress which has been represented by this impoundment issue.

May I make the point that the impoundment issue has reached several of the district courts. It has been decided by one circuit court and in nearly every case where there has been a judicial decision, the result has been favorable to the congressional position on impoundment, justifying—at least, from the point of view of this Senator—my interpretation of the legislative history behind the Antideficiency Act.

So I think that the technique in this bill devised by Senator ERVIN and myself is right on point. It deals with the problem in a precise way. It simply extends the Antideficiency Act in accordance with its initial philosophy.

For that reason, in order to settle this issue, and in order to get it resolved, in order to get impoundment legislation adopted, I would oppose the amendment of the distinguished Senator from Delaware, who has contributed much to the development of this budget reform legislation, but who I believe is eminently wrong on this issue.

Mr. ROTH. Mr. President, I agree with the distinguished Senator from Maine that the question of impoundment should be resolved. I believe very strongly that the President should not use the power of impoundment to kill or basically eliminate any program that has been authorized by Congress. As I mentioned earlier, it was for that reason that I did add a proviso to the House version that would make that perfectly clear in the legislation.

What concerns me is the cure. It seems to me that Congress, itself, and not the courts should be the one to decide whether or not an impoundment should be put into effect. I believe that is the responsibility of Congress. There has been much talk in recent months and in recent days not only about the President improperly using the impoundment, but likewise, about Congress not living up to its full responsibility.

All I am proposing is that the enforcement procedures be put in Congress rather than in the courts. I should like to point out that what I have proposed is not a partisan matter. As a matter of fact, it has been adopted by the U.S. House of Representatives, of which the Democratic Party is the majority. So what we are arguing about today is not, as I said, partisan in nature.

Second, it seems to me that what we are saying here is that Congress does have a responsibility to look at each proposed impoundment of the President. My proposal would give greater authority to Congress, as we could kill any impoundment, whether or not it was within the antideficiency legislation.

For that reason, I urge the adoption of my amendment, on the grounds that, in my judgment, it would bring a greater voice in governmental affairs to Congress and greater responsibility to its Members.

Mr. President, I intend to ask for the yeas and nays at the appropriate time.

Mr. MUSKIE. Mr. President, the distinguished Senator and I are interested in resolving this impoundment issue. He would prefer to see it resolved in Congress rather than in the courts.

May I say, in commenting on that, that the only progress toward resolving it has been made in the courts, and no

progress has been made in Congress. On that record, I do not think we should adopt a procedure which excludes the judicial process from a resolution of the issue.

I repeat that all title X does is to incorporate the original intention of the Antideficiency Act, so that it will clearly not support the abuse of the impoundment authority which the courts have documented, the abuse of the impoundment authority as exercised by this administration.

So if the Antideficiency Act was originally sound—and I believe it was—as originally intended, all title X does is to reestablish it on its original base. I do not see how there can be serious quarrel with that objective.

Mr. PERCY. Mr. President, I have agreed to many of the efforts of the distinguished Senator from Delaware and what he has tried to accomplish. Ever since he became a Member of the Senate, he has been the voice and the conscience of the taxpayer. He has been the watchdog over the Treasury, and has served with distinction on both the Joint Study Committee on Budget Control and the Government Operations Committee working on this bill. As I said the other day, he has become a worthy successor to another great Senator from Delaware, Senator WILLIAMS.

In this case, I think we have agreement in philosophy, but a difference in how we implement our philosophy.

I was interested when Arthur Burns, in talking of the budget reform legislation, made this comment with respect to impoundment of funds:

> Once those procedures are modified to enable Congress to regain control over total outlays and to determine priorities among competing programs, there should be no occasion for broadscale impounding of funds by the President.

That, of course, is the hope all of us have.

I have the feeling that sometimes when we have been able to shift responsibility, we have not always taken the action we would take or the position we would assume if our action were final and had to stand.

I have no hesitancy in saying that I have heard Members of this body vote on issues, and then when they have been asked, "How can you justify such a large spending figure?" they have said to me, "Oh, the House is going to cut it, anyway." That was a recognition that what we did was vote for too much, but what we were actually doing was voting a bargaining position. We did not believe—in fact, we hoped—that the House would not accept the figure because the figure we put in would be an irresponsible one.

I presume that in years past, as Presidents have impounded funds, Congress, as a whole, has in a sense said, "Well, we will send it downtown. Let them take the rap down there for not spending the money. After all, it will be their decision. We added money to the program. We provided the funds; and if the President wants to take the rap for cutting them back, then let him do it."

I have seen President Johnson have to step up and stop the construction, in the middle of a building boom in Chicago, of a second big Federal building, because he felt it would simply add to inflation, that it would be a misuse of funds at that particular time. Why not build certain of our Federal buildings—those that are not urgently needed—at a time when we need a stimulant to the economy, rather than when they would add to inflation? We have seen the same in the spending of highway trust funds, and so forth.

I believe that the whole philosophy of what we are trying to accomplish in this bill is now to have Congress take back the responsibility that the Constitution gives us and to have us say to ourselves that once we put these figures in and commit spending at these levels, we have to count on the fact that they are going to be spent. Now we have had district courts support the fact that their interpretation of the situation is such that the President cannot impound these funds, and in effect they must be spent.

Therefore, I feel that we should now put Congress in the position where it has to bite the bullet; it has to take the final responsibility; and it cannot pass the buck to the executive branch of the Government and say, "We are going to pass all these bills and then if it is improper if it should not be done, if it is going to have an adverse effect on the economy, whatever it may be, you take the rap for impounding them." We are going to have to take the rap. I want us to take the rap; because if we have that final responsibility, we may not authorize that much money in the first instance and we may once again become what the Constitution expected us to be—the watchdog of the Treasury—by keeping that responsibility right here in Congress, where it belongs.

We are doing so now, with the provisions of this bill, providing for ourselves adequate staff, adequate research, and adequate backup for these positions.

For that reason, I would tend to oppose—in fact, I will have to vote against—the amendment offered by the distinguished Senator, though I respect very much his overall efforts, with a great portion of which I have found myself in agreement.

Mr. ROTH. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ROTH. Mr. President, I should like to answer the distinguished Senator from Illinois. There is not a great deal of need to continue the discussion further, as this matter has been much debated.

What I am saying to him is that the legislation in title X, in its present form, simply means that Congress is passing the buck. It is passing the buck to the courts. What I am asking is that we take that power back here, that Congress should determine whether or not an impoundment should go into effect.

I point out, further, that under my amendment—which, as I noted earlier, has been adopted by the House—only a simple majority of either House is required to veto an impoundment of the President. I think that has great advantages. First of all, it does provide some flexibility in Federal spending. I believe that the average citizen in this country feels that this Government spends too much unwisely, and will heartily endorse any efforts we make to cut back on Federal spending.

Second, I agree with those who say that the President should not preempt a program by impoundment. He will not be able to do that under my amendment. We are merely giving the Congress the effective voice to say yes or no to any proposal of the President.

Mr. President, I urge adoption of my amendment in order to bring more power back to Congress rather than passing the buck to the Federal courts.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. ROTH. I yield back my time.

The PRESIDING OFFICER. Does the Senator from Illinois yield back the remainder of his time?

Mr. PERCY. Mr. President, as far as I know there are no Senators who wish to speak on this matter.

I yield back our time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from Delaware. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Arkansas (Mr. MCCLELLAN), and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD), and the Senator from North Dakota (Mr. YOUNG) are absent on official business.

I also announce that the Senator from Vermont (Mr. AIKEN) is absent because of illness in the family.

I further announce that the Senator from Colorado (Mr. DOMINICK), the Senator from Nebraska (Mr. HRUSKA), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from South Carolina (Mr. THURMOND).

If present and voting, the Senator from Oregon would vote "nay" and the Senator from South Carolina would vote "yea."

The result was announced—yeas 28, nays 60, as follows:

[No. 80 Leg.]

YEAS—28

Allen	Cook	Hansen
Baker	Cotton	Helms
Bartlett	Curtis	McClure
Beall	Dole	Roth
Bellmon	Eastland	Stennis
Bennett	Fannin	Stevens
Brock	Fong	Taft
Buckley	Goldwater	Tower
Byrd, Harry F., Jr.	Griffin	Weicker
	Gurney	

NAYS—60

Abourezk	Hollings	Nunn
Bayh	Huddleston	Packwood
Bentsen	Hughes	Pastore
Bible	Humphrey	Pearson
Biden	Inouye	Pell
Brooke	Jackson	Percy
Burdick	Javits	Proxmire
Byrd, Robert C.	Johnston	Ribicoff
Cannon	Magnuson	Schweiker
Case	Mansfield	Scott, Hugh
Chiles	Mathias	Scott, William L.
Church	McGee	Sparkman
Clark	McGovern	Stafford
Cranston	McIntyre	Stevenson
Domenici	Metcalf	Symington
Ervin	Metzenbaum	Talmadge
Gravel	Mondale	Tunney
Hart	Montoya	Williams
Hartke	Moss	
Haskell	Muskie	
Hathaway	Nelson	

NOT VOTING—12

Aiken	Hatfield	McClellan
Dominick	Hruska	Randolph
Eagleton	Kennedy	Thurmond
Fulbright	Long	Young

So Mr. ROTH'S amendment was rejected.

Mr. MUSKIE. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. PERCY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 11793) to reorganize and consolidate certain functions of the Federal Government in a new Federal Energy Administration in order to promote more efficient management of such functions; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HOLIFIELD, Mr. ROSENTHAL, Mr. ST GERMAIN, Mr. FUQUA, Mr. HORTON, Mr. ERLENBORN, and Mr. WYDLER were appointed managers on the part of the House at the conference.

CONGRESSIONAL BUDGET ACT OF 1974

The Senate continued with the consideration of the bill (S. 1541) to provide for the reform of congressional procedures with respect to the enactment of fiscal measures; to provide ceilings on Federal expenditures and the national debt; to create a budget committee in each House; to create a congressional office of the budget, and for other purposes.

Mr. SCHWEIKER. Mr. President, some people seem to think Federal spending is about like death and taxes; nobody likes it, but not much can be done about it.

I reject that. Not only can we do something about Federal spending, but if we are going to preserve the economic vitality of the United States, we must do something about it. Federal spending sets the pace for the rest of our economy—and as long as Federal spending is out of control, our galloping inflation is going to continue out of control. We simply cannot afford this any longer.

During the first session of the 93d Congress, I introduced S. 1213, the Federal Spending Control Act of 1973. I am pleased that the legislation before us today, S. 1541, has adopted the basic features of my bill: A strict Federal spending ceiling, tight controls on backdoor spending, and creation of a congressional budget committee to impose businesslike discipline over the entire Federal spending process.

Back in 1972, I joined a majority of my colleagues in both houses in fighting for a $250 billion budget ceiling—and such a ceiling finally passed both Houses of Congress after a bitter fight. But it was never enacted into law, because the President and the Congress could not agree on where the cuts would be made. Last year, when I introduced S. 1213, I favored a spending ceiling substantially less than the President's proposed budget request for that year. So the issue is not between the spenders in Congress and the savers in the executive branch. Mr. President, the issue is a battle of priorities, a debate over how the same amount of our tax dollars should be spent. I believe our constitutional form of Government requires that the representatives of the people, in the House and the Senate, make these crucial decisions. S. 1541 will finally give us the machinery to do that, and I strongly support this measure.

In closing, let me stress that S. 1541 is only a first step. Reform of the Federal spending process must be coupled with reform of the Federal taxing process. It is high time we end the special interest tax breaks, the "golden gimmick" which has encouraged the major oil companies to raise world oil prices by giving them a dollar for dollar tax credit against U.S. income tax for foreign royalties paid, and the regressive taxes imposed on our poor and elderly. S. 1541 is a strong first step, but I intend to continue fighting for comprehensive tax reform, this session.

Mr. RIBICOFF. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the further reading of the amendment be dispensed with.

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

The amendment ordered to be printed in the RECORD is as follows:

On page 129, line 16, strike out "401(c)" and insert in lieu thereof "401(c)(2) (A) and (B)".

On page 129, strike out lines 17 through 19 and insert in lieu thereof the following:

"(2) with respect to any matter referred to in section 401(d);".

On page 149, beginning with line 19, strike out all through line 5 on page 151, and insert the following:

(2) Report by Appropriations Committees.—Whenever any bill or resolution which provides new advanced spending authority described in subsection (c)(2)(C) is reported by any committee of the Senate or the House of Representatives, the Committee on Appropriations of that House may, within 10 calendar days (not counting any day on which that House is not in session) beginning with the day following the day on which it is so reported, submit a report to its House setting forth its recommendations with respect to the level of new advance spending authority provided by such bill or resolution, such report to be issued as a separate report by the Committee on Appropriations or to be included in the report of the committee reporting such bill or resolution. It shall not be in order in that House to consider such bill or resolution until the Committee on Appropriations of that House has submitted the report required by this paragraph or, if such Committee fails to submit such report, until the expiration of such 10-day period.

On page 158, strike out lines 16 through 20, and insert the following:

"4. As provided in section 401(b)(2) of the Congressional Budget Act of 1974, reports on new advance spending authority described in section 401(c)(2)(C) of that Act."

On page 159, strike out lines 7 through 11, and insert the following:

"(d) As provided in section 401(b)(2) of the Congressional Budget Act of 1974, reports on new advance spending authority described in section 401(c)(2)(C) of that Act."

Mr. RIBICOFF. Mr. President, this amendment is a modified version of my printed amendment No. 1044. My amendment in no way affects the discipline imposed by the bill. It relates only to the jurisdictional question affecting certain specific types of legislation.

Mr. President, S. 1541 is designed to promote fiscal responsibility by reforming the budget process so as to make it reflect congressional priorities. It will establish a framework, reflecting Congressional priorities, which will provide a discipline under which all congressional action affecting the budget can be seen in an overall context.

I strongly support S. 1541 for the discipline it creates and for the central role it gives congressional decisionmaking.

As I have said, my amendment in no way affects the discipline imposed by the bill. It relates only to a jurisdictional question affecting certain specific types of legislation. The amendment would delete the requirement that legislation affecting certain programs be referred to the Appropriations Committee, but instead offers that committee an opportunity to report on this legislation before the Senate acts on it.

Under S. 1541, legislation creating a new entitlement to payments or increasing existing entitlements must be referred to the Appropriations Committee for a period of 10 days after it is reported by a substantive committee. This requirement of referral to the Appropriations Committee would not affect existing trust fund programs but it would apply to such programs as veterans' compensation, veterans' pensions, veterans' educational benefits, payments to needy, aged, blind, and disabled persons, medical assistance to the needy, and food stamps.

This additional referral to the Appropriations Committee was not requested by that committee and it will occur at a time when the Appropriations Committee will be fully occupied in attempting to process all appropriations legislation.

Mr. President, it has been my experience that entitlement programs handled by the Finance Committee often involve complex legislation. Usually, this legislation does not merely add dollar costs to a program but instead reflects many complicated changes in the law. The value of our committee system in the Senate is that it permits each committee to develop expertise in the area it handles. For example, major legislation enacted in recent years has made dozens of modifications in the programs of aid to the aged and in medicaid, and these changes have not merely represented payment increases.

Furthermore, the rereferral in S. 1541 is required even when the substantive committee reports legislation whose budgetary impact has been fully provided for in the congressional budget. Since the bill creates a discipline for the Congress, there is no need for an additional step which adds nothing to that discipline.

The Senate is, I am sure, aware of my interest in our programs for veterans. I have always been concerned that when we increase social security benefits, we assure that veterans do not suffer a loss in pension benefits. It has been the pattern of the Congress to meet this problem by rewriting the veterans' pension provisions in the law. This is a matter requiring careful work, and is not simply a matter of adding additional funds to the veterans' pension program.

My printed amendment in its original form would have deleted the process of referring certain legislation to the Appropriations Committee. In its modified form now pending, worked out with the staff of the Senator from Maine, my amendment will provide the Appropriations Committee an opportunity to report on the legislation before it is considered by the full Senate.

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

Mr. RIBICOFF. I yield.

Mr. HUMPHREY. I rise only to extend my support to this very worthy amendment. Many of us have been deeply concerned about this subject matter, particularly when we get to the matter of social security increases and what has been the effect on some of the other pension rights our citizens are entitled to. We always depend on the Senator from Connecticut to help us out on these matters, and I extend my full support to his amendment.

Mr. RIBICOFF. I thank the Senator.

Mr. President, among the cosponsors of this amendment are the distinguished chairman of the Committee on Finance (Mr. LONG), the distinguished chairman of the Committee on Labor and Public Welfare (Mr. WILLIAMS), the distinguished chairman of the Committee on Veterans' Affairs (Mr. HARTKE), and the distinguished chairman of the Committee on Public Works (Mr. RANDOLPH), who all feel that this is a most important amendment and should be adopted.

I ask unanimous consent that communications in support of this proposal from the National Association of Concerned Veterans, the American Legion, the Disabled American Veterans, the Veterans of Foreign Wars, and the AMVETS be printed in the RECORD.

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

NATIONAL ASSOCIATION OF CONCERNED VETERANS,
Washington, D.C., March 20, 1974.

Hon. ABRAHAM A. RIBICOFF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR RIBICOFF: The Congressional Budget Act of 1974, S. 1541, provides many sensible and much needed budget reforms. However, the National Association of Concerned Veterans strongly opposes section 401 of this measure.

Section 401 details a provision requiring a number of veterans' entitlement programs to be re-referred to the Appropriations Committee for possible imposition of spending limits—before reaching the Senate floor. Certain non-veterans' entitlement programs are to be exempted from this re-referral provision.

Aside from objecting to the obvious discriminatory nature of section 401, NACV believes this re-referral provision to be unnecessary. Other provisions of S. 1541 establish effective controls over veterans entitlement programs.

The NACV, formerly the National Association of Collegiate Veterans, consists mainly of young veterans currently training under the GI Bill, and many who receive disability compensation.

The NACV fully endorses your amendment to S. 1541 which would eliminate this referral process. We thank you for taking such action, and urge Senate adoption of your amendment.

Respectfully yours,
JAMES M. MAYER, *President.*

WASHINGTON, D.C.

Senator ABRAHAM RIBICOFF,
U.S. Senate,
Washington, D.C.

The American Legion supports your proposed amendment to exempt veterans benefits legislation from the re-referral provisions of section 401 of S. 1501, the budget reform bill now under consideration by the Senate. We oppose that provision which would permit the Appropriations Committee to limit spending authority of any veterans entitlement legislation referred to it. As you know, veterans benefits including compensation, pensions, educational assistance and medical and hospital treatment represents only 4.4 percent of the total Federal budget not withstanding a 21-percent increase in the Nations veterans population in recent years.

The American Legion believes that the cost of veterans benefits is a delayed cost of war, To subject the veterans entitlement program to the re-referral provision of section 401 would not control back door spending and would vest partial jurisdiction over veterans legislation in another committee. To single out the veterans benefit program for re-referral is unnecessary and discriminatory and would impede the progress of needed legislation.

Your continued interest in protecting the rights of veterans is deeply appreciated.

HERALD STRINGER,
National Legislative Director, the American Legion.

DISABLED AMERICAN VETERANS,
March 21, 1974.

Hon. ABRAHAM A. RIBICOFF,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR RIBICOFF: The Disabled American Veterans is greatly concerned over the adverse affect that the re-referral provisions of Section 401 of the Congressional Budget Act (S. 1541) could have upon the nation's programs of veterans' benefits and services.

We firmly believe that referral of veterans' entitlement legislation to the Committee on Appropriations is unwarranted, and we strongly support the amendment that you will offer to delete this discriminatory section from the bill.

Sincerely yours,
CHARLES L. HUBER,
National Director of Legislation.

VETERANS OF FOREIGN WARS OF THE UNITED STATES,
Washington, D.C., March 21, 1974.

Hon. ABRAHAM RIBICOFF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR RIBICOFF: The Veterans of Foreign Wars is extremely pleased that you propose to offer an amendment on Thursday, March 21, to S. 1541, the Congressional Budget Act of 1974, which, if approved, will delete a highly discriminatory provision regarding veterans statutory and entitlement programs.

I am referring to the re-referral provision for veterans entitlement legislation in S. 1541. A thorough analysis of this provision leads to the conclusion that it is unwarranted and unnecessary and discriminates against veterans programs.

Because it is most important to the Veterans of Foreign Wars, our Commander-in-Chief Ray Soden is sending a letter to each of your 99 colleagues urging them to vote in favor of your amendment to delete the re-referral provision as it relates to veterans programs.

You have the highest commendation for your initiative and leadership in bringing this matter to the attention of your Senate colleagues and Senate acceptance of your amendment will be deeply appreciated by the more than 1.8 million members of the Veterans of Foreign Wars.

A copy of Commander-in-Chief Soden's letter is enclosed.

With kind personal regards, I am
Sincerely,
FRANCIS W. STOVER,
National Legislative Service.

WASHINGTON, D.C.

Senator VANCE HARTKE,
Capitol Hill, Washington, D.C.:

Amvets urges the adoption of Senator Ribicoff amendment to Senate bill S1541 as it pertains to excluding veterans programs from fixed budgetary allocation.

Commander BERGE AVADANIAN,
National Commander Amvets.

Mr. MUSKIE. Mr. President, the proposed amendment of the distinguished Senator from Connecticut has not yet been cleared with all Senators who are interested in the issue at this time, so I wonder if it might not be helpful if I took a few moments to explain why this provision is in the bill, and what purpose we hope the revised amendment of the distinguished Senator from Connecticut would serve. It is a complex issue to understand. This statement is not intended as a direct thrust at the Senator's amendment, but at the overall problem of entitlement legislation.

REASONS WHY ENTITLEMENTS MUST BE REPORTED TO APPROPRIATIONS COMMITTEE

Entitlements are easy to give but virtually impossible to take away. They are the least controllable portion of the Federal budget and the portion most in need of reform. Unless Congress establishes a procedure to bring them under

effective control, the objective of budget reform will be seriously compromised.

Entitlement authority exists when Congress vests a person or Government with certain benefits. An obligation to pay the benefits is thus established in advance of or without appropriation. Often such entitlements are open-ended with the actual amount of expenditure determined by outside forces—such as the size of the beneficiary population. In these instances, the budget merely contains an estimate of the amount that will be required in the fiscal year to pay the obligations. In recent years, the budget has tended to underestimate the benefits that will have to be paid with the result that actual expenditures have exceeded the budgeted amounts.

Many entitlements are in the form of permanent appropriations; that is, the money becomes available without any current action by Congress. Even when an entitlement is funded through appropriations, Congress has no genuine control over the matter, for a legal or moral obligation already exists.

Well over $100 billion in the 1975 budget takes the form of mandatory entitlements which are uncontrollable under current law. These entitlements are the fastest growing portion of the budget and they account in good part for the mandatory year-to-year rise in Federal spending. Of the $30 billion escalation in the 1975 budget, at least half of the increase occurs in entitlement programs. This means that even before the President or Congress makes a single decision on 1975 programs and priorities, they are faced with approximately $20 billion more in spending than in the previous year.

The only point at which entitlements can be controlled—the only point at which Congress can make meaningful decisions—is before the entitlement is established. Afterwards it is too late, not only for this year but for future years as well. This is the reason why S. 1541 establishes a special procedure for the consideration of entitlement legislation. Under section 401, entitlement legislation would have to be referred to the Appropriations Committee—under a 10-day limit—from the committee of original jurisdiction. Thus, when the matter comes to the floor for determination, Members would have the legislation as reported by the authorizing committee as well as any amendments offered by the Appropriations Committee. At this point, the Senate would be in a position to determine the extent to which it wishes to establish an entitlement.

This procedure does not restrict in any way, the ability of Congress to establish new or expanded entitlements. Its sole intent is to relate entitlements to the appropriations process and thereby to give Congress additional information on the possible costs of the proposed program as well as the opportunity to consider any alternatives which may be put forward by the Appropriations Committee. But once Congress has acted to establish an entitlement, the program would function in precisely the same manner as it now does. The only change, therefore, would be to give Congress more information and more alternatives.

It bears mentioning that this procedure stops short of the two-step procedure which is required of most programs. Most programs must go through both an authorizations process and an appropriation in order for funding to be made available. Under S. 1541, entitlement programs would only go through the authorizations process, but the Appropriations Committee would have an opportunity to consider the legislation prior to floor action.

Certain entitlement programs such as veterans benefits and public assistance go through the appropriations process each year. But at this stage, the appropriation is a completely perfunctory action for Congress must provide whatever funds are required for the obligation. In fact, if the appropriation does not suffice to cover the obligation, Federal law authorizes agencies to spend at a rate which would compel a deficiency appropriation. Consequently, the appropriation of funds after an entitlement has been established offers no opportunity for spending control.

The argument has been made that Congress does not require the new procedures for entitlements because they would be effectively controlled by the concurrent resolution on the budget. That is, funds to be spent pursuant to entitlements would be allocated in the budget resolution in the same manner as all other Federal programs. Therefore, why not place entitlements under the discipline of the new congressional budget process.

The trouble with this argument is that it does not reckon with the character of the budget process or with the peculiar problem of entitlements. The budget resolution in its present form functions as a target—not as a limitation on expenditures. Whatever virtue a target has for regular expenditures, it is not apt to be as effective for backdoor entitlements. The reason is that the congressional resolution on the budget will address spending for the ensuing fiscal year whereas an entitlement relates to future fiscal years, not only to the one covered by the budget. It is an appealing practice for Congress to establish entitlements in a way that imposes no additional cost on the current budget but mandates higher costs in future years. If this were done, the entitlement legislation might be within the target set in the budget resolution, but it would create an uncontrollable expense for future years. When the future year to which the entitlement applies comes, it would take effect automatically without any action by Congress and allocations would have to be made for it in the budget resolution.

In sum, the budget resolution relates only to the next fiscal year, while entitlements impose costs for many future years and often impose them permanently. It is erroneous therefore to look to the budget resolution for additional control over entitlements. As I have indicated, control can be achieved only before the fact in a manner that gives Congress full discretion and full information. For this purpose, the referral procedure spelled out in S. 1541 is both a balanced and equitable way of weighing the costs and benefits of entitlement legislation.

Let me say something about that provision and then I will comment on the Senator's modified amendment.

The rereferral process provided in the pending legislation is designed to do just what I have described. It does not create new substantive jurisdiction with respect to entitlement legislation in the Appropriations Committee. It does not deprive present committees of any of their entitlement authorization. All it does is to provide that any entitlement legislation shall be referred to the Appropriations Committee for 10 days and only for the purpose of making whatever recommendations in the form of amendments or otherwise the Appropriation Committee believes is consistent with the overall budget objectives of Congress and the Government. The Appropriations Committee cannot change the legislation. The Appropriations Committee amendments will be sent to the floor for separate consideration as amendments to the legislation. The entitlement legislation will go to the floor in the form which it took reported from the authorization committee. So the purpose of this provision in the bill is to provide to the Senate and to the House additional information as to the impact on the budget of the entitlement authorization on the overall appropriations so that the Senate can take it into account before establishing the entitlement.

I think that that is the full extent of the committee provision. I think that the modified amendment presented by the distinguished Senator from Connecticut (Mr. RIBICOFF) achieves the same objective or is designed to achieve the same objective. It is designed to make available to the Senate the same information that would be made available under the referral process established in the committee bill. It would be designed to give the Appropriations Committee the same opportunity, 10 days, to develop recommendations with respect to that entitlement legislation either in the form of amendments or purely in the form of information and recommendations.

So I think that both versions would serve those two purposes. The difference between the two is the fact that under the committee provision, the Appropriations Committee would consider the bill in a form of referral, for whatever difference that makes.

So far as I am concerned, the principal impact of that change is to deprive the proponents of a change in the argument that somehow the committee bill changes the jurisdiction of the authorization committee and the jurisdiction of the Appropirations Committee. I do not believe it does. I do not believe it was intended to do so. So I can go along with the modified Ribicoff amendment to that extent.

May I say to the Senator that all interested Senators have not yet had a full opportunity to consider the amendment. The distinguished manager of the bill on the Republican side is one. I do not

know what he is going to say about the amendment, but I think, at this point, it is appropriate that he have an opportunity to state what is on his mind.

Mr. PERCY. Mr. President, I thank my distinguished colleague. I only wish I had been able to give him an instant reaction, but the amendment is such a profound one, and there were several forms. I commend the distinguished Senator from Connecticut for modifying it from the form in which we originally saw it, to bring it a little closer in line, but I am still troubled with it.

The principal reason I am troubled with it is that it may run counter to the representations the Senator from Illinois made to members of the Appropriations Committee. I can well recall the colloquy in which I engaged with my beloved colleague from the State of Washington (Mr. MAGNUSON). He took a position one night on the floor of the Senate that there is a possibility the budget reform bill could detract from or undercut the power, influence, and ability of the Appropriations Committee to control expenditures. They have exercised as best they could the power they had to restrain Federal spending and keep us a responsible body and not participate in what we have been seeing for the past 5 years, regrettably, I must say, of $100 billion being added to the Federal debt. Yet the Appropriations Committee, in a sense, has been powerless because, as the little series of charts placed on every Senator's desk shows, chart 3, for instance, shows signals of trouble in the present system.

The first point I wanted to make very clear is that 75 percent of the budget is relatively uncontrollable.

Why, Mr. President, you tell that to businessmen, you tell that to the lobbyists around here who think they know a great deal about the Government, and they are absolutely astounded. Yet, those are the facts.

When I came to the Senate in 1967, I was flabbergasted to find that we really did not have a control. At that time, it was 63 percent that was uncontrollable. The trend has been steadily upwards. I imagine that we will get to the point, if we keep going as we are, when we will be as pure as Ivory soap, 99 and 44/100ths percent pure—uncontrollable; and we will have the remainder coming down here debating about it. But that is not the way to run our fiscal affairs.

The second problem is that only 44 percent of the budget is subject to the appropriations process. 56 percent bypasses the Appropriations Committee. I said that night on the floor, because I was thinking in terms of the way we had been carrying on our deliberations, that this bill would strengthen the Appropriations Committee because what it would mean is that a great deal of all this backdoor spending, particularly the entitlements, would now be referred to the Appropriations Committee.

The amendment does give some additional authority and control to the Appropriations Committee than otherwise because what it does say is that we shall have a period of 10 days to stop, look, and listen, and before that entitlement bill can come to the floor, or before action can be taken. The Appropriations Committee would be given 10 days to look at it and then issue a report.

That might sound very good except all of us know how we operate. There is a vast difference—a subtle difference—but a vast difference between being able to issue a report, either a separate report or language in the report of another committee, and being able to offer a committee amendment. Under the bill, the Appropriations Committee would have the legislation before it for 10 days and would then send it to the floor with an amendment that says, "We cannot see how, once this spending limit has been established, this entitlement program can go forward and you can stay consistent. We recommend, therefore, that it be cut back 20 percent, 10 percent, 5 percent, 1 percent—or 50 percent." That then gives the Appropriations Committee a chance really to deal with the legislation, write a report of its own, attach it to the legislation, rather than having it incorporated.

There are certain programs that the Senator from Illinois very much favors. I must recognize the fact that when we tighten the procedures to make it more difficult, it may be that a bill the Senator from Illinois is most interested in seeing kind of slip through a little easier is the one that will be cut. But I really believe that we need a discipline. We must give to the Appropriations Committee the authority necessary to make its imprint on this, and remind us of where we are going.

I have not made a definitive decision because, as I have told the distinguished Senator from Maine, I have just barely read the modified amendment, but my tendency is to oppose it, although I certainly wish to keep my mind open until I have heard all the possbile arguments in its favor. But my tendency right now would be to oppose the amendment.

Mr. NUNN. Mr. President, will the Senator from Illinois yield for a question?

Mr. PERCY. I yield.

Mr. NUNN. As the Senator from Georgia understands the present proposal, it would really, in effect, remove from the Appropriations Committee the review, with the power to amend and to make a report. Is that the understanding of the Senator from Illinois on this amendment?

Mr. PERCY. That is correct.

Mr. NUNN. Does the amendment further provide that the action on any entitlement which follows a concurrent resolution, which we feel would take place somewhere around June the 1st, that the entitlement legislation under the proposed Ribicoff amendment would take place during the sumer months of June, July, and August, when all the other appropriations bills are being considered? Is that the Senator's understanding of the Ribicoff amendment?

Mr. PERCY. The Senator from Georgia is correct.

Mr. NUNN. Mr. President, a further question. Is it the Senator's understanding of the present legislation, S. 1541 as it emerged, that entitlement legislation could begin to be considered before June 1, if the Appropriations Committee had the 10 days and did the review, thereby not compacting all the entitlement legislation and the appropriation legislation in a brief period of 3 months?

Mr. PERCY. The Senator from Georgia has once again demonstrated his profound knowledge and understanding of the legislation. That is correct.

Mr. NUNN. It is not likely that what is going to happen, as we will have such a logjam in June, July, and August that there will be tremendous pressure to remove only the little teeny-weeny restraint left on entitlement legislation, and further that there would be tremendous pressure to remove the constraint that it has to follow the concurrent resolution, and that thereby there will be tremendous pressure to go back to where the entitlement legislation has no control?

Mr. PERCY. That is generally correct, because we would have to consider all spending bills and entitlements.

Mr. NUNN. And it would be virtually impossible, given the practicality to consider all the appropriation measures in June, July, and August, and at the same time have all the entitlement legislation. We are proposing a practical impossibility for the Senate to perform if we accept this amendment.

Mr. PERCY. I suppose it could not be said that it would be absolutely impossible. Anything is possible. But it is highly improbable and extraordinarily difficult.

Mr. NUNN. I will amend my "possibility" to say that it is highly unlikely, as the Senator has said.

I thank the Senator.

Mr. MAGNUSON. Mr. President, will the Senator yield for a question?

Mr. PERCY. I yield.

Mr. MAGNUSON. When the Senator speaks of 10 days, is he speaking of legislative days?

Mr. PERCY. Yes; that is correct.

Mr. McCLELLAN. When the Senate is in session.

Mr. MAGNUSON. It might be at a time when the Appropriations Committee is not there.

Mr. PERCY. The distinguished Senator from Connecticut has provided for 10 legislative working days.

The PRESIDING OFFICER. Who yields time?

Mr. RIBICOFF. I yield to the distinguished Senator from California.

Mr. CRANSTON. Mr. President, in regard to this amendment, I first want to thank the many people on all sides of this matter for their efforts to try to work something out that could be accepted by all concerned. We have made progress in that direction, whether or not it is entirely ironed out and agreed to yet.

Great work has been done by the two committees and by others in working out the proposed legislation and by all the many, many staff members who did magnificent work when they were working with Senator BYRD on this matter.

If there is a problem—as has been indicated by the Senator from Georgia (Mr. NUNN)—about the logjam between June 1 and when the next step comes in early August, under this new budget

process, I think that really has more to do with the calendar setup in the reported bill as it applies to all legislation. We all want to see effective controls brought to bear on spending by this budget act. The question here is on a discriminatory and unnecessary aspect of one item in the bill.

In regard to the workload question, 27 bills that relate to so-called back door spending have been considered during the past 2 years. Eleven were trust fund bills exempted here; 16 were new entitlement bills of the sort we are now discussing.

In regard to the figures given by the distinguished Senator from Illinois, who was concerned about uncontrollable expenditures amounting to 75 percent of the total budget, the actual point in regard to this amendment is that we are only talking about $5 billion in the few entitlements covered at present levels of spending. The other—so-called uncontrollables of huge amounts—are not affected by this amendment, and they are not brought under the controls that we are talking about here.

Mr. President, I also want to thank Senator RIBICOFF for assuming leadership on this matter and the other Senators with whom I personally discussed the need for a modification in the provision, as reported from the Rules Committee, requiring that certain new entitlement authorization legislation be rereferred to the Appropriations Committee for 10 days. I refer to the distinguished committee chairmen of the Committee on Finance (Mr. LONG), the Committee on Public Works (Mr. RANDOLPH), the Committee on Labor and Public Welfare (Mr. WILLIAMS), and the Committee on Veterans' Affairs (Mr. HARTKE), the Senators STAFFORD, TAFT, MCGOVERN, and MONDALE.

Mr. President, S. 1541, the Congressional Budget Act of 1974, is designed to provide the mechanism and procedures for Congress to establish its own annual Federal budget and to consider, spending revenue sharing, and debt limit legislation in the context of the budget. The bill, as reported from the Rules Committee, required that a special—and in our view unnecessary and discriminatory—burden be imposed upon certain entitlement legislation, principally veterans' benefits legislation—compensation, veterans' survivors benefits, GI bill benefits, pensions, housing grants, and burial benefits, supplemental security income to the aged, blind, and disabled, medical and family assistance to the needy, black lung benefits, and food stamps.

This additional impediment would not be imposed on 75 percent of the expenditures arising from so-called entitlement laws since all trust funds—including approximately $86.5 billion in social security and unemployment compensation expenditures—revenue sharing, and advance contract authority are not covered by the rereferral process in the reported bill.

Mr. President, despite the fact that under the reported bill all Federal expenditures will be considered in the context of the overall budgetary process—both initially with the adoption of the first concurrent resolution and finally with the adoption of the second concurrent resolution to reconcile all prior congressional legislative and appropriations actions—S. 1541 singles out those types of legislation I discussed above for special and, we believe, discriminatory treatment by requiring their re-referral to the Appropriations Committee for 10 days after being reported by the substantive committee, and by giving the Appropriations Committee authority to amend the bill by placing overall spending limits on it. The bill also requires that any floor amendment approved by the Senate regarding an entitlement matter not considered in the bill as reported must again be referred to the Appropriations Committee for 10 more days, but not, I should add, to the authorizing committee.

Our original amendment would delete entirely this duplicative procedure under which the authorizing committee would have had the burden of overturning an Appropriations Committee spending limit amendment if it disagreed with it. We believe that the authorizing committees are the most conversant with and, therefore, the most competent to understand the many complex principles involved in the entitlement legislation involved here.

In a cursory 10-day period—especially before the principles and policies to be imposed by the first concurrent resolution have been established—the Appropriations Committee could hardly have time to carefully analyze the impact or all the bill's provisions and thus might act precipitously in a manner which might upset the balance that the authorizing committee had worked long and hard to achieve.

Moreover, Mr. President, this duplicative and discriminatory rereferral procedure would apply to such legislation even when the authorizing committee reported legislation of which the budgetary impact had been fully provided for in the congressional budget contained in the first concurrent resolution.

Again, I want to stress that those of us who support this amendment in no way intend to remove any entitlement legislation from the full purview of the new budgetary process which the reported bill would establish. Rather, we have confidence in that process and believe it should be applied evenhandedly to all types of legislation.

Finally, the rereferral provision could create problems in restricting the Senate's ability to act in a crucial situation, particularly in some areas under the jurisdiction of the Finance Committee where the Senate may act to amend a House-passed bill, very often on a tight deadline. Requiring a 10-day rereferral for certain floor amendments affecting entitlement programs, as proposed in the reported bill, might also have the unfortunate effect of restricting the rights of Senators to offer floor amendments.

In sum, anyone who would characterize our amendment as somehow weakening the budgetary process proposed in the bill is in reality saying that they have little confidence in that process under which, before any new entitlement legislation would be permitted to become effective, action would be required on six separate occasions combined in the House and Senate without any rereferral process.

Our original amendment No. 1044 would simply have eliminated this unnecessary rereferral process and provided that floor action on these entitlement measures could not take place until after the first concurrent resolution is adopted on June 1 each year. Let me stress that this step is actually a tightening of the budget control process as to these entitlement programs although preserving the jurisdiction of the Veterans' Affairs Committee, the Labor and Public Welfare Committee, the Finance Committee, and other authorizing committees.

In regard to the amendment before us, let me say, first, that I am delighted that this bill provides for control over uncontrollables through the Budget Committee, through the budget process, that we do not have presently. We need that control over so-called uncontrollables, but we do not need the additional, dilatory review process that is proposed in the bill, where the Appropriations Committee would enter the act by the referral process.

The amendment as we have modified it does provide full opportunity for the Appropriations Committee, with its great weight, to make a recommendation in a report, before action will ensue on the sort of legislation that at the moment is presently not controlled. Under our revised amendment, there would be a full opportunity for the Appropriations Committee to render a report if it wished to move over under our amendment as modified, we would retain our program of not permitting entitlement bills to be taken up on the floor until after the concurrent resolution has been adopted. Finally, it would eliminate the ridiculous provision to refer floor amendments on entitlements back to the Appropriations Committee.

The amendment would remove a restriction on the Senate's ability to act with swiftness.

In regard to the veterans aspect of this matter, I point out that the historical record reveals that the veterans' benefits have not been a traditional budgetary problem. In recent years, 6 million Vietnam era veterans have joined our country's veteran population. We have had added expenses occasioned by that war. These include compensation payments for 385,000 men wounded in Vietnam and survivor benefits for some 49,000 widows of men who have died of service-connected causes.

Almost 3 million Vietnam era servicemen have received educational assistance benefits.

Yet, despite the cost of these programs and a 21-percent increase in the Nation's veteran population, the veterans' portion of the budget—let me stress this—is no greater today than it was 4 years ago; and despite Vietnam, it is less than it was 10 years ago. It seems to be quite obvious that veterans' benefits are not the source of our budgetary problems

and should not be singled out for unnecessary controls which are considered discriminatory in the present way they are in the bill by veterans, older citizens, disabled persons, and their spokesmen.

The following veterans organizations strongly support this amendment: the American Legion, the Veterans of Foreign Wars, the Disabled Veterans, Amvets, and the National Association of Concerned Veterans.

Rather plainly, we are considering a cost of war that must be paid.

Let me stress again that there is already an adequate review through the new budget process that is a new restraint on this form of so-called back door spending.

For these reasons, I believe the amendment is very important, and I urge its support.

I congratulate the Senator from Connecticut (Mr. RIBICOFF) for the able way he has handled the matter and has presented it.

Mr. NUNN. Mr. President, will the Senator yield for a question?

Mr. CRANSTON. I am delighted to yield.

Mr. NUNN. First, the Senator from Georgia would like to say that he completely agrees with and endorses everything the Senator from California has said about veterans, and if they were in fact singled out here, we would have a different question.

Is the Senator aware that the projections in the 1975 budget of the President show that between 1975 and 1979, the so-called entitlement outlays, if they continue along this trend, will increase by $58 billion and reach a total of $227 billion; that by 1979, the so-called entitlement legislation will be 58 percent of the total outlays of this country?

Mr. CRANSTON. I am well aware of those figures, but those are not the figures we are talking about here.

The Senator includes social security benefits, which are not covered; revenue sharing contract matters, numerous exempted trust funds, retirement benefits, and other matters not covered by the provision for referral to the Committee on Appropriations that we have under discussion here. In the bill as reported, the only entitlements subjected to this process are veterans benefits, SSI benefits that relate to senior and disabled citizens and health care for the poor and other benefits totaling last year only $5 billion out of the $13 billion in uncontrollables.

The Senator from Illinois is correct when he said that 75 percent of the budget is uncontrollable, but we are not talking about that. We are talking about $5 billion and that is only 38 percent of the uncontrollables added last year.

Mr. NUNN. According to all projections, the growth trend will take place between 1975 and 1979. Is the Senator aware that under this bill exempting social security it includes black lung, school lunches, disaster relief, air traffic controller requirements, CSC retirement, food stamp programs, Federal employees pay raises, school lunch amendments, unemployment benefits, Federal health employee insurance, welfare-medicaid amendments—all of that is included?

Mr. CRANSTON. No, all of that is not included. The Senator is reading a number of trust funds, retirement funds and many other programs that are self-financing.

Mr. NUNN. I have another amendment on trust funds. The Senator identified the largest loophole in the bill. The Senator from Georgia is going to identify that area.

Mr. CRANSTON. Will the Senator do that and talk to that issue, then, when it is relevant?

Mr. NUNN. It is relevant to this discussion because these are two loopholes that can render ineffective a lot of action that has taken place in the last year and a half in budget reform. This amendment plugs the loophole already in the bill which says that the trust fund is exempted if 30 percent is self-financing, and is relevant to this discussion because we have exempted from this bill 70 percent funding out of the general fund for any program that comes along, in the form of an extension on a trust fund which is already in existence, of which there are about 75.

I think the two loopholes should be discussed as one because they are interrelated.

If the so-called trust fund exemption remains like it is, it is going to continue to cause a lot of problems. To some extent if the trust fund exemption is left like it is, the amendment of the Senator from California will make the loophole larger.

Mr. CRANSTON. It may be somewhat relevant to our general discussion, but not to this amendment. The railroad retirement and other programs will not be affected by the decision made by the Senate on this amendment. The Social Security Act and all those other acts come under the budget process, and if the committee recommends more than the Senate wants to approve, in the course of the new full budget process it can make reductions. That is a new step and a good step. That process should be applied to all the entitlements uniformly.

But if we do not think the procedures in the Congressional Budget Act are effective, we should admit it.

I am amazed that some of the chief sponsors of S. 1541 have so little faith in the process they set forth in this committee report that they believe it necessary to add an additional step to a small $5 billion portion of the so-called uncontrollables. If they think one step is so important why have they not applied it to all uncontrollables?

Mr. PERCY. My comments may have been somewhat ambiguous before but I would like to clarify the fact that I shall vote "nay" on this amendment. I do so because I feel there is adequate provision in the bill; if Congress wishes to act it can act. The Committee cn Appropriations sends this legislation back to the floor with an indication that there should be a 10-percent cut because it exceeds the spending limit provided for in the concurrent resolution. Congress by majority vote can override that, but it does so with the clear understanding that the Committee on Appropriations felt it would exceed those spending limits and if we continue to do that on this entitlement or another one, we are going to bust the spending limit that has been established and we would not be accomplishing our overall purpose.

So there is no way Congress is going to be acting in such a way it cannot and will not be able to express its will, should it desire to do so.

Also, of course, as has been made very clear in the committee report, and I refer to pages 56 and 57, it is clearly indicated that:

> The Appropriations Committees are given jurisdiction to report any bill or resolution providing entitlement authority which has been referred to such committees (as described above) with an amendment which limits the total amount of entitlement authority contained therein. The Appropriations Committees would not be authorized under this procedure to report amendments in any way dealing with the substance of the legislation, even if some substantive change would clearly be needed to meet the spending limitation on the program which the Appropriations Committees amendment provides.

The Rules Committee, which I believe wrote this section, recognized that entitlement legislation is complex and is not amenable to control through the appropriation process. Under the terms of the legislation:

> Actual outlays in any given year can not be known with certainty in advance. Should Congress decide, for budgetary reasons, to limit the potential obligation under new entitlement legislation to a figure less than the legislation as reported would provide, it will express that decision by adopting a limiting amendment at the time of consideration of the basic legislation. Such limitation may be at the level provided in the limiting amendment reported by the Appropriations Committee, if any, or at any other level Congress may select.

I wish to make just one or two other points. Removing entitlements from Appropriations Committee oversight would result in discriminatory treatment for entitlements as opposed to backdoors like contract authority and borrowing authority. Under the bill, new contract authority, new borrowing authority, and new trust funds which have a contribution from general revenues greater than 10 percent, must come under Appropriations Committee oversight.

Obviously, I am fearful if this amendment is adopted, there may be offered between now and 2 o'clock tomorrow certain other amendments for further exemptions.

In the Rules Committee, the treatment for entitlements was changed to take account of the special nature of entitlement programs. The rereferral provision of the present bill already provides special treatment for entitlements. Only entitlements have the special provision for only a 10-day rereferral to appropriations, and a specific proviso that appropriations can only make recommendations about the total of funding that would result from the bill.

In actual practice, the Appropriations Committee could send the legislation, if it exceeded the limit, to the floor with a suggestion or request that it be cut by a certain percentage. More probably, it would send it back to the original committee with that recommendation and let the committee itself work its will in

whatever way it could to come under the ceiling, or develop its argument for a new concurrent resolution or new spending limit if its members felt that the compulsion was so great that they would have to exceed that spending limit.

Finally, control of backdoors through Appropriations Committee review has been one of the central principles of budget reform called for by budget experts including especially the Joint Study Committee on Budget Control.

If we exclude this particular feature from the bill and say, "Well, we are going to try to control spending, all except entitlements," then we are going to have direct authority over spending eroded before we get started. We are going to have an erosion of the very principle we have been trying to work for.

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

Mr. PERCY. I yield.

Mr. MAGNUSON. Entitlements in past laws have provided that moneys shall be paid to certain people if they become entitled under the law. There are many cases where there are estimates, but the Appropriations Committee has to handle that. Estimates are made as to how many people might be eligible. Appropriations usually go along with the estimates. Sometimes they are way off.

Certain laws, such as the veterans' laws, make it absolutely mandatory that payment be made.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PERCY. Mr. President, I yield myself 10 minutes on the bill itself.

Mr. MAGNUSON. The estimate as to veterans benefits is pretty close to what it should be. It has never been very far off. I have never known the Appropriations Committee not to appropriate the money.

I want to make an observation. I am not critical, but no one who is involved in this bill is serving on the Appropriations Committee that I can see. I am going to vote for the bill, but we have to achieve a balance. When we get to yearly appropriations for entitlements, which must be paid, they are nearly impossible to move up and down, any way the committee wants. I just wanted to point out that it is not possible for the Appropriations Committee to adjust appropriations for entitlements after they are law.

I hope the Senator will excuse me. I just wanted to make that observation.

Mr. PERCY. Of course, I would like to make a small technical correction. The Senator from Arkansas (Mr. McCLELLAN), obviously, is on the Government Operations Committee and has worked on this legislation and serves as chairman of the Appropriations Committee and served on the joint study committee, as did a considerable number of distinguished members of the Appropriations Committee who made these very recommendations to us.

Of course, the Senator from Washington would not forget the fact that the Senator from Illinois served on his own appropriations subcommittee while the Senator from Illinois served on the Appropriations Committee, and it was during that period of service that the Senator from Illinois became disturbed and concerned at the amount of expenditures that were going on that were not really under the control of the Appropriations Committee.

I would say the comments the Senator from Washington has made relating to entitlements have helped in the colloquy and helped in a better understanding of the situation. There are programs relating to public assistance, veterans' benefits and others—very often the most highly complex and time-consuming legislation—that involve entitlements.

Just looking at the last 2 years, Congress has considered 27 measures of the entitlement variety, 16 in 1972 and 11 in 1973.

The logjam the Senator from Georgia referred to makes it increasingly obvious that legislation would be required to come on the floor between the period June 1 and the first weekend in August.

I would just like to close my comments with a quotation from the President's budget, on page 38, where it says that if we are concerned about the trend now or what is happening now and the lack of control, just take a look into the future and see where we are actually going.

Mr. MAGNUSON. Perhaps we ought to do what we did on revenue sharing. We passed the bill and appropriated the money at the same time. Nobody had anything more to do with it. The lobbyists for revenue sharing were in the galleries applauding.

Mr. PERCY. Against the Senate rules.

Mr. MAGNUSON. There was a time when the legislative committees of the Congress authorized and appropriated at the same time. Maybe we can simplify this whole matter by going back to that system—I do not know—but we did it for revenue sharing.

Mr. PERCY. But there is not any question that local officials from the mayor of Cairo, Ill., to Mayor Daley, of Chicago, Ill. would want revenue sharing to be continued in the same manner, if it came up for a vote today.

Mr. MAGNUSON. We may have to go back to that.

Mr. PERCY. As I indicated, I should like to close my colloquy with a quotation from the President's budget looking ahead as to the effects of Federal spending:

Federal spending has shifted markedly in the past twenty years—and with particular abruptness in the last five years—away from direct Federal purchases of goods and services, for such programs as defense and space, and toward direct Federal payments to individuals and aid to state and local governments. From 1959 to 1973, payments to individuals and aid to state and local governments have almost doubled as a percentage of total outlays, and increased five-fold in dollar terms.

The present outlook indicates that (such payments) under existing programs will grow to about 58% of total outlays by 1979. Between 1975 and 1979 these outlays will increase by $58 billion and reach a total of $227 billion.

It is very difficult to say that we are the captain of our own ship and that we are going to manage our own affairs, when much of the money that passes through Congress, passes without going through the Appropriations Committe. It passes without that committee having a chance to take a look at it and at least report the legislation to the floor of the Senate with good, firm recommendations. Therefore, I would be greatly concerned if this amendment were adopted. I think it is of such importance that we should have the yeas and nays.

Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MUSKIE. Mr. President, will the Senator from Connecticut yield?

Mr. RIBICOFF. I am pleased to yield to the distinguished Senator from Maine.

Mr. MUSKIE. I should like to put a question to the distinguished Senator from Connecticut; but before doing so, I should like to make one or two observations.

First of all, neither the committee provision nor the amendment of the Senator from Connecticut is going to meet the problem described by the Senator from Illinois.

Mr. RIBICOFF. The Senator is correct.

Mr. MUSKIE. So it is not a choice between the amendment offered by the Senator from Connecticut and some type of overall measure. What we are considering here is a choice between the provision in the bill and the amendment of the Senator from Connecticut. It is to that that I think we should focus our attention. It is to this, too, that I should like to put a question to the Senator from Connecicut.

Mr. RIBICOFF. I shall be pleased to try to answer the Senator's question.

Mr. MUSKIE. First of all, the rereferral provision of the bill would place the bill in the physical possession of the Appropriations Committee.

Mr. RIBICOFF. That is correct.

Mr. MUSKIE. As I understand the amendment of the Senator from Connecticut, the Appropriations Committee would also have physical possession of the entitlement provision for the same purpose.

Mr. RIBICOFF. Under the bill, the Appropriations Committee could amend the bill. Under my amendment, they could not amend the bill but could report back to the Senate, and could offer an amendment on the floor of the Senate to be considered by the entire Senate.

Mr. MUSKIE. The Senator from Connecticut and I disagree on the effects of sending the bill back. The Appropriations Committee could not amend the bill.

Mr. RIBICOFF. That is correct; but they could have 10 days to make their recommendations.

Mr. MUSKIE. I am trying to identify the similarities, if we can identify them. I may say to the Senator that, as I understand the committee bill, it is rereferred to the committee.

Mr. RIBICOFF. It is rereferred to the Committee on Appropriatitons; that is correct.

Mr. MUSKIE. The committee can rec-

ommend amendments, make any other recommendations, or submit a report to the Senate.

Mr. RIBICOFF. That is correct.

Mr. MUSKIE. Under the Senator's amendment again, the Appropriations Committee could take possession of the bill, consider amendments, recommend them to the floor of the Senate, and make such other recommendations as it may wish.

Mr. RIBICOFF. It is not actually physically sent to the Appropriations Committee, but they are assured 10 days in which to report.

Mr. MUSKIE. The point I am making is that, like any other Senator who is not a member of the Appropriations Committee, members of the Appropriations Committee could get copies of the bill, consider it, and make amendments. We are construing situations that do not exist.

Mr. RIBICOFF. I think the Senator is making the point very well.

Mr. MUSKIE. The whole argument relates to the word "rereferral," because there are those who are concerned about veterans legislation and the jurisdiction of the Veterans' Affairs Committee, who say that the word "rereferral" means that the bill gives the Appropriations Committee substantive jurisdiction over a bill which is now considered in the Veterans' Affairs Committee. I did not believe that when we supported that provision, and I do not believe it now. I do not believe the committee version changes jurisdiction with respect to veterans legislation one iota. If I thought it did, I would not have supported the rereferral provision in the first instance.

The only effect of the committee provision is to give the Appropriations Committee 10 days to look at the bill and make such recommendations as it may choose to make to the Senate. That is all that is involved in the committee bill; that is all that is involved in the Senator's modified amendment. So if those provisions provide 10 days, then the Appropriations Committee can get the bill, develop whatever recommendations it chooses, and submit them to the Senate. I think that to describe either thing in different terms would be a disservice to an understanding of what this amendment provides.

So all we are debating is the word "rereferral," and making an argument about the conditions which have been woven around the word "rereferral." I think it is a distinction without a difference.

So far as I am concerned, that is a rereferral, and I can disabuse those who have an interest in the legislation. I am all for striking the word "rereferral."

I think all we have done is to clothe the word "rereferral." We have retained the right of the Appropriations Committee to look at any entitlement provision, retained the right of the Appropriations Committee to look at any amendment, retained the right of the Appropriations Committee to report an amendment to the floor of the Senate.

The elimination of the word "rereferral" may be the kind of subtle change that the Senator from Illinois projects, but I do not see that fearful result. I think the difference between the two, as I have stated, is a distinction without a difference.

Mr. NUNN. Mr. President, I should like to ask the Senator a question on this particular point.

Mr. MUSKIE. May I get from the Senator from Connecticut a response to the question which took me a little time to develop?

Mr. RIBICOFF. I think the Senator is correct, but the word "rereferral" becomes very important so far as the veterans of the country are concerned. The difficulty that arose was when the committee exempted the trust funds, the social security funds, from the procedure. The veterans became horrified, thinking that their compensation from pensions and other benefits would be placed in a different category and treated differently than social security. I think we will all find that, historically, we have tried to keep veterans benefits in tandem with changes in the social security law.

The Veterans' Affairs Committee has always worked with the other committees to make sure that there was not an imbalance. Suddenly the veterans see in this bill a danger they will face. They want to place the veterans benefits on the same basis as social security benefits.

Am I stating the situation accurately?

Mr. CRANSTON. The Senator from Connecticut is stating exactly what is involved in this matter. I am delighted that the distinguished Senator from Maine has taken part in the discussion, and made the point about what we are talking about and what we are not talking about with this amendment.

The Senator has gotten us right down to the meat of the matter.

I would like to stress one other point while I have the floor. I would like to make the point that this amendment actually tightens the controls, rather than reducing controls over these entitlements. I believe the amendment in its present form—and I thank the Senator for narrowing down the discussion to what we are really talking about and excluding what we are not talking about—actually provides for more control than we would have without amendment. The amendment provides that we can only consider these entitlements after June 1, when we know what the total budget picture—expenditures and revenues proposed—will be.

Otherwise we could have had a situation where the Appropriations Committee would have considered the matter, the Budget Committee would have considered the matter, the Senate and the House of Representatives would have passed the bill, and it would have been enacted into law before we knew what the total budgetary picture was under the first concurrent resolution, and we might thereafter have found we had made a mistake, when it would have been, in practical fact, too late.

Under this amendment, when we cannot consider the entitlements until after June 1, the Appropriations Committee will have is voice, the Budget Committee will know all the factors, and Congress will know all the factors. We will then have an opportunity for better control under this timetable than under the original bill.

Mr. MUSKIE. The Senator is correct. I doubt that many Senators have had a chance to read this amendment, so on this point, let me read the provision of the amendment.

In the first place, I emphasize the point that entitlement legislation cannot be brought to the floor until after the first concurrent resolution is adopted. Under the committee bill, entitlement legislation could come up before that time, and the only recourse then would be under the rereferral process under the bill.

Mr. CRANSTON. The Senator is correct.

Mr. MUSKIE. Secondly, the amendment says this:

> The Committee on Appropriations of that House—

meaning whichever House is involved——

> may, within 10 calendar days—

That is, legislative days——

> beginning with the day following the day on which it is so reported, submit a report to its House setting forth its recommendations with respect to the level of the new advance, spending authority provided by such bill or resolution.

Then there is this sentence:

> It shall not be in order in that House to consider such bill or resolution until the Committee on Appropriations of that House has submitted the report required by this paragraph or, if such Committee fails to submit such report, until the expiration of such 10-day period.

I think there is ample safeguard here of the prerogatives of the Appropriations Committee. I think there is ample safeguard in the language for the right of the Senate to have all information and all alternatives before it, before it votes on new entitlement legislation.

Mr. RIBICOFF. That is correct.

Mr. MUSKIE. And that is precisely the objective of the provision in the committee bill.

Mr. NUNN. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Connecticut has the floor.

Mr. NUNN. Will the Senator yield for a question?

Mr. RIBICOFF. I yield.

Mr. NUNN. The Senator from Georgia is under the impression that this amendment, although I am sure that the author is aiming it toward the veteran——

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired. All time on the amendment has expired.

Mr. NUNN. Will the Senator yield time on the bill for one question?

Mr. MUSKIE. How much time would the Senator like?

Mr. NUNN. I think about 4 minutes would be enough.

Mr. MUSKIE. I yield the Senator 5 minutes.

Mr. NUNN. The Senator from Georgia is in sympathy with the case which the Senator from Connecticut has made regarding veterans and social security. I wonder if the Senator would modify his amendment to apply only to veterans,

thus avoiding a loophole here that the Senator from Georgia believes would apply to nonexempt trusts. I am under the impression that nonexempt trusts in most cases, in fact in 95 percent of the cases, are entitlements, and if that is so, we have at least 60 or 70, or perhaps 100 nonexempt trusts which will come under this amendment.

If the Senator would confine his amendment to veterans, which is obviously the Senator's main wish, I believe we could reach some agreement here.

Mr. RIBICOFF. May I say to the Senator from Georgia that he is also talking about payments to needy aged, blind, and disabled persons. I do not feel personally that I want to exclude that category of people, nor medical assistance for the needy and food stamps. We are talking, really, of the most needy segments of our population, and I believe it is important to place them in a situation where their needs are taken care of and placed in the same category of social security recipients.

Mr. NUNN. Suppose we included all those groups, but confined it to those groups, instead of having broad entitlements. I am in sympathy with that. Suppose we take in them, as well as veterans, and try to restrict it to that.

The Senator from California and the Senator from Connecticut have been talking about veterans, veterans, veterans. The Senator from Georgia agrees with them on that. But what the Senator has done, as I read his amendment, is make a loophole that is large enough for all bills in the future which will in any way be debated, or when their author thinks they will be hard to pass, he will seek to put them under the term entitlement legislation or under the term of an exempt trust, and we can see, as I said a while ago, that we could have 70 percent of the general funds going into trusts that will still be exempt, and that would come under the term entitlement legislation if they are not exempt. So I am asking if the Senator will confine his legislation to the specific categories the Senator from California and the Senator from Connecticut aim to help.

Mr. RIBICOFF. Mr. President, may I say that the programs I listed in my earlier statement—veterans' pensions, veterans' compensation, veterans' educational payments, medical assistance to the needy, aid to the aged, the blind, the disabled, and food stamps—those are the categories I have in mind. There may be others, but they do not come to mind right at this moment.

Mr. NUNN. There are a good many others. I do not think it is fair to present this amendment as one to assist veterans only, when it includes other broad categories.

Mr. RIBICOFF. May I say that in my opening statement I named the other categories besides veterans. I do not want this body, however, to receive the impression that this applies only to veterans. Veterans are perhaps the largest category, but there are the additional categories I have named.

Mr. NUNN. Is the Senator willing to limit his amendment in any way, then, or does he want to include all entitlements, including nonexempt trusts, of which I am informed there are many?

Mr. RIBICOFF. May I ask the Senator, if I limited the entitlements to those I have named, would the distinguished Senator then support my amendment?

Mr. NUNN. I would join in supporting it, if the Senator from Connecticut would limit it so that we would not be creating a loophole of unknown dimensions here, such that no one would know what we are talking about. I would join with the distinguished Senator in urging the adoption of his amendment.

Mr. RIBICOFF. How would the Senator from Maine feel about that?

The PRESIDING OFFICER. The 5 minutes of the Senator from Georgia has expired. Who yields time?

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

The PRESIDING OFFICER. On whose time? The Chair inquires of the Senator from Illinois, on whose time?

Mr. PERCY. Can the time be equally divided?

The PRESIDING OFFICER. By unanimous consent.

Mr. RIBICOFF. May I say to the distinguished Senator from Georgia that I stand on the amendment as it is.

Mr. PERCY. Mr. President, I withdraw my request for the quorum.

Mr. NUNN. How can we vote on an amendment when no one knows how broad it is?

The PRESIDING OFFICER. Who yields time?

Mr. ERVIN. Mr. President, I yield myself 5 minutes on the bill.

The PRESIDING OFFICER. The Senator from North Carolina is recognized for 5 minutes.

Mr. ERVIN. Mr. President, I wonder whether there is any difference between the original bill and the amendment. I invite the attention of the Senate to page 149, which reads:

> Whenever any bill or resolution which provides new advance spending authority described in subsection (c)(2)(C) is reported by any committee of the Senate or the House of Representatives, such bill or resolution shall then be referred to the Committee on Appropriations of that House with instructions to report it, with the committee's recommendations, within ten calendar days (not counting any day on which that House is not in session) beginning with the day following the day on which it is so referred.

There is a line in that provision on which I stated yesterday in response to a question put to me by the distinguished Senator from Mississippi (Mr. STENNIS), that I was of the opinion the original bill did not give the Senate Appropriations Committee any authority to make changes in the substantive provisions of the bill as it was reported by the committee having the jurisdiction.

On the bottom of page 150 of the bill, and the top of the page 151, it reads as follows:

> The Committee on Appropriations of each House shall have jurisdiction to report any bill or resolution referred to it under paragraph (2) with an amendment which limits the total amount of new advance spending authority provided in such bill or resolution.

My interpretation of the provisions of the bill was that the only amendment the Senate Appropriations Committee could make or suggest was one limiting the total amount as contradicting changing any specific provision as to who was entitled to the benefits of the bill.

So I wonder whether there is any substantial difference between the original bill and the amendment of the Senator from Connecticut.

Mr. RIBICOFF. This is what the Senator from Maine and I, in our colloquy, felt we had arrived at in order to clarify the matter in trying to work this out. We believe that we had come to a compromise that did not really wrench the basic purpose of the Government Operations and the Rules Committees in formulating this legislation.

Mr. MUSKIE. That is correct, I say to the Senator, and this approach was one that I suggested this morning.

Mr. ERVIN. The next question goes to the question of rereferral.

Mr. RIBICOFF. That is another case of a possible interpretation that the Appropriations Committee, under these circumstances, could actually amend the bill. What the Senator from Maine and I were trying to work out is the result that the distinguished chairman of the committee believes is in the bill. There was a question of ambiguity. I believe that this is what the Senator from Maine and I tried to work out in the amendment to my amendment.

Mr. ERVIN. In other words, the Senator from Connecticut feels that the amendment is necessary to remove the ambiguity.

Mr. RIBICOFF. That is correct.

Mr. ERVIN. That it might be susceptible to interpretation different from the specific provision that has nothing to do with this one.

Mr. RIBICOFF. I believe that is so. That is what we attempted to work out with the Senator from Maine as a compromise.

Mr. ERVIN. Under the amendment, the Appropriations Committee, or the referral of the bill to it, would have retained authority to make recommendations as to changes in the substantive provisions as to who is entitled to the benefits of this particular bill as set forth in the original bill. The amendment of the Senator from Connecticut would remove any ambiguity on that point.

Mr. RIBICOFF. That is correct. They could not actually amend the bill, but they could make recommendations in their report.

Mr. NUNN. Mr. President, will the Senator from North Carolina yield for a question?

Mr. ERVIN. I yield.

Mr. NUNN. Does not the Senator from North Carolina realize that under the proposed amendment, the Appropriations Committee would not have to make a report, that there is simply permissive language saying that they may make a report; yet the bill itself makes it mandatory that the Appropriations Committee make a report on the issues. So that we have gone from mandatory to permissive.

Mr. ERVIN. That does not make much change because they can recommend that no changes be made. We would not disable any individual Senator who disagreed with the bill as reported by the committee having jurisdiction from proposing any amendments.

Mr. NUNN. What if a Senator had a report but did not know what the entitlement would do?

Mr. ERVIN. He would be in the same fix if you have a mandatory provision saying they shall make recommendations, as the recommendation that there should be no change.

Mr. NUNN. Except they would have to have a report.

Mr. CRANSTON. Mr. President, if I may interject there, under the bill, if the Appropriations Committee did not report in 10 days, it would be discharged. There is no requirement that it report.

Mr. PERCY. Mr. President, I yield myself 3 minutes, one of which I would be happy to yield to the proponents. I think I can summarize quickly my firm conviction that the amendment should be rejected.

First, if there is no substantial difference between the committee language and the amendment, I see no real reason, then, to change the language that has carefully been reviewed by the Government Operations and the Rules Committees. The more the proponents of the amendment talk about the narrow differences, the more I realize that there is no real reason to change at all.

Second, the Senator from Maine used the word "rereferral." I find no mention of rereferral as it relates to the action provided for in this amendment.

On page 159 of the bill, at the bottom, it simply indicates that the bill shall be referred to the Committee on Appropriations. Well, it may not have been there ever. So, it is not rereferred.

On page 151, at the top of the page, the bill provides that the Appropriations Committee can only make or offer an amendment which limits the total amount of new advance spending authority described in subsection (c)(2) (A) or (B) or any amendment which provides such new advance spending authority.

So I very vigorously oppose the amendment as I would oppose any amendment that would compound the problem faced by Congress at the end of the session after we have passed a second concurrent resolution or a third or a fourth and then we come down to the end of the line and have a reconciliation bill which puts us up against the situation where we have to roll back many of the expenditures already authorized and approved.

I feel that we should face the issue earlier and give the Appropriations Committee a chance to study the bill, send the bill back to the floor of the Senate, or send the bill to the authorizing committee, showing the impact that that bill and the entitlements provided would have on the spending limits we have already agreed to, and do this as we go along, rather than pass them all over and face the music when the reconciliation bill comes through and handle it like supplemental appropriations and throw up our hands at the last minute, and raise the ceiling, and have to study the effect on the spending limits each and every time we break through some targeted point.

For all these reasons, I oppose the amendment.

The PRESIDING OFFICER (Mr. HATHAWAY). The question is on agreeing to the amendment of the Senator from Connecticut.

On this question the yeas and nays have been ordered and the clerk will call the roll.

Mr. MUSKIE. Mr. President, let me take some time on the bill. May I say the Senator from Arkansas (Mr. McCLELLAN), asked earlier this afternoon for an opportunity to engage in colloquy. So I would hope that we could do that at this time.

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. MUSKIE. Whatever time the Senator from Arkansas desires.

Mr. McCLELLAN. I am very sorry that I had to leave the Chamber a while ago and have not been able to hear all the colloquy and discussion on this subject. What I was trying to find out was the difference between the bill and the amendment of the Senator from Connecticut.

Maybe this will clarify it. The bill as I understand it would refer backdoor spending bills, contract authority loans, and entitlement bills such as veterans pensions, black lung, and so forth, to the Appropriations Committee, and the committee would have 10 days to report back its recommendations and/or with an amendment to limit such spending. Is that a correct interpretation of the bill?

Mr. MUSKIE. It is correct only as to entitlements. There is a different provision with respect to contract authority and borrowing which would also come to the Appropriations Committee, but not under the provision to which the Senator is referring.

Mr. McCLELLAN. Tell me the difference between the amendment and the bill, in a succinct manner. What is the difference? We have the amendment to vote on.

Mr. MUSKIE. The provision in the bill would provide—just as the Senator has described it—that the entitlement legislation, whether it occurred prior to June 1 or after—June 1 being the day when the first concurrent resolution must be enacted—would be referred to the Appropriations Committee for 10 days for amendment or such recommendations as the committee may recommend for the purpose of limiting the spending which would be mandated by the entitlement authority.

Under the amendment of the Senator from Connecticut, the bill as it comes out of the authorizing committee cannot go to the floor until the Appropriations Committee has had 10 days to consider it and to make recommendations to the floor with respect to it.

Mr. McCLELLAN. What is the difference between making recommendations and offering an amendment?

Mr. MUSKIE. The difference is the elimination of the formal rereferral process.

Mr. McCLELLAN. How would it be before the Appropriations Committee if it was not referred to the committee?

Mr. MUSKIE. It would have been reported out of the authorization committee. The Appropriations Committee would be required, under this proposal, to take cognizance of it and to consider it in any way it wished. I have argued all afternoon that all we have been arguing about is a semantic difference.

The rereferral provision has raised questions on the part of many people, Senators as well as others, that what the bill does is change the jurisdiction of the authorizing committee and the Appropriations Committee with respect to such entitlement legislation, that it creates an ambiguity that is a threat to programs in which they are interested. Because I believe that the bill before the Senate is designed only to give the Appropriations Committee a chance to look at it and to evaluate its implications, I was willing to go along with the amendment. I do not think that the referral language of the bill was intended in any way to change jurisdiction.

All the amendment does is to eliminate that doubt. The responsibilities in the Appropriations Committee would be the same under either proposal. That is my view.

Mr. McCLELLAN. I think I understand. There is not enough difference; it is only a matter of semantics.

Let me ask another question: Does anyone believe that the Appropriations Committee can act responsibly within 10 days on a bill that proposes multi-billon-dollar spending?

Mr. MUSKIE. I think that is a legitimate question, but the 10-day period appiels to both proposals.

Mr. McCLELLAN. I understand. I ask this: Does anyone think that the Appropriations Committee can act responsibly—do the evaluation and make a report in 10 days on a big spending bill that is reported by a committee?

In the first place, the committee is not yet staffed to do it. Second, it would have to have a staff of expert—a limited staff, at least—for this purpose.

I am just pointing out that it seems to me there is going to be an overall budget committee; and if any committee is going to be staffed to do it under this bill, it would be that budget committee and the committee that is being set up in the bill, the Congressional Office of the Budget.

A responsibility is being placed on the Appropriations Committee which it is not capable of performing under the present circumstances. It makes no difference to me whether this is done one way or the other. The consequences are going to be the same. It is a burden, an impossible task in that limited time, with the staff the committee now has. The committee is not equipped to do it.

Mr. MUSKIE. The Senator, as chairman of the Appropriations Committee, knows a great deal more about the capability of the Appropriations Committee than I do. But let me make a couple of observations.

Mr. McCLELLAN. We can make a guess in 10 days.

Mr. MUSKIE. In the first place, I have made it clear that the committees did not intended to change the jurisdiction with respect to the substance of entitlement legislation. The referral to the Appropriations Committee was simply to get the Appropriations Committee's judgment on the budget impact, not on the details, the substantive details, of the legislation.

The second point I would make is that the Congressional Office of the Budget would be available to the Appropriations Committee in the same way that it would be to the budget committees, to make those kinds of analyses and to present to the budget committee the figures.

Mr. McCLELLAN. Who would have jurisdiction of this?

Mr. MUSKIE. This would give the Appropriations Committee an opportunity, and indeed a duty under this bill, to give the Senate the benefit of its judgment as to the budget impact.

Mr. McCLELLAN. But we do not have jurisdiction over the budget staff that is being set up. We have no jurisdiction over it.

Mr. MUSKIE. The language of the bill makes the Congressional Office of the Budget available to every committee.

Mr. McCLELLAN. It is available. We can call on them, yes. But we cannot direct them to get on to this and do it. In other words, we can direct our staff to get on something and give it immediate attention.

Mr. MUSKIE. Obviously, the Appropriations Committee and the Finance Committee, which are also given responsibilities under this legislation, should have sufficient authority to utilize the COB.

Mr. McCLELLAN. I say this to the Senator, and I say this now so that we may be on notice as to what we are doing: If the Appropriations Committee is charged with this responsibility, it should have under its immediate control some staff that is competent in this field. It cannot be said that "you have to do it." All we can do under the circumstances, in my judgment, under the proposed legislation, is that when it is sent to us, we will send it back.

Mr. MUSKIE. I agree with the Senator.

Mr. McCLELLAN. I want to make clear that there would be a responsibility on the Appropriations Committee that is impossible for it to perform at present.

Mr. MUSKIE. I say to the Senator that is not the intent of the proposed legislation. If we have not implemented that adequately in the bill, we will do so before we finish work on the bill.

I cannot agree more with the Senator that those kinds of frustrations should not be imposed on the committee.

Mr. PERCY. Mr. President, I yield myself 2 minutes in order to comment on the remarks of the distinguished chairman of the Appropriations Committee.

I refer the Senator from Arkansas to page 68 of the bill, which covers the provision as reported by the Government Operations Committee. This obviously would have provided more time for the Appropriations Committee to have operated and did not contain the 10-day limitation. That was placed on it as a result of revisions that were incorporated in the bill by the Committee on Rules and Administration.

The reason why the Senator from Illinois opposes the amendment is that there is indeed a difference between the Appropriations Committee simply being asked to make a report and literally having the legislation before it and being able to send the legislation back to the authorizing committee, or sending it to the floor with an amendment. There is a distinct difference. The difference has been minimized on the floor. I think there is a difference, and for that reason I prefer staying with the committee version.

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

Mr. PERCY. I am happy to yield.

Mr. McCLELLAN. Without it being referred to the committee, the committee has no official jurisdiction over it. On this theory, any bill that comes out here that provides for spending, we would automatically have to take judicial notice and try to act on it.

Mr. PERCY. I think the Senator has put his finger right on the point. That is a big difference.

Mr. MUSKIE. I would like to comment on that. Talking about minimizing a difference, there is such a thing as maximizing a difference.

I wish to read from the Ribicoff amendment. It states:

> The Committee on Appropriations of that House may within 10 calendar days (not counting any day on which the House is not in session) beginning with the day following the day on which it is so reported, submit a report to its House setting forth its recommendations.

This amendment confers jurisdiction and responsibility upon the Committee on Appropriations. The language is really to maximize a difference. The language speaks for itself.

Mr. McCLELLAN. It states "may."

Mr. MUSKIE. It states "may." The Senator just said he is not sure he has the staff resources.

Mr. McCLELLAN. I do not think I have.

Mr. MUSKIE. The "may" is to be exercised by the Senator.

Mr. McCLELLAN. As pointed out, all we can do is send it back to you.

Mr. MUSKIE. On the question of whether this language imposes a responsibility on the Appropriations Committee. It is the intention of this bill to make the Congressional Offices of the Budget available to every committee, and especially those committees which are subject to the procedure requirements of the bill, and that includes the Appropriations Committee. If there is any doubt about the provisions of the bill in that regard, we will certainly clarify it.

So I say to the Senator whatever maximization of differences we get, this amendment, if adopted, imposes a responsibility on the Appropriations Committee. More than that, this bill intends to provide the staff of the Appropriations Committee sufficient to meet this and all other responsibilities, just as it does to the Finance Committee and the Budget Committee.

Mr. NUNN. Mr. President, will the Senator yield briefly so that I may make an observation for the Senator from Arkansas?

Mr. MUSKIE. I yield.

Mr. NUNN. I think the Senator from Arkansas was not here when we pointed out in colloquy one certain difference that is important for the Senator's judgment. The bill as written would allow entitlement legislation to be considered at any point in the year provided it complied with the sending of the entitlement legislation to the Appropriations Committee. The amendment would require it be done after June 1. The significance is that entitlement legislation will have to be considered by the Appropriations Committee and the Senate during the same 3-months period when all appropriation bills have been considered. I made the point that the result may well be that entitlement legislation will bring sufficient pressure that it will be removed from all restraints and we will be right back at this point.

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

Mr. PERCY. I yield.

Mr. BROCK. I wish to follow up on the point of the Senator from Georgia. It is important to note to the Senator from Georgia that the Committee on Government Operations reported this bill virtually unanimously with a section which gave jurisdiction over entitlement legislation to the Appropriations Committee. There was no referral or any question about it. Jurisdiction was placed in the Appropriations Committee because this section of our budget is the one segment that is totally out of control. We are talking about 58 percent of the total budget by 1979. Somebody has to watch it, somebody in whom this body reposes confidence and trust. We placed that responsibility with the Appropriations Committee. That was stricken by the Committee on Rules and Administration.

Then, it was simply referred for 10 days and the Committee on Appropriations was given the staff with the direction to bring in the figure as it affects the budget, but they were allowed to offer amendments so far as the total funding level. Now, we have even stricken that opportunity for oversight and review from the authority of the Committee on Appropriations.

It may very well be you have been given a label without any substance to it and you are being put in a position of being criticized for not doing something you would not be able to do. I think that is the effect of the amendment, whether we overmaximize it or not. The fact is when we get back to the end of the year and all of these entitlements have been increased over the concurrent resolution passed in June the Appropriations Committee is going to bet hit with a situation where Congress has passed entitlements that violate the ceiling, unless we cut back on specific programs; and the Appropriations Committee is going to be burdened with having to cut back on the legislative programs to encompass the increase over which it had no jurisdiction. That is what is wrong with the amendment.

Mr. CRANSTON. Mr. President, will the Senator from Maine yield?

Mr. MUSKIE. I yield.

Mr. CRANSTON. The Senator from Tennessee speaks of 58 percent. We are talking principally about two entitlements: veterans and certain of their entitlements, and senior citizens and disabled persons, for a total of $5 billion. We are not talking about all or even most entitlements. Most, and by far most of the dollars, are not affected by this amendment.

Mr. BROCK. The Senator from Georgia asked the Senator from Connecticut to list them and he said he would limit it to those two.

Mr. NUNN. The Senator from Georgia has already accepted those two.

Mr. ERVIN. Mr. President——

Several Senators addressed the Chair.

Mr. PASTORE. Mr. President, may we have order? The Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order. The Senator's time has expired.

Mr. PERCY. Mr. President, I yield myself 2 minutes. I am happy to yield 1 minute to the Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. CRANSTON. Mr. President, the other point I wish to make is for those Senators who have come to the Chamber. A new and better control is proposed by this amendment because it requires that entitlements cannot be acted on by the Senate or House until June 1; until that time the Budget Committee, the Appropriations Committee, and the entire Congress cannot know the entire situation on overall revenues and expenditures. Prior to that time, you deal with it only in a fragmentary way in the Appropriations Committee and the Budget Committee, without those committees or the Congress knowing the total picture.

This is a far better situation, and this amendment would add a responsibility to the Appropriations Committee which it does not have now. Now, the Appropriations Committee has no voice at all in entitlements of any sort.

Mr. PERCY. Mr. President, in the remaining moment I wish to respond to the Senator from Arkansas with respect to the inadequacy of the staff of the Committee on Appropriations to deal in such a short time frame with these problems.

This point was brought up by the Senator from West Virginia (Mr. ROBERT C. BYRD). I would like to ask him if it is his intention to offer an amendment which will change the duties and functions under section 202 of the bill so that there will be a dual relationship and responsibility between the Director of the Congressional Office of the Budget and the Committee on Appropriations, as well as the Committee on the Budget, so that whenever a load is imposed on the Committee on Appropriations the Staff would be available to help analyze, appraise, and provide sufficient information so that a decision could be made within the time frame.

Mr. ROBERT C. BYRD. Such language has been prepared.

Mr. PERCY. The Senator from Illinois would be most supportive of it.

Mr. President, service on the Committee on Appropriations has convinced me that many times the staff is inadequite for the job and the responsibilities we have, and this would place at the disposal of every committee and every Senator a group of professional people comparable in stature and quality to the Office of Management and Budget, which the Congress now lacks.

Mr. McCLELLAN. Mr. President, will the Senator yield for just a brief observation?

Mr. PERCY. I am happy to.

Mr. McCLELLAN. We have a marvelous Appropriations Committee staff, but it is a housekeeping staff; it is not a professional staff that would normally be prepared to immediately make an analysis and report back intelligently to the Senate on an issue like this.

Mr. ERVIN. Mr. President, I would like to have about 2 minutes.

Mr. MUSKIE. Mr. President, I yield 2 minutes to the Senator from North Carolina.

Mr. ERVIN. I would like to say that I agree with the Senator from Tennessee. There was no reason why entitlement legislation should not be subjected to two committees, just as we do now generally with the authorizing committee and the Appropriations Committee. That is why, I believe, the bill reported unanimously from the Government Operations Committee provided for that on page 68. Under that provision, the Appropriations Committee could make amendments. It seems to me we are arguing here the difference between tweedledum and tweedledee, as to whether one should support the bill as it was revised by the Committee on Rules and Administration or the Government Operations Committee version. I think it comes to the same thing. I do not know which way I am going to vote when it comes to a vote, but personally I would like to go back to the Government Operations Committee version on this and have two committees look at the matter before we saddle the American people with billions of dollars of additional obligations; but neither the amendment nor the bill pending before us will accomplish that purpose.

I thank the Senator for yielding.

The PRESIDING OFFICER. All time on the amendment having expired, the question is on agreeing to the amendment of the Senator from Connecticut (Mr. RIBICOFF). The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Louisiana (Mr. LONG), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Indiana (Mr. HARTKE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Ohio (Mr. METZENBAUM), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

On this vote, the Senator from West Virginia (Mr. RANDOLPH) is paired with the Senator from Ohio (Mr. METZENBAUM).

If present and voting, the Senator from West Virginia would vote "yea" and the Senator from Ohio would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD), the Senator from North Dakota (Mr. YOUNG), are absent on official business.

I also announce that the Senator from Vermont (Mr. AIKEN), is absent because of illness in the family.

I further announce that the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from South Carolina (Mr. THURMOND).

If present and voting, the Senator from Oregon would vote "nay," and the Senator from South Carolina would vote "yea."

The result was announced—yeas 31, nays 55, as follows:

[No. 81 Leg.]

YEAS—31

Abourezk	Hart	Muskie
Bayh	Hathaway	Nelson
Bentsen	Huddleston	Pell
Bible	Hughes	Ribicoff
Brooke	Humphrey	Sparkman
Case	Jackson	Stafford
Church	Javits	Taft
Clark	Magnuson	Weicker
Cranston	McGovern	Williams
Ervin	Mondale	
Gravel	Moss	

NAYS—55

Allen	Domenici	Metcalf
Baker	Eastland	Montoya
Bartlett	Fannin	Nunn
Beall	Fong	Packwood
Bellmon	Griffin	Pastore
Bennett	Gurney	Pearson
Biden	Hansen	Percy
Brock	Haskell	Proxmire
Buckley	Helms	Roth
Burdick	Hollings	Schweiker
Byrd, Harry F., Jr.	Hruska	Scott, Hugh
Byrd, Robert C.	Inouye	Scott, William L.
Cannon	Johnston	Stennis
Chiles	Mansfield	Stevens
Cook	Mathias	Stevenson
Cotton	McClellan	Talmadge
Curtis	McClure	Tower
Dole	McGee	Tunney
	McIntyre	

NOT VOTING—14

Aiken	Hartke	Randolph
Dominick	Hatfield	Symington
Eagleton	Kennedy	Thurmond
Fulbright	Long	Young
Goldwater	Metzenbaum	

So Mr. RIBICOFF's amendment was rejected.

Mr. GRIFFIN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PERCY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. Mr. President, will the Senator from Illinois yield me 5 minutes on the bill?

Mr. PERCY. Mr. President, I yield 5 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I hope not to take 5 minutes.

First, I should like to invite the attention of the managers of the bill. I ask unanimous consent that when whatever other amendments on which unanimous

consent has been granted have been completed—I understand the last amendment is by the Senator from Ohio (Mr. TAFT)—I may be recognized to submit an amendment for myself, the Senator from Minnesota (Mr. HUMPHREY), the Senator from Florida (Mr. CHILES), the Senator from Maine (Mr. MUSKIE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Utah (Mr. MOSS), and the Senator from Minnesota (Mr. MONDALE) which is a slight variance from amendment No. 1047, about which I have already conferred with the floor managers of the bill.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I should like to ask the Senator from Illinois if I may proceed with a request which will place in sequence the amendments that have not yet been called up.

Mr. PERCY. I yield.

Mr. JAVITS. Of course.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the disposition of the amendment by Mr. ROTH, the Senator from Mississippi (Mr. STENNIS) be recognized to call up his amendment; that on the disposition of his amendment, the Senator from Ohio (Mr. TAFT) be recognized to call up his amendment; that upon the disposition of his amendment, the Senator from New York (Mr. JAVITS) be recognized to call up an amendment; that upon the disposition of his amendment, Mr. NUNN be recognized to call up his amendment.

Mr. HUMPHREY. Mr. President, the Senator from Minnesota has three amendments at the desk.

Mr. ROBERT C. BYRD. This is one of them.

Mr. HUMPHREY. I do not want to waste any time. I have spoken with members of the committee. I shall call up one of the amendments for the purpose of discussion, because I think the three amendments are relevant, but I shall not ask for a vote on all of them. I may on one. In fact, I would suggest a maximum time of 10 minutes to a side on my amendments.

Mr. ROBERT C. BYRD. Mr. President, will the Chair rule on my request?

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from West Virginia?

Mr. CRANSTON. Mr. President, will the Senator yield? I simply wish to have an amendment of mine added to the end of the list.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, following the disposition of the amendment by the Senator from Georgia (Mr. NUNN), the amendments the Senator from Minnesota has requested——

Mr. HUMPHREY. I will call them up and dispose of them as quickly as possible.

Mr. ROBERT C. BYRD. Be considered, and, following the amendments of the Senator from Minnesota, the amendment of the Senator from Florida, who had asked previously, and then that the Senator from California (Mr. CRANSTON) be recognized to offer an amendment.

The PRESIDING OFFICER. Is there objection?

Mr. PERCY. Mr. President, reserving the right to object, has the acting majority leader made a reconciliation of all these amendments, and reconciled them with the unanimous-consent agreement to have final passage by 2 p.m.? Is that possible, or should we come in at an earlier hour?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9 o'clock a.m. tomorrow.

The PRESIDING OFFICER. Is there objection?

Mr. BAYH. Mr. President, reserving the right to object——

The PRESIDING OFFICER. To which unanimous consent does the Senator reserve the right to object? There are two pending.

Mr. BAYH. Addressing myself to the last unanimous-consent request, I reserve the right to object.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia with reference to the list of Senator from West Virginia with reference to the list of Senators offering amendments. The Chair hears none, and it is so ordered.

With respect to the request to convene tomorrow morning at 9 o'clock——

Mr. BAYH. Can the Senator from West Virginia tell me, when would the first vote occur under that procedure?

Mr. ROBERT C. BYRD. If the full hour is taken with respect to the amendment of the Senator from Wisconsin (Mr. NELSON) and the Senator from Minnesota (Mr. MONDALE), the first vote would occur at 10 o'clock.

Mr. BAYH. I have no objection.

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

Mr. ROBERT C. BYRD. It may be necessary to shorten the time on amendments tomorrow.

Mr. JAVITS. That would be agreeable to me.

Mr. PERCY. I think that would be a good idea.

Mr. ROBERT C. BYRD. Perhaps we ought to attempt to do that now.

Mr. CHILES. The Senator from Florida certainly would not object to that. It may be that the Senator from Wisconsin (Mr. NELSON) should be consulted if we are going to surrender any of his time, but I have no objection concerning the time on my amendment.

Mr. ROBERT C. BYRD. Mr. President, may I propound a question to the distinguished assistant Republican leader? Does he believe that the Senator from Delaware would object to shortening the time on his amendment?

Mr. GRIFFIN. This is a problem. I suppose, without getting his consent, we would have to reserve an hour for his amendment. He did want an hour and a half. We were able to talk him into reducing that to an hour. But other than that one, I know of no reason why we could not have a half hour on amendments.

I would also respectfully suggest that after the first rollcall vote, all rollcalls be limited to 10 minutes tomorrow.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the amendment by the Senator from Florida (Mr. CHILES) there be a time limitation of 20 minutes, to be equally divided.

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

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

Mr. ROBERT C. BYRD. I yield.

Mr JAVITS. I will take 20 minutes for mine, because we have so many cosponsors. But as to the other side, if the Senator says 20 and 10, I think they will take it.

Mr. ROBERT C. BYRD. Very well. Twenty minutes on the proponents' side, and 10 minutes on the manager's side, on the amendment of the Senator from New York (Mr. JAVITS).

I hesitate to shorten the time on the amendments of Senators NELSON, TAFT, and STENNIS, but in the morning we will attempt to do that.

Mr. JAVITS. Does not the Senator think he ought to provide 5 minutes on any amendment to an amendment? That is always stultifying.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on amendments to the amendments that have been enumerated, on which the time limitation has been lessened, there be a time limitation of 10 minutes, to be equally divided.

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

Mr. PERCY. Mr. President, one further problem we may have in our plan for tomorrow is that there are 4½ hours remaining on the bill. This side has only had a request from the Senator from Nebraska (Mr. CURTIS) for 15 minutes, and obviously we will honor that request. I would think it possible to restrict our time to, say, 1 hour, which then could be yielded back in advance, but if Senators would like the remaining time, we could dole it out very judiciously tomorrow, if necessary, particularly to someone who may feel he has been cut back without adequate notice on an amendment.

Mr. ROBERT C. BYRD. The time for debate poses no problem, because there will be a final vote at 2 o'clock, and if there is any time remaining at all, of course, Senators may yield it back.

I ask unanimous consent, in accordance with the suggestion of the distinguished Republican whip, that after the first rollcall vote tomorrow, all other rollcall votes consume 10 minutes each, with the warning bells to sound after the first 2½ minutes.

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

Mr. JAVITS. Mr. President, may I have 3 additional minutes on the bill to make my speech?

The PRESIDING OFFICER. The Sen-

ator from New York is recognized for 3 minutes.

Mr. JAVITS. Mr. President, I am very much for this bill. It has been very thoroughly and, I think, very well worked out with the cooperation of many Senators. I believe it presents us with a package which will—and this is very close to my heart—represent the acceptance by Congress of the responsibility which it must accept if it wishes to exercise equal authority with the President in budget making.

Mr. President, few issues have impacted with greater force upon the American public in recent years than that relating to the integrity and responsiveness of government. Watergate has indeed focused and intensified that issue.

But we have heard again and again, quite apart from Watergate, that our people have become disillusioned and cynical about the institutional capability and willingness of Congress to cope with the increasingly complex questions of modern government

As we are all aware, the United States has increasingly faced the most serious budget problems brought about by the fact that we in the Congress have been voting to spend money at a rate faster than our ability to generate revenues at full employment. No reasonable person could deny that one of the chief contributing factors to this deplorable situation has been the absence of any way to inform and guide the Congress about the hard facts of priorities planning and budget reconciliation.

No existing office or committee has the authority or the wherewithal to provide the kind of overview which is necessary. This arises simply from the fact that most committees are specialists in and advocates for a certain slice of the Federal dollar. It is assumed that when a bill is considered by the Senate or the House on the floor that an overview will be provided. But, as we are all aware, Congress as a whole proceeds piecemeal—as do the committees—without overview.

The legislation we debate today is critically important. It represents the careful and comprehensive work of my own Government Operations Committee and the Committee on Rules and Administration. It represents a major stride toward reassertion by the Congress of its constitutional control over the Federal budget.

It tracks very closely the decisive action of the Congress last year in passing the landmark War Powers Act and in dealing with the issues of executive impoundment and executive privilege.

The Federal Act to Control Expenditures and Establish National Priorities which is before us today is, as I have already stated, the result of an extraordinary effort of many Senators. I particularly wish to commend four of a much larger number: our distinguished chairman, Senator ERVIN, our ranking minority member, Senator PERCY, Senator MUSKIE, and also Senator ROBERT BYRD.

S. 1541 will modernize the organization of Congress to deal with the entire budget process. It will establish a Senate Budget Committee consisting of 15 members to oversee congressional budget matters. In addition, it will create a Congressional Office of the Budget—COB—to provide both Houses of Congress with staff resources they do not now have in order to analyze the budget recommendations of the President and test the assumptions upon which they are based.

In submitting estimates to the COB, the executive departments and agencies will be required to identify both the cost of existing programs, activities and services; and second the cost of proposed new and expanded programs, activities and services. It will be able to recommend alternative levels of revenues and outlays based on its own estimates, including the amount of revenue loss attributable to tax benefits and related matters. The COB will establish a permanent, institutional capability to provide sophisticated expertise to the Members and committees of Congress on budget making. I think it is important to emphasize that all standing committees have access to the COB. By utilizing this new capability and obtaining new sources of information from the executive departments and the White House as provided for in S. 1541, the Congress will have more tools than ever before to consider the budget overall and in detail in an intelligent way.

By changing the fiscal year to October 1, the Congress will have more time following the submission of the President's budget message to accomplish this.

Most importantly, S. 1541 will bring about fundamental reform of the mechanism by which the Congress processes the annual Federal budget. The process includes two budget resolutions and a final reconciliation bill in a logical and orderly procedure which allows the Congress to reassess and revise its spending and revenue decisions in the second budget resolution and the reconciliation bill. This process mandates the informed input of the Appropriations Committee, the Finance Committee, the Joint Economic Committee and the authorizing committees of the Senate. Most Members of the Senate have in the past voiced concern that all spending bills should be passed early in the fiscal year. The bill requires all such measures to be completed by early August. This is a most important reform.

Mr. President, for some years I have advanced a proposal for an Office of Goals and Priorities Analysis—in effect, a budget bureau responsible to the Congress—so that we might be able to make rational choices among items with the same analytical capability as the executive branch when drafting its own budget proposals. The most recent version of my proposal was contained in title II of S. 5 which was reintroduced in 1973, after having passed the Senate the previous year. Senator MONDALE joined with me on both occasions in proposing S. 5 and urging its enactment.

In view of the consideration of S. 1541 by the Government Operations Committee, we moved to have title II of S. 5 referred to Government Operations in order that it might be considered in the light of the proposal to create a Congressional Office of the Budget. Senator CHILES joins with Senator MONDALE and I to offer an amendment to S. 1541 to require the Director of the COB to prepare a report on national goals and priorities on or before June 1 of each year.

Mr. President, The Committee on Government Operations reported this measure dealing with national goals and priorities, in a separate bill sponsored by the Senator from Florida (Mr. CHILES). That bill, S. 1414, which I strongly support and cosponsored would provide the Congress with critically important budget information which it does not now get in a timely and useful manner.

So the amendment which I shall call up tomorrow I send to the desk for printing under the rules, on behalf of myself and Senators CHILES, HUMPHREY, MONDALE, MUSKIE, JOHNSON and MOSS—carries out that idea. I submit it to the managers; I hope they will consider it favorably.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table, and without objection it will be printed in the RECORD.

AMENDMENT NO. 1057

On page 116, after line 25, insert the following:

REPORT ON NATIONAL GOALS AND PRIORITIES

SEC. 203. (a) ANNUAL REPORT.—The Director shall submit to the Congress on or before May 1 of each year (beginning with 1978) a national goals and priorities report, which shall include, but not be limited to, a description and discussion of—

(1) the President's recommendations on national priorities reflected in the proposed allocation of budget authority and budget outlays for each major national need as set forth in the budget submitted by the President for the fiscal year beginning on October 1 of each year;

(2) the goals, or objectives, associated with each major national need and the goals, or objectives, being sought by all Federal programs directed at meeting such national need and a balanced national growth;

(3) an assessment of the adequacy of the resources allocated to each national need in view of the goals or objectives being sought; and

(4) an assessment of the probable effect of such proposed budget outlays and budget authority and of such allocation of resources, upon the balanced growth and development of the nation, such assessment to be drawn from information, data, reports and analyses which shall be furnished to the Director upon his request by such Federal departments, agencies and bureaus as he may determine and as may have such requested subject matter within their official jurisdiction.

(b) ASSISTANCE TO COMMITTEES AND MEMBERS.—At the request of any committee or Member of the Senate or the House of Representatives or any joint committee of the Congress, the Office shall provide to such committee, Member, or joint committee further information, data, or analysis relevant to the subject matter of subparagraph (a).

Mr. JAVITS. Mr. President, item 4 in this amendment was suggested by Senator HUMPHREY, who proposed, in the judgment of all of us who are cosponsors, a most important idea tying into the development of the national goals and priorities report, an assessment of the potential for balanced growth and economic development of the Nation and what it requires in the larger context of budget planning.

The work of the Senator from Florida (Mr. CHILES) on this and related amendments in committee was extremely important and helpful. I assure these gentlemen that though I may have been in a way an early proponent of the idea, several years ago, their contributions are fully equal to mine, and I express my gratitude to all of them.

Mr. President, S. 1541 also deals with the subject of tax expenditures. During the 1969 Tax Reform Act debate I introduced an amendment which would have required the Secretary of the Treasury in his annual report to the Congress to include estimates of indirect expenditures through the application of the tax law or "tax expenditures." That amendment was not passed and consequently in 1971 I offered an amendment to the Revenue Act of 1971 which would have required the President's budget or the special analysis presented with the budget to contain estimates of losses in revenue from provisions of the tax laws and also estimates of indirect expenditures through operation of the tax laws.

This amendment passed the Senate but was modified in conference to have the estimates of tax expenditures made by the Treasury Department submitted annually to the Committee on Ways and Means of the House, the Committee on Finance of the Senate, and the Joint Committee on Internal Revenue Taxation. These reports of tax expenditures have been submitted as required and I ask unanimous consent that the report dated June 1, 1973, be included in the RECORD at this point.

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

FEDERAL TAX EXPENDITURES

In the Senate version of the Revenue Act of 1971, a provision added on the floor would have required the inclusion in the budget of estimates of losses in revenue from provisions of the Federal income tax laws and also estimates of indirect "expenditures" through the operation of the Federal tax laws. Data of this type have commonly become known as "tax expenditures." The statement made by the conferees in this respect is as follows:

"The conferees concluded that it would be more appropriate to have such estimates of tax expenditures made by the Treasury Department and to have the estimates submitted annually to the Committee on Ways and Means of the House, the Committee on Finance of the Senate, and the Joint Committee on Internal Revenue Taxation. It is expected that these tax expenditure reports to the tax committees will initially be modeled after similar reports previously made and included in the annual reports of the Secretary of the Treasury in 1968 and 1970. Modifications may, of course, be made from time to time in consultation with the tax committees. In addition to making these reports to the tax committees on an annual basis, the Treasury Department may desire to include these data on tax expenditures in the annual report of the Secretary of the Treasury. The Treasury Department has indicated its willingness to submit information to the tax committees in the manner indicated above and as a result the amendment no longer appears necessary."

The Staffs of the Treasury Department and Joint Committee did cooperate in the preparation of such a report last year. This pamphlet, which is a continuation of this cooperative effort, presents data for 1972 and reproduces the data for calendar years 1967 through 1971 which were contained in the reports issued on October 4, 1972.

In general terms "tax expenditure" items are intended to represent the amount of tax reductions which occur because of the allowance of an exclusion, deduction, preferential rate of tax, or deferral of tax liability. There are differences in points of view as to the "tax expenditure" concept,[1] including differences as to the items which should be included in, and excluded from, such a listing. Questions have also been raised as to whether there should also be included in such an analysis those items which are taxed more heavily than income generally (such as corporate income) or deductions which are subjected to special limitations (such as capital losses). In this report the staffs have not attempted to consider any changes in the items listed as "tax expenditures." Instead, the items included in this report are those which have previously been included in any of the earlier reported versions of tax expenditure estimates made by the Treasury Department prior to the Revenue Act of 1971 plus items in the Revenue Act of 1971 which are of similar character. Among items not included as tax expenditures are the personal exemptions and the minimum standard deductions.

This report includes two tables. Table 1 shows estimated Federal income tax expenditures for the calendar years 1967 through 1972. The 1971 and 1972 tabulations are broken down into effects on corporate income tax liability and effects on individual income tax liability. Only the 1972 data represent a new tabulation. The data shown in this table are broken down into categories which are comparable to those in the functional classification of budget expenditures. The report also includes a table (Table 2) showing the estimated distribution, by adjusted gross income class, of the decrease in individual income tax liability estimated to result from tax expenditure items affecting such liability.

The purpose of these tax expenditure data is to provide information as to the economic benefits provided by the tax laws to the various sectors of the economy. To aid in the analysis, the cost and beneficiaries (in terms of areas of activity) are shown by the same functional categories as outlays in the Federal budget. The listing of any of these provisions involves no direct, or indirect, presumption about the desirability of any of them in terms of public policy. These tables, however, are intended as a tool which may be helpful to the tax committees of Congress in reviewing various provisions of the tax laws.

The estimates of tax expenditures are difficult to determine and are subject to important limitations. It is believed, however, that despite these limitations, the order of magnitude of the amounts involved may be helpful to the tax committees.

The major limitations with respect to the estimates of tax expenditures are:

1. The estimate of each tax expenditure item is made independently of any other tax expenditure item. As a result, if two or more items were to be eliminated, the result of the combination of changes being made at the same time might produce a lesser or greater revenue effect than the sum of the amounts shown for each item individually. This, of course, also means that the addition of the various tax expenditure items is of quite limited usefulness. This is why totals are not shown for table 1, except in a footnote.

2. In the case of many of the items, especially those for which information is not available on tax returns, the lack of data makes estimates quite tenuous. Where information is not available on tax returns, it has been necessary to obtain information from whatever sources are available, and, when sources are limited, to make assumptions on which to base the estimates.

3. The estimates for the various tax expenditure items do not take into account any effects that the removal of one or more of the items might have on investment patterns, consumption, or other aspects of economic activity. In other words, the estimates shown do not take into account the induced effects of changing the provisions. Repeal of a provision, therefore, would not necessarily raise the revenue associated with removal of that provision.

4. Often, tax expenditure items which have been added in recent years do not become fully effective until the lapse of several years. As a result, the eventual annual cost of some items added in recent years is not fully reflected in the year 1972. Conversely, if various items now in the law were to be eliminated, it is unlikely, in many cases, that the full revenue effects shown would be realized until an extended period of years has passed.

5. In some cases, if a tax expenditure item were to be eliminated, it is probable that Congress would, at least to some extent, desire to deal with the underlying problem by a direct expenditure program. The effect of any such program is not taken into account in the estimates shown. In addition, if some of these provisions were removed from the tax laws, this removal might be accompanied by revisions in tax rates, personal exemptions or the minimum standard deduction, as has happened in the past. This has not been taken into account in the estimates.

6. There are features of the law which are not taken into account in the estimates shown. For example, personal exemptions, the minimum standard deduction, the foreign tax credit, and the effect of income splitting and head-of-household treatment, as well as the graduation in the rate structure of the individual income tax, are not taken into account in these tables. Also, the effect of estate and gift taxes is not shown nor is the interrelationship of these provisions with some of the tax expenditure items taken into account.

7. Differences in personal income levels and corporate profits can also account for differences in the cost of tax expenditure items from year to year. Also, some tax expenditure items themselves may be larger or smaller from year to year, wholly independent of tax considerations.

[1] See, e.g., the criticism in Bittker, "Accounting for Federal Tax Subsidies in the National Budget," XXII *National Tax Journal* 244 and the reply in Surrey and Hellmuth, "The Tax Expenditure Budget—Response to Professor Bittker," XXII *National Tax Journal* 528.

TABLE 1.—ESTIMATED FEDERAL INCOME TAX EXPENDITURES,[1] CALENDAR YEARS 1967–72 [2]

[In millions of dollars]

Item	1967	1968	1969	1970	1971 Corporations	1971 Individuals	1971 Total	1972 Corporations	1972 Individuals	1972 Total
NATIONAL DEFENSE										
Exclusion of benefits and allowances to Armed Forces personnel	500	550	550	500	----------	650	650	----------	700	700
INTERNATIONAL AFFAIRS										
Exemption for certain income earned abroad by U.S. citizens	40	45	45	40	----------	50	50	----------	50	50
Exclusion of income earned by individuals in U.S. possessions	10	10	10	10	----------	10	10	----------	10	10
Western Hemisphere trade corporations	50	55	55	50	75	----------	75	50	----------	50
Exclusion of gross-up on dividends of less-developed country corporations	50	55	55	55	55	----------	55	60	----------	60
Deferral of income of controlled foreign corporations	150	165	170	165	165	----------	165	300	25	[3] 325
Exclusion of income earned by corporations in U.S. possessions	70	80	85	80	80	----------	80	80	----------	80
Deferral of income of domestic international sales corporations								100	----------	100
AGRICULTURE										
Farming: Expensing and capital gain treatment	800	860	880	820	50	790	840	50	850	900
Timber: Capital gain treatment for certain income	130	140	140	130	125	50	175	125	50	175
NATURAL RESOURCES										
Expensing of exploration and development costs	300	330	340	325	260	65	325	580	70	[3] 650
Excess of percentage over cost depletion	1,300	1,430	1,470	980	785	200	985	1,400	300	[3] 1,700
Capital gain treatment of royalties on coal and iron ore	5	5	5	5	5	----------	5	5	----------	5
COMMERCE AND TRANSPORTATION										
Investment credit	2,300	3,000	2,630	910	1,495	305	1,800	3,050	750	3,800
Depreciation on buildings (other than rental housing) in excess of straight-line	500	550	550	500	320	160	480	330	170	500
Asset depreciation range					600	100	700	850	10	[3] 860
Dividend exclusion	225	260	290	280	----------	300	300	----------	300	300
Capital gains: Corporation (other than farming and timber) [5]	500	525	525	425	380	----------	380	400	----------	400
Capital gains: Individuals (other than farming and timber) [5]	([6])	([6])	([6])	([6])	----------	5,600	5,600	----------	7,000	7,000
Bad debt reserves of financial institutions in excess of actual	600	660	680	380	400	----------	400	400	----------	[7] 400
Exemption of credit unions	40	45	45	40	40	----------	40	90	----------	[3] 90
Deductibility of interest on consumer credit	1,300	1,600	1,700	1,700	----------	1,800	1,800	----------	1,100	[3] 1,100
Expensing of research and development expenditures	500	550	565	540	545	----------	545	570	----------	570
$25,000 surtax exemption	1,800	2,000	2,300	2,000	2,300	----------	2,300	2,500	----------	2,500
Deferral of tax on shipping companies	10	10	10	10	10	----------	10	30	----------	30
Rail freight car amortization				105	45	----------	45	80	----------	[3] [8] 80
HOUSING AND COMMUNITY DEVELOPMENT										
Deductibility of interest on mortgages on owner-occupied homes	1,900	2,200	2,600	2,800	----------	2,400	2,400	----------	3,500	3,500
Deductibility of property taxes on owner-occupied homes	1,800	2,350	2,800	2,900	----------	2,700	2,700	----------	3,250	3,250
Depreciation on rental housing in excess of straight-line	250	250	275	255	300	200	500	350	250	600
Housing rehabilitation					10	15	25	15	25	40
HEALTH, LABOR, AND WELFARE										
Disability insurance benefits	([6])	100	120	130	----------	155	155	----------	175	175
Provisions relating to aged, blind, and disabled:										
Combined cost for additional exemption, retirement income credit, and exclusion of OASDHI for aged	2,300	2,700	2,800	2,950	----------	3,250	3,250	----------	3,550	3,550
Additional exemption for blind	10	10	10	10	----------	10	10	----------	10	10
Sick pay exclusion	85	95	105	105	----------	120	120	----------	225	[3] 225
Exclusion of unemployment insurance benefits	300	325	350	400	----------	800	800	----------	700	700
Exclusion of workmen's compensation benefits	150	180	210	210	----------	320	320	----------	375	375
Exclusion of public assistance benefits	50	50	50	50	----------	65	65	----------	65	65
Net exclusion of pension contributions and earnings:										
Plans for employees	3,000	4,000	3,150	3,075	----------	3,650	3,050	----------	4,000	4,000
Plans for self-employed persons	60	135	160	175	----------	250	250	----------	200	200
Exclusion of other employee benefits:										
Premiums on group term life insurance	400	400	440	440	----------	500	500	----------	550	550
Deductibility of accident and accidental death premiums	25	25	25	25	----------	30	30	----------	35	35
Medical insurance premiums and medical care	1,100	1,400	1,450	1,450	----------	2,000	2,000	----------	2,500	2,500
Privately financed supplementary unemployment benefits	25	15	15	20	----------	5	5	----------	5	5
Meals and lodging	150	165	170	170	----------	170	170	----------	170	170
Exclusion of interest on life insurance savings	900	1,000	1,050	1,050	----------	1,100	1,100	----------	1,200	1,200
Deductibility of charitable contributions (other than education)	2,200	3,000	3,450	3,550	----------	3,200	3,200	----------	3,100	3,100
Deductibility of medical expenses	1,500	1,600	1,700	1,700	----------	1,900	1,900	----------	1,900	1,900
Deductibility of child and dependent care expenses	25	25	25	25	----------	30	30	----------	180	180
Deductibility of casualty losses	70	80	80	80	----------	165	165	----------	150	[3] 150
Excess of percentage standard deduction over minimum standard deduction	[9] 3,200	[9] 3,600	3,800	3,000	----------	700	700	----------	1,040	1,040
Pollution control amortization			15	15	15	----------	15	25	----------	25
Credit for employing public assistance recipients under WIN program								5	----------	5
5-year amortization of child care facilities								5	----------	5
EDUCATION										
Parental personal exemption for student age 19 or over	500	500	525	500	----------	550	550	----------	640	640
Deductibility of contributions to educational institutions	170	200	200	200	----------	275	275	----------	275	275
Exclusion of scholarships and fellowships	50	60	60	60	----------	110	110	----------	125	125
VETERANS BENEFITS AND SERVICES										
Exclusion of certain veterans' benefits	550	600	600	650	----------	700	700	----------	480	[3] 480
GENERAL GOVERNMENT										
Political contributions									100	100
AID TO STATE AND LOCAL FINANCING										
Exemption of interest on State and local debt	1,800	2,000	2,200	2,300	1,800	800	2,600	1,900	1,000	[3] 2,900
Deductibility of nonbusiness State and local taxes (other than on owner-occupied homes)	2,800	4,150	5,100	5,600	----------	5,600	5,600	----------	5,300	5,300
Total	([10])	([10])	([10])	([10])	([10])	([10])	([10])	([10])	([10])	([10])

[1] Estimates are prepared on an individual basis for each item on the assumption that the item would be eliminated from the law without any other changes in the law with respect to the other items. If two or more changes in the law are made, the aggregate revenue effect will frequently not equal the sum of the revenue effects of the individual changes. Accordingly, the costs of the items are not additive.

[2] Roughly reflect fiscal years 1968 through 1973.

[3] Changes in the 1972 figures as compared to 1971 which are due wholly or in part to revised data and/or new sources of data and/or improved estimating methods.

[4] The estimate for 1972 considers this tax expenditure in isolation rather than in conjunction with percentage depletion as has been done for the years 1967–71.

[5] Assumes present restriction on capital losses is retained.

[6] Not available.

[7] This will decline over time as present law becomes fully effective.

[8] This item is being superseded by use of the investment credit.

[9] Standard deduction.

[10] As explained more fully in the text and in footnote 1, these totals are of limited significance and utility. However, as a matter of convenience the mathematical sums of the respective 10 columns are given here: $36,550,000,000; $44,140,000,000; $46,635,000,000; $43,945,000,000; $9,860,000,000; $41,850,000,000; $51,710,000,000; $13,350,000,000; $46,460,000,000; and $59,810,000,000. Much of the increase in the total figures given for 1971 and 1972 over that for 1970 is due to the fact that the 1970 figure does not include any estimate for capital gains of individuals while the 1971 and 1972 totals include $5,600,000,000 and $7,000,000,000, respectively.

Note: Changes in the figures from year to year not only reflect changes in the tax laws, in utilization of the items and in personal income and profit levels but also, in some instances, reflect revised and/or new sources of data and/or improved estimating methods.

TABLE 2.—ESTIMATED DISTRIBUTION OF SELECTED ITEMS OF TAX PREFERENCES OF INDIVIDUALS BY ADJUSTED GROSS INCOME CLASS, CALENDAR YEAR 1972

[In millions of dollars]

Adjusted gross income class	Exclusion of benefits and allowances to Armed Forces personnel	Exemption for certain income earned abroad by U.S. citizens	Exclusion of income earned by individuals in U.S. possessions	Deferral of income of foreign controlled subsidiaries	Farming: Expensing and capital gain treatment	Timber: Capital gain treatment for certain income	Expensing of exploration and development costs	Excess of percentage over cost depletion	Investment credit	Depreciation on buildings (other than rental housing) in excess of straight-line	Asset depreciation range	Dividend exclusion
0 to $3,000	15	(1)	(1)	(1)	15	(1)	(1)	1	(1)	1	(1)	2
$3,000 to $5,000	150	1	(1)	(1)	50	2	1	5	45	3	(1)	10
$5,000 to $7,000	180	3	1	(1)	90	2	1	4	55	5	(1)	18
$7,000 to $10,000	130	5	1	(1)	130	3	2	11	95	10	1	27
$10,000 to $15,000	115	7	2	1	170	4	9	18	125	19	1	56
$15,000 to $20,000	55	16	3	1	100	3	7	20	90	17	1	55
$20,000 to $50,000	50	17	3	6	185	9	17	75	185	58	4	109
$50,000 to $100,000	4	1	(1)	6	60	8	11	61	80	36	2	20
$100,000 and over	1	(1)	(1)	11	50	19	22	105	75	21	1	3
Total	700	50	10	25	850	50	70	300	750	170	10	300

[1] Less than $500,000.

Adjusted gross income class	Deductibility of interest on consumer credit	Deductibility of interest on mortgages on owner-occupied homes	Deductibility of property taxes on owner occupied homes	Depreciation on rental housing in excess of straight-line	Housing rehabilitation	Provisions relating to aged, blind, and disabled: Disability insurance benefits	Provisions relating to aged, blind, and disabled: Combined cost for additional exemption, retirement income credit, and exclusion of OASDHI for aged	Provisions relating to aged, blind, and disabled: Additional exemption for blind	Sick pay exclusion	Exclusion of unemployment insurance benefits	Exclusion of workmen's compensation benefits	Exclusion of public assistance benefits
0 to $3,000	(1)	(1)	5	1	(1)	30	880	1	8	60	12	25
$3,000 to $5,000	10	15	25	4	(1)	45	820	2	16	95	26	20
$5,000 to $7,000	40	85	95	7	(1)	35	460	2	18	95	41	15
$7,000 to $10,000	145	310	240	14	(1)	35	640	2	34	160	66	5
$10,000 to $15,000	275	845	590	28	1	12	265	1	62	200	96	(1)
$15,000 to $20,000	235	835	640	25	1	7	135	1	55	60	63	(1)
$20,000 to $50,000	285	1,160	1,135	86	3	7	235	1	27	25	65	(1)
$50,000 to $100,000	60	195	340	53	8	3	75	(1)	4	5	5	(1)
$100,000 and over	50	55	180	32	12	1	40	(1)	1	(1)	1	(1)
Total	1,100	3,500	3,250	250	25	175	3,550	10	225	700	375	65

[1] Less than $500,000.

Adjusted gross income class	Net exclusion of pension contributions and earnings: Plans for employees	Net exclusion of pension contributions and earnings: Plans for self-employed	Exclusion of other employee benefits: Premiums on term group life insurance	Exclusion of other employee benefits: Deductibility of accident and accidental death premiums	Exclusion of other employee benefits: Medical insurance of premiums and medical care	Exclusion of other employee benefits: Privately financed supplementary unemployment benefits	Meals and lodging	Exclusion of interest on life insurance savings	Deductibility of charitable contributions (other than education)	Deductibility of medical expenses	Deductibility of child and dependent care expense	Deductibility of casualty losses
0 to $3,000	45	(1)	10	(1)	45	(1)	3	10	5	5	1	(1)
$3,000 to $5,000	150	(1)	40	2	180	(1)	13	35	20	60	12	5
$5,000 to $7,000	240	1	50	3	225	1	22	65	80	155	21	5
$7,000 to $10,000	580	2	95	6	430	1	33	105	195	300	36	10
$10,000 to $15,000	1,080	5	150	10	675	2	37	175	410	460	42	25
$15,000 to $20,000	740	9	90	5	400	1	27	160	380	320	43	30
$20,000 to $50,000	885	93	95	6	420	(1)	28	400	820	435	25	40
$50,000 to $100,000	195	76	15	2	85	(1)	5	130	450	115	----	15
$100,000 and over	85	14	5	1	40	(1)	2	120	740	50	----	20
Total	4,000	200	550	35	2,500	5	170	1,200	3,100	1,900	180	150

[1] Less than $500,000.

Adjusted gross income class	Excess of percentage standard deduction over minimum standard deduction	Capital gains: individuals	Parental personal exemption for student age 19 or over	Deductibility of contributions to educational institutions	Exclusion of scholarships and fellowships	Exclusion of certain veterans' benefits	Tax credit or deduction for political contributions	Exemption of interest on State and local debt	Deductibility of nonbusiness State and local taxes (other than on owner occupied homes
0 to $3,000	0	20	(1)	(1)	4	20	(1)	5	(1)
$3,000 to $5,000	1	70	8	3	26	45	1	(1)	30
$5,000 to $7,000	12	120	39	7	32	50	2	(1)	110
$7,000 to $10,000	63	190	102	20	26	110	7	5	335
$10,000 to $15,000	609	340	207	58	19	140	21	10	785
$15,000 to $20,000	254	340	122	70	12	60	17	25	835
$20,000 to $50,000	98	1,260	69	90	6	45	37	125	1,770
$50,000 to $100,000	2	1,080	72	20	(1)	9	11	375	770
$100,000 and over	1	3,580	21	7	(1)	1	4	455	665
Total	1,040	7,000	640	275	125	480	100	1,000	5,300

[1] Less than $500,000.

Mr. JAVITS. As the report shows, tax expenditures amounted to approximately $60 billion for the covered period and it indicates that a substantial amount of Government subsidies are granted through the tax system rather than through the budget of the United States. These "tax expenditures" involve among other things exclusion of items from income and consequent reduction in tax liability from the exclusion. Examples are social security retirement benefits being excluded from earnings, exclusion of earnings from pension plans and the exclusion of interest on State or local government obligations.

By discussing these exclusions from income, I am not in any way indicating that there is necessarily anything wrong with any particular benefit. In fact, most provisions in the tax law represent the considered judgment of the government to grant a particular subsidy to a particular class of individuals or corporations who avail themselves of the benefit. However, there has never been any real connection made between the tax expenditures and direct budget outlays. The eminent legal scholar Prof. Stanley Surrey of the Harvard Law School has been much concerned with this subject and testified in detail on the matter before the Select Committee on Committees of the House of Representatives. I ask unanimous consent that his testimony be included in the RECORD at this point.

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

STATEMENT OF STANLEY SURREY, PROFESSOR, HARVARD LAW SCHOOL

Mr. SURREY. Thank you, Mr. Chairman. I am pleased to be here, but I am not at all sure I should be here.

I really do not claim any expertise with respect to the budgetary process as a process, nor do I claim any mastery of the details of the various proposals that have been presented to various groups in the Congress with respect to improvement of congressional control over the budget.

I do want to say that I strongly endorse the efforts and goals of the Joint Study Committee on Budget Control. I think it is quite clear that the Congress must revise its institutional procedures and its rules to obtain an integrated control over the budget, over the spending process, and over revenue receipts. It has to have some integrated control over these matters and their interrelationships if it is really to have the impact on the economy that the Congress of the United States should have.

Consequently, I am all in favor of the goals and efforts along those lines. I can understand there are differences in detail and differences as to the methods of proceeding because, really, we are talking about some rather fundamental changes involving the relationships among the committees of Congress and relationships between the Congress as a whole and the various committees. When you are talking about such fundamental matters, there obviously are going to be differences as to details. But the goals, I think, are clear. I also think that the Joint Study Committee report indicates that some very hard problems must be faced, and that there must be, if there is to be integrated control, rules and procedures that have force and bite to them and that do work and do enforce a discipline on all of the units that constitute the Congress of the United States.

It is against that background that I wish to discuss the subject of tax expenditures.

As I say in my statement, the report of the Joint Study Committee on Budget Control is a fine start, but it leaves out controls over about $60 billion of expenditures, and an omission of $60 billion is rather a large omission. The omission is serious both on its quantitative side because $60 billion is about equal to one-quarter of the budget, and it is also serious from the qualitative standpoint. It is these two aspects that I wish to dwell on today.

The omitted $60 billion relates to what has come to be called tax expenditures. That is a relatively new term and not fully understood by many people. Essentially, it relates to those Government expenditures that are made through the tax system of the United States, primarily through the income tax. You can think of the income tax as a vehicle to raise money for the United States, to defray the expenditures of the United States. In essence, that is what it is. To have an income tax, you have to have a set of provisions that define what is a person's income and a set of provisions that define what are the appropriate deductions that a person should take in determining his net income, and then you apply personal exemptions and rates of tax. Essentially, that gives you an income tax on net income. Pretty much every country that has an income tax will go about it much the same way. But in the United States, we have grafted onto the income tax structure a whole series of special provisions which are in the large designed to give financial assistance to groups and activities because of the social purposes or objectives involved.

I am not here today in any way criticizing the social objectives or the priorities that lie behind the granting of this Government financial assistance in the tax system. I am here only to point out that this financial assistance is given through the tax system and is the equivalent of financial assistance given through the ordinary spending processes of the Federal Government.

You can take any number of illustrations. For example, take the matter of the exemption of interest on State and local securities. The exemption of interest on State and local securities is not necessary to the construction of an income tax. It is designed and defended as a method of assisting States and local governments with respect to the interest rate on their obligations. As such, it constitutes financial assistance granted to State and local governments through the tax system of the United States. It involves an expenditure of about $3 billion a year.

You can look at the investment credit, which is a credit of 7 percent any business person gets who buys machinery and equipment. He credits 7 percent of the cost of the machinery and equipment against his Federal income tax bill. That credit is not necessary to a definition of net income or to having an income tax in the United States. It is rather a decision to give financial assistance to those businessmen who purchase machinery and equipment.

The reason given, of course, is to increase the economic growth of the United States. But at the same time it involves an expenditure of about $3 billion of Federal funds made through the tax system. You can go on this way through a whole variety of special tax provisions. They add up collectively to about $60 billion, and are contained in a pamphlet that is published by the House Ways and Means Committee entitled, "Estimates of Federal Tax Expenditures."

This particular list was issued June 1, 1973. In this list, the Committee on Ways and Means indicates which are the items under the various budget categories which involve financial assistance granted through the tax system of the United States. The list—and I have included a table in my statement—comes to about $60 billion.

In certain budget categories, the tax expenditures listed in this document are in excess of direct expenditures listed in the regular budget. For example, if you look at the budget outlays under Commerce and Transportation, the total in the budget—the regular budget—of the United States is $12 billion. If you look at the tax expenditure list under Commerce and Transportation, the total amount of financial assistance given through special provisions under the tax system is $17.5 billion, in excess of the amount in the total budget.

If you look at the expenditures under Housing in the regular budget, they come to about $4 billion. If you look at the tax expenditures under Housing, they come to $7 billion.

So, in certain categories of the budget, we are spending, as a Government, more through the tax system than we are spending through the regular budget of the United States.

The Joint Economic Committee is engaged in a very detailed study of subsidies—Government subsidies, Government grants and other assistance, which they define as subsidies. This study indicates that the subsidies—the financial assistance—granted through the direct budget of the United States. In other words, if you go through the direct budget of the United States and total the subsidies therein—and that includes cash subsidies, interest subsidies and the like—the total of all of those is less than the financial assistance, the tax subsidies, given through the tax system.

So quantitatively we are talking about a very large item in relation to the items you have been discussing all along in this committee when you are considering what shall Congress do to maintain control over Federal spending and over the items in the Federal budget. You have been talking about a figure which omits $60 billion on the quantitative side.

Qualitatively, these tax expenditures are of the same character, essentially, as the items in the direct budget. Any procedures adopted to maintain integrated control over direct budget items would therefore fail to do the job if they did not cover these tax expenditures because they are qualitatively the same.

If the Federal Government decides to give financial assistance to a group or to an activity in the United States, then technicians either can work out a direct grant of assistance or they can work out a special tax provision which will do the same thing. Any group of competent technicians can work out that financial assistance either through the direct budget or through the tax system, just depending on what they are asked and ordered to do under the circumstances.

Suppose, for example, and this is just an example, it is desired to give elderly persons in the United States relief from local property taxes. Let's assume that decision is made, simply to give financial assistance to elderly persons. You can, if you want, devise a direct grant system to such elderly persons to be administered by one of the agencies of Government, and it will show up in the direct budget of the United States. Or, if you want, you can devise a tax expenditure. You can say that elderly persons shall receive a credit against their income taxes for a certain amount of property taxes paid. The end result will be the same for these elderly persons and the amounts of money will be the same except that it will not show up in the budget of the United States. It will only show up in a document published by the House

Ways and Means Committee, and that is about the only place you will find it.

Now let's suppose it is desired to encourage exploratory drilling for oil in the United States. You want to encourage exploratory drilling for oil and you can, of course, give grants of money to oil companies to drill for oil. That will show up as a direct grant in the budget of the United States. Or, if you want, you can say, "We will give oil companies a credit against their income taxes of 7 percent of the amount they spend on drilling" and that will show up not in the budget of the United States, but only in the tax expenditure budget published by the Ways and Means Committee. But the amounts will be the same and the benefits will be the same.

I happen to pick these two illustrations because the Treasury has recently recommended these two new tax expenditures. I am not here discussing the goals of these expenditures, whether it is wise or unwise to give financial assistance in these particular instances.

What I am pointing out is that the decision to give financial assistance in the present recommendations of the Treasury is a decision to give that assistance through a special provision in the tax system and will not, therefore, show up in the budget of the United States. In fact, it would show up nowhere unless the Ways and Means Committee continues to publish this document called "Estimates of Federal Tax Expenditures."

Given the qualitative similarity of the two methods of financial assistance, it seems to me very clear that both have to be covered if you want integrated control over spending in the United States. Essentially, the whole mechanism of tax expenditures illustrates that the tax committees, when they adopt a tax expenditure, are functioning both as a legislative or authorizing committee and as an appropriations committee. The tax committees adopt the program of "Let us give assistance to elderly persons; let us give assistance to oil companies that drill," and that is the legislative activity or the authorizing activity. Since such a program operates through the tax system and reduces revenue it also automatically becomes an appropriation. So the tax committees in dealing with these special provisions are combining both the function of a legislative committee and an appropriations committee.

Consequently, that being the case, any rules which are devised to impose controls over appropriations must apply to the tax expenditure process if those rules and if the controls are going to be complete.

You have been discussing in these hearings up to now, backdoor spending in a variety of ways. And yet if you stop to reflect on the matter, this tax expenditure process is simply one other illustration of a method of appropriating funds which does not go through the normal appropriations process of the United States and, therefore, escapes attention.

The Joint Study Committee on the Budget, I think through oversight, really, neglected to include these tax expenditures. I am not criticizing that joint committee. I think it was an oversight. I think they were focusing so hard on the mechanics of control that they happened to omit these tax expenditures and if they reflected on the matter I think they would have to be included.

I have included in my statement a quotation from a statement by Chairman Mills, and I will conclude with this, Mr. Chairman. Back in 1967 he issued some very prophetic words when he said that, "If we decide that certain programs, however worthy their purpose, cannot be financed at this time by increased spending because other needs have priority, we should not then turn around and sanction some form of indirect subsidy in the form of special tax relief for these programs. I want to point out that the grant of these tax credits has precisely the same effect on the budget as an outright expenditure. The grant of the additional tax credit"—these tax expenditures—"increases the size of the budget deficit just as surely as additional expenditures. That is why I refer to these tax credits—or tax expenditures—as backdoor spending. That is why it would do us no good to have expenditure control if the advocates of spending programs need only to run around to the back door of the tax committees to achieve much the same result by tax credits.

"As we look ahead"—and this was written in 1967—"to discover ways in which we can keep the budget within reasonable limits, we must not fail to direct a critical eye to the proposals which would give tax credits to those who would make certain expenditures."

I think these words of Chairman Mills are fully applicable today and they lead to the conclusion that if the Congress desires to have integrated control over the spending processes of the United States, then it must include within, whatever controls are devised, these items of tax expenditures.

Chairman BOLLING. Thank you very much, Mr. Surrey.

(Mr. Surrey's prepared statement follows:)

PREPARED STATEMENT OF STANLEY S. SURREY, PROFESSOR OF LAW, HARVARD LAW SCHOOL

I appreciate the opportunity to appear in this Panel Discussion on the Budgetary Process. My role is to discuss the relationship of "tax expenditures" to the budgetary process and to the current efforts to improve Congressional control over the budgetary outlay and receipt totals.

At the outset I wish to state that I strongly endorse these efforts and the goals of the Report of the Joint Study Committee on Budget Control (Report of April 18, 1973). As an institutional matter the Congress must adopt devices and procedures that will enable it to integrate its control over the spending process. This integrated control is necessary to permit Congress to obtain a rational view of budget outlays, the relationship of those outlays to revenue receipts, and in turn the effect of the totals and their interrelationships on the level and direction of the economic position of the United States. Further, it is clear that obtaining the needed integrated control over the spending process will require a number of changes in the handling of appropriations, in the relationship among the committees involved, and in the relationships between the Congress as a whole and the committee structure.

Without claiming any expertise in the matter and any mastery of the details, I have the impression that the Report of the Joint Study Committee on Budget Control properly points to the steps that must be taken to secure this integrated control. Undoubtedly, once such an introductory report is submitted, there will be improvements suggested and differences over some of the recommendations and details. But the Report does indicate clearly the kinds of measures required if integrated control is to be maintained throughout the course of each Congressional Budget and to the decisions that must be faced if that control is to be realistic. As a consequence, I will proceed on the basis of that Report as forming the background of my further views.

The Report of the Joint Study Committee on Budget Control is a fine start. But it does leave out controls over about $60 billion of expenditures—an amount equal to one-fourth of the Budget total. This omission is serious, both in its quantitative and qualitative aspects, and leaves a major aspect of Congressibnal spendihg outside of the controls recommended in that Report. Hence it is necessary to see just what is involved in this $60 billion of expenditures that is not covered.

The omitted $60 billion are the "tax expenditures" made through special provisions in our income tax laws. These special provisions, for example, involve exclusions of certain items from income where the exclusions are not parts of a normal income tax structure, but represent instead a decision to give financial assistance to the activities or persons involved. The reduction in tax liability resulting from the special exclusion constitutes the financial assistance. Examples, randomly chosen, are the exclusion of Social Security retirement benefits, the exclusion of earnings of employer pension plans, and the exclusion of interest on state and local government obligations. Other special provisions involve deductions granted to provide similar financial assistance. These special deductions are not required to determine a taxpayer's net income in the sense of allowing all of the expenses incurred in earning that income, or in determining the net profits of a business concern. Indeed, financial accounting does not include these special deductions when net profits are being reported to shareholders. Instead these special deductions and their consequent reduction in a person's income tax liability are simply a method whereby financial assistance is provided by the Government. Examples, again randomly chosen, are deductions for excess depreciation for buildings and for machinery and equipment, for percentage depletion for oil wells and mineral activity, for interest on residential mortgages, and for political contributions. There are other types of special tax provisions, such as credits against tax for certain expenditures—for example, the 7 percent investment credit for machinery and equipment or the credit allowed business employers who hire welfare persons who have been in training programs. There are special rates of tax, such as the 30 percent rate on corporate capital gains. There are special deferrals of income—which are really equivalent in effect to partial or full exclusion—such as the deferral of income derived from exports.

These special provisions have collectively come to be known as "tax expenditures." They are in effect tax incentives or tax subsidies granted ostensibly to induce certain action on the part of individuals or corporations or to relieve certain hardships. The Congress has already taken recognition of these "tax expenditures." In the Conference Report on the Revenue Act of 1971 it was stated that the Treasury should make annual estimates of these expenditures and report them to the Tax Committees and the Joint Economic Committee. Pursuant to this statement, the House Ways and Means Committee has published, on October 4, 1972 and again on June 1, 1973, a document entitled "Estimates of Federal Tax Expenditures." The document states:

"The purpose of these tax expenditure dates is to provide information as to the economic benefits provided by the tax laws to the various sectors of the economy. To aid in the analysis, the cost and beneficiaries (in terms of areas of activity) are shown by the same functional categories as outlays in the Federal Budget." The listing of any of these provisions involves no direct, or indirect, presumption about the desirability of any of them in terms of public policy (page 2).

I am including at this point, to make my discussion concrete, a table taken from the document that lists these tax expenditures and the amounts involved for calendar year 1972 (roughly fiscal year 1973). (I am also attaching a copy of the entire document to my statement.)

TABLE 1.—ESTIMATED FEDERAL INCOME TAX EXPENDITURES,[1] CALENDAR YEAR 1972[2]

[In millions of dollars]

Item	1972 Corporations	1972 Individuals	1972 Total
National defense: Exclusion of benefits and allowances to Armed Forces personnel		700	[3] 700
International affairs:			
Exemption for certain income earned abroad by U.S. citizens		50	50
Exclusion of income earned by individuals in U.S. possessions		10	10
Western Hemisphere trade corporations	50		50
Exclusion of gross-up on dividends of less-developed country corporations	60		60
Deferral of income of controlled foreign corporations	300	25	[3] 325
Exclusion of income earned by corporations in U.S. possessions	80		80
Deferral of income of domestic international sales corporations	100		100
Agriculture:			
Farming: Expensing and capital gain treatment	50	850	900
Timber: Capital gain treatment for certain income	125	50	175
Natural resources:			
Expensing of exploration and development costs	580	70	[3] [4] 650
Excess of percentage over cost depletion	1,400	300	[2] 1,700
Capital gain treatment of royalties on coal and iron ore	5		5
Commerce and transportation:			
Investment credit	3,050	750	3,800
Depreciation on buildings (other than rental housing) in excess of straight-line	330	170	500
Asset depreciation range	850	10	[3] 860
Dividend exclusion		300	300
Capital gains: Corporation (other than farming and timber)[5]	400		400
Capital gains: Individuals (other than farming and timber)[5]		7,000	7,000
Bad debt reserves of financial institutions in excess of actual	400		[7] 400
Exemption of credit unions	90		[3] 90
Deductibility of interest on consumer credit		1,100	[3] 1,100
Expensing of research and development expenditures	570		570
$25,000 surtax exemption	2,500		2,500
Deferral on tax on shipping companies	30		30
Rail freight car amortization	80		[3] [8] 80
Housing and community development:			
Deductibility of interest on mortgages on owner-occupied homes		3,500	3,500
Deductibility of property taxes on owner-occupied homes		3,250	3,250
Depreciation on rental housing in excess of straight-line	350	250	600
Housing rehabilitation	15	25	40
Health, labor, and welfare:			
Disability insurance benefits		175	175
Provisions relating to aged, blind, and disabled:			
Combined cost for additional exemption, retirement income credit, and exclusion of OASDHI for aged		3,550	3,550
Additional exemption for blind		10	10
Sick pay exclusion		225	[3] 225
Exclusion of unemployment insurance benefits		700	700
Exclusion of workmen's compensation benefits		375	375
Exclusion of public assistance benefits		65	65
Net exclusion of pension contributions and earnings:			
Plans for employees		4,000	4,000
Plans for self-employed persons		200	200
Exclusion of other employee benefits:			
Premiums on group life insurance		550	550
Deductibility of accident and accidental death premiums		35	35
Medical insurance premiums and medical care		2,500	2,500
Privately financed supplementary unemployment benefits		5	5
Meals and lodging		170	170
Exclusion of interest on life insurance savings		1,200	1,200
Deductibility of charitable contributions (other than education)		3,100	3,100
Deductibility of medical expenses		1,900	1,900
Deductibility of child and dependent care expenses		180	180
Deductibility of casualty losses		150	[3] 150
Excess of percentage standard deduction over minimum standard deduction		1,040	1,040
Pollution control amoritization	25		25
Credit for employing public assistance recipients under WIN program	5		5
5-year amortization of child care facilities	5		5
Education:			
Parental personal exemption for student age 19 or over		640	640
Deductibility of contributions to educational institutions		275	275
Exclusion of scholarships and fellowships		125	125
Veterans' benefits and services: Exclusion of certain veterans' benefits		480	[3] 480
General government: Political contributions		100	100
Aid to State and local financing:			
Exemption of interest on State and local debt	1,900	1,000	[3] 2,900
Deductibility of nonbusiness State and local taxes (other than on owner-occupied homes)		5,300	5,300
Total	13,350	46,460	59,810

[1] Estimates are prepared on an individual basis for each item on the assumption that the item would be eliminated from the law without any other changes in the law with respect to the other items. If two or more changes in the law are made, the aggregate revenue effect will frequently not equal the sum of the revenue effects of the individual changes. Accordingly, the costs of the items are not additive.

[2] Roughly reflect fiscal year 1973.

[3] Changes in the 1972 figures as compared to 1971 which are due wholly or in part to revised data and/or new sources of data and/or improved estimating methods.

[4] The estimate for 1972 considers this tax expenditure in isolation rather than in conjunction with percentage depletion as has been done for the years 1967–71.

[5] Assumes present restriction on capital losses is retained.

[6] Not available.

[7] This will decline over time as present law becomes fully effective.

[8] This item is being superseded by use of the investment credit.

[9] Standard deduction.

The overall total of these tax expenditures is about $60 billion. Moreover, for certain Budget categories the tax expenditures are in excess of the outlays in the regular Budget—for example, Commerce and Transportation, where the tax expenditure total is $17.6 billion and the Budget total is $12 billion; or Community Development and Housing, where the tax expenditure total is over $7 billion and the Budget total is $4 billion. Moreover, these tax expenditures, considered as subsidies, are larger than the total of all other federal subsidies combined, including cash payments, loan credits and benefits in kind. The Joint Economic Committee, through its study on the Economics of Federal Subsidy Programs, has pointed this out. Using fiscal year 1970 figures, and data which understated the tax subsidies, it showed a tax subsidy total of nearly $40 billion compared with a total of $12 billion for cash payments, $9 billion for benefits in kind and $4 billion for credits. (Joint Economic Committee, 1972 Joint Economic Report, S. Rept. No. 708, 92d Cong., 2d Sess. 43 (1972)).

It is thus clear that these tax expenditures, from a *quantitative* standpoint, are so large that they cannot remain outside any rational system of Congressional control over government spending. These tax expenditures do constitute government spending and do involve large amounts of expenditures.

It is also clear that *quantitatively* these tax expenditures likewise cannot remain outside the procedures adopted by the Congress to integrate its control over government spending. A decision to provide government financial assistance to a particular group or activity can be implemented either by a direct expenditure program or by a tax expenditure program. Examples are everywhere at hand. Suppose it is desired to grant elderly persons relief from local property taxes. The appropriate legislative Committee can devise a program of direct assistance or the tax committees can devise a credit against income tax, and both the end result and money spent could be the same. Suppose it is desired to encourage exploratory drilling for oil. If so, a direct grant system can be devised or the tax committees can devise a system of credits against tax—in either case the amount spent could be the same. (The Treasury has recently recommended these two new tax expenditures.) And so it goes for all spending programs. Competent technicians in the Treasury or the Congress can produce a tax program to match any suggested spending program. This is equally so the other way around—competent technicians can devise direct grants or other government direct expenditure programs to replace tax expenditure programs, present or future. The direct budget or the tax expenditure budget are simple alternate ways of spending government funds. There is thus no rationality in adopting controls and procedures for government outlays that exclude tax expenditures from their scope.

(I do not here propose to consider the comparative merits of using a direct program or a tax expenditure program to achieve a desired government goal. There are important differences. Elsewhere I have stated that the most direct way to achieve tax reform, and also to improve government efficiency and economy in spending, is to reexamine the existing tax expenditures. I also believe that most tax expenditure programs are inefficient when compared with direct programs. See, for example, my Statement in the Panel on Objectives and Approaches to Tax Reform and Simplification, Panel No. 1, in Panel Discussions on General Tax Reform before the House Ways and Means Committee, 93d Cong., 1st Sess. 9 (1973). But the present question is not the merits of tax expenditures but rather their obvious relationship to direct expenditures and the need to cover both types of expenditures in any system of budget control.)

It is apparent when we consider the tax expenditure process that the tax committees are simultaneously functioning as a legislative committee and as an appropriations committee. The tax committee both adopt the substantive program—that is, decide to whom and for what purpose financial assistance will be given—and then appropriate

the necessary funds through the reduction in revenue receipts. This being so, the proper course is to apply in effect to the tax committees the rules that are ultimately adopted, as respects controls over budgetary outlays, for legislative committees and appropriations committees. Thus, rules governing increases in appropriations should apply also to increases in tax expenditures. I cannot see any technical difficulties in so including tax expenditures within the new system. The determination of what is a tax expenditure and the classification of tax expenditures by budget categories can be made in the light of the precedents underlying the present reports of the Ways and Means Committee on tax expenditures and appropriate developing experience in this field.

I am not being critical of the Joint Study Committee on Budget Control. Nor do I think there is any basic disagreement on its part or its technical staff with what I am recommending. Rather, I believe the focus of that Committee was so fixed on the problems involved in establishing a structure to control budgetary outlays that through understandable oversight it omitted the consideration and inclusion of tax expenditures.

Once the tax expenditure process is understood as an alternate method of spending government funds, then I believe the conclusions recommended above automatically follow. The Congress has already recognized that the tax expenditure process is such an alternative method, as the document of the Ways and Means Committee illustrates. But this is no new enlightenment. Years ago Chairman Mills recognized that these tax expenditures were expenditures and stated that they must be kept under control if government spending is to be controlled. In a speech on December 13, 1967, entitled "Back-Door Spending," he underscored the connection between these special tax provisions and total government spending. The following quotation illustrates, directly and prophetically, what I have been saying:

"Mr. Speaker, this fall in connection with the Ways and Means Committee consideration of the proposed tax surcharge and elsewhere I have on several occasions expressed my views on the need for expenditure controls. I have urged expenditure controls. I have urged expenditure cuts for fiscal 1968. I have urged limiting controllable expenditures in 1969 to current levels. I have urged longer run expenditure control through appointment of a Government Program Evaluation Commission to examine the effectiveness of both present and proposed programs in terms of their costs and benefits and in this manner to aid us in establishing relative priorities among different Federal activities.

"But it is not my purpose at this time to express again my views on the need for these direct expenditure controls. I have spoken at length on this subject in recent weeks. Instead I want to speak briefly on another type of spending which usually is not thought of as spending at all. I am referring to what I call backdoor spending. What I would like to emphasize is that the expenditures we turn away from the front door we must not allow to enter through the back door. If we decide that certain programs, however worthy their purpose, cannot be financed at this time by increased spending, because other needs have priority, we should not then turn around an sanction some form of indirect subsidy—in the form of special tax relief—for these programs. . . .

"I have no quarrel with the good intentions of those who propose tax credits for one type of expenditure or another. I know they feel very strongly that the programs for which they would provide the credits should be undertaken now even though, for one reason or another, they do not choose to seek expenditure programs for these purposes. I want to point out, however, that the grant of these tax credits has precisely the same effect on the budget as an outright expenditure. The grant of the additional tax credits increases the size of the budget deficit just as surely as an additional expenditure. That is why I refer to the tax credits as backdoor spending. That is why it would do us no good to have expenditure control if the advocates of spending programs need only to run around to the back door to achieve much the same result by tax credits.

"Additional tax credits would also have the same impact on the economy as additional expenditures. Since expenditures on the part of private persons would be necessary to earn the credits, demands on available resources would be increased and inflationary pressures increased. Those who advocate these credits should well note the fact that a tax credit which reduces budget receipts is just as likely to force a general tax increase as appropriations for direct expenditure. . . .

"As we look ahead to discover ways in which we can keep the budget within reasonable limits, we must not fail to direct a critical eye to the proposals which would give tax credits to those who make certain expenditures. . . . (113 Cong. Rec. 36, 404 (1967))"

These are indeed prophetic words. They are fully applicable today. The lesson they teach leads to the suggestions I am making that these tax expenditures be brought full within the institutional procedures and rules being developed to enable the Congress to integrate its control over the spending process and government expenditures. Unless tax expenditures are included within any such new procedures and rules, that integration will be seriously incomplete and the control seriously impaired. Since there is no real difficulty in covering these tax expenditures, the appropriate course therefore is to include them under the new system.

Mr. JAVITS. Because of my continuing interest and concern in the matter of indirect spending by way of tax expenditures I proposed amendments to S. 1541 in the Government Operations Committee that sought to include the concept of tax expenditures in the budget process as specified by that bill. My amendments were accepted by the committee and have been only slightly modified by the Rules Committee in the existing version of the bill.

The purpose of the tax expenditure language in the present bill is to provide that tax expenditures shall be considered at each step of the budget process to measure their impact on budget authority and outlays, their effects on revenue and their general operations in the budget process. If this information is placed clearly before the Congress, spending decisions will be made on a more informed basis than they have been in the past.

It is essential that any contemplated changes in revenues through tax expenditures should be brought to the attention of the Congress during the debate on the congressional budget. Therefore, the report accompanying the concurrent resolution shall contain a list of the estimated levels of tax expenditures by major functional categories. Most importantly in the case of legislation proposing new or increased tax expenditures the revenue committees of each House are charged with the duty of maintaining the appropriate levels of revenues and tax expenditures as set forth in the report accompanying the budget resolution or these committees must justify any deviation from those levels.

While new or increased tax expenditures are not prohibited, the revenue committees will have the burden of justifying any changes and this should lead to a closer examination and more thorough debate of tax expenditures. The provisions of the pending bill, S. 1541, regarding tax expenditures are practically identical with the provisions of the Government Operations Committee version of the bill with the major change being that the list of tax expenditures is now in the report accompanying the concurrent resolution rather than being in the resolution itself.

For purposes clearly of spelling out what is meant by the tax expenditure provisions in the bill, I ask unanimous consent that the appropriate parts of the report of the Committee on Government Operations accompanying S. 1541 be printed at this point in the RECORD.

There being no objection, the excerpts from the report (No. 93–579) were ordered to be printed in the RECORD, as follows:

The bill provides that tax expenditures shall be considered at each step of the budget process to measure their impact on budget authority and outlays, their effects on revenue and their general operation in the budget process. If this information is placed clearly before the Congress, spending decisions will be made on a much more informed basis in each particular area than they have been in the past.

The committee feels that any contemplated changes in Federal revenues through tax expenditures should be brought to the attention of the Congress when they are debating the Congressional budget. Therefore, the concurrent resolution will reflect any anticipated decreases in Federal revenues attributable to new or expanded tax expenditures contemplated by the tax writing committees for the fiscal year in question. The budget resolution will reflect the considered best judgment of the Congress in regard to appropriate levels of revenues and outlays.

In the case of legislation proposing new or increased tax expenditures, the revenue committees of each House are charged with the duty of maintaining the appropriate levels of revenues and tax expenditures as set forth in each concurrent resolution or of justifying any deviation from those levels.

* * * * *

The Budget Committee shall review and consider existing tax expenditures. This will ensure that any decision or direct spending priorities will be made after consideration of present indirect spending through tax expenditures. The Budget Committee will also determine appropriate changes in the level of revenues including any decrease contemplated from new tax expenditures to be enacted in the fiscal year in question. The Committee shall also determine the existing levels of tax expenditures and consider their effects on Federal revenues and their relationship to other matters within the Committee's jurisdiction. Finally, the Committee shall make continuing studies of tax expenditures and methods of coordinating tax expenditure programs and direct budget outlays.

ASSISTANCE TO BUDGET COMMITTEES

Section 202(a) provides that it shall be the duty and function of COB to provide the Budget Committees of both Houses with information with respect to the budget, appropriation bills, other bills authorizing or providing budget authority or tax expenditures, revenues, receipts, estimated future revenues and receipts, changing revenue conditions, and such other information as the committees may request. It further provides that at the request of the Budget Committees, personnel of COB shall be assigned, on a temporary basis, to assist each such committee.

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PROJECTION OF REVENUES AND BUDGET OUTLAYS

Section 202(e) requires that the Director develop for the Congress information as to the effect of existing revenue laws, including tax expenditures, and existing authorizations and budget authority on expenditures during the current fiscal year and for the ensuing 4 fiscal years. This is in keeping with the emphasis on long-range program evaluation and planning required in other sections of the Act. (See titles VI through VIII.)

* * * * *

SEC. 307(d). REPORTS ON LEGISLATION PROVIDING NEW TAX EXPENDITURES

Committees reporting legislation containing new or increased tax expenditures shall include details of how the legislation will affect existing levels of tax expenditures as contained in the budget resolution and why such action is necessary. The revenue committees of each House are charged with the responsibility of fully explaining any new or increased tax expenditures and their effect or impact and have the task of justifying any deviation from the level set forth in the most recent Concurrent Resolution. This is to insure that any new or increased tax expenditure will be approved by the Congress only after a thorough consideration of all relevant factors. The report will project resulting tax expenditures for each of the budget year and the four following years, and indicate the impact, if any, on state and local government.

Mr. JAVITS. The report will accurately detail the operation of the tax expenditure concept except as I previously indicated for the inclusion of tax expenditures in the concurrent resolution.

It should also be pointed out that in the discussion of estimated revenues and their sources it is also appropriate to discuss tax expenditures as they bear directly on revenues raised through the tax system and any changes therein may have the result of increasing or decreasing estimated revenues.

Finally I would like to reiterate that it is extremely important to consider indirect outlays by way of tax expenditures in the general debate on the budget and also at such times as the Congress is considering tax legislation. If we do this, decisions made in this area will be on a more informed basis than ever before and will be coordinated to a much greater degree with our direct spending through the budget process.

Mr. President, this legislation provides a workable way for Congress to undertake its examination of the needs and program alternatives, and the allocation of revenues to diverse human and national needs. It will establish a means for more responsible and disciplined execution by Congress to its responsibilities in the budget-policymaking fields.

It will allow Congress to acquire the means for the gathering of interpretive and analytical data on spending and related programs. Most importantly, it will facilitate the use of objective expenditures analyses to help it form independent judgments on appropriations matters. There are no simple solutions or panaceas for this problem. I trust that some of the solutions which will begin to resolve these problems may be found in this bill.

Mr. HUMPHREY. Mr. President, I want to express my thanks to the Senator from New York. The amendment he has is very much needed. It will add a great deal to the bill and to the Congressional Office of the Budget, to the whole process of budgeting and what it means to the economy of the country. I am honored to be a cosponsor and commend him for his early leadership. I am glad to be a soldier in the ranks.

Mr. JAVITS. I thank my colleague very much.

Mr. PERCY. Mr. President, while the Senator from Minnesota is on the floor, I would simply like to indicate that he expressed in great detail his enthusiasm for the concept of establishing goals, but I felt that the amendment offered by the Senator from Minnesota was too demanding and required too much of the Congressional Office of the Budget.

The Senator from New York in his present amendment has offered something that can add greatly to the body of understanding and knowledge as to where we are going and what our national goals are, but has done so in a way that can be manageable and can be, I think, properly handled.

The Senator from Illinois would be honored indeed to be added as a cosponsor.

Mr. JAVITS. I shall do that, and I thank my colleague.

Mr. BAYH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. HATHAWAY). The Senator from Indiana will state it.

Mr. BAYH. Is it appropriate to discuss for 3 or 4 minutes a nongermane subject at this time?

Mr. ROBERT C. BYRD. Mr. President, if the Senator from Indiana will yield, I would ask unanimous consent that no further time be charged against the pending bill today and that the Senator from Indiana (Mr. BAYH) may speak out of order on any matter, which he can without this request and certainly without having time yielded to him.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the amendment of the Senator from Ohio (Mr. TAFT) tomorrow, there be a time limitation of 30 minutes to be equally divided and controlled in accordance with the usual form.

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

Mr. PERCY. Mr. President, I ask unanimous consent that a memorandum prepared by the U.S. Senate Republican Policy Committee under the chairmanship of the distinguished Senator from Texas (Mr. TOWER) and prepared by the able staff be printed in the RECORD. I believe that this represents an exceptionally fine analysis of the Congressional Budget Act of 1974. If by this time any Member of the Senate has not read every single page or every single line of the 185-page bill, S. 1541, this quick summary is available. We Republicans are happy to share it with our colleagues on the other side of the aisle. It is a quick, thumbnail summary of this complex piece of legislation which will have a profound impact on the way the Senate and House conduct their business and the way we shall carry out our fiscal responsibilities.

Mr. President, I should like to commend the staff of the Republican Policy Committee, under Edward Beach, for the very fine analysis they have made of this piece of legislation.

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

S. 1541: CONGRESSIONAL BUDGET ACT OF 1974

Reported: February 21, 1974, Rules (Sen. Rept. 93-688). (Originally reported from Gov. Ops., Nov. 20, 1973, Sen. Rept. 93-579, referred to Rules, Nov. 30, 1973.)

Purpose: Create Congressional budgeting system assuring most effective use of revenues as well as control over budgetary process.

Title I: Establishes new 15-member Committee on the Budget, appointed by party caucuses, presumably including some members of Finance and Appropriations Committees; would be a Category A standing committee with its own staff; application of two major committee limitation rules deferred until 96th Congress. (House would determine composition of its Budget Committee and all other matters affecting House rules and procedures.)

All concurrent resolutions on budget, etc., hereinafter described, to be reported out by this committee: would provide information and recommendations to help Congress determine overall fiscal policy; would oversee activities of Congressional Office of the Budget.

Title II: Establishes nonpartisan Congressional Office of the Budget (COB) Director, Deputy Director appointed by Speaker and President Pro Tem, after consultation with Budget Committees, with House and Senate approval; six-year term, renewable, same compensation as Comptroller General; removed by resolution of either House. Director appoints and fixes compensation of Office personnel.

COB to assist Budget Committees, provide tabulations on effect of revenues, authorization and appropriation bills, tax expenditures (revenues lost through exemptions, deductions and loopholes), and projections pertaining thereto for five fiscal years. Personnel and functions of Joint Committee of Reduction of Federal Expenditures transferred to COB, Joint Committee abolished.

Title III: Provides for following budget process and timetable: (Fiscal year beginning July 1, 1975, modified to run to Sept. 30, 1976; beginning October 1, 1976, fiscal year would begin on October 1 of each year and end on Sept. 30 of following year. New budget process to go into effect for FY 1977, beginning Oct. 1, 1976—Title V, Sec. 501.)

By Nov. 15—President submits current services budget, presenting program and funding levels for year just past, giving Congress line-item information for budget analysis for upcoming fiscal year.

By Feb. 15—President submits budget for next fiscal year.

Budget Committees begin hearings with respect to economic conditions, national priorities; Appropriations Committees begin hearings with respect to program levels.

By April 1—Reports from all committees, including proposed authorization or spending levels from standing committees, recommendations as to fiscal policy from Joint Economic Committee, and revenue estimates from Joint Committee on Internal Revenue Taxation, submitted to Budget Committees in each House.

By April 15—COB submits report to Congress (described in Title II, Sec. 202(d)) as to alternative levels for next fiscal year of total revenues and outlays, resulting surpluses or deficits and tax expenditures, indicating differences in economic projections and budget levels as submitted by President.

By May 1—Each Budget Committee reports a concurrent resolution (First Mandatory Budget Resolution) to its House, containing recommended levels and amounts for next fiscal year of:

1. Total budget outlays, total new budget authority, estimated revenue receipts, estimated deficit or surplus, any recommended change in Federal revenues, public debt level and recommended change in statutory debt limit, if any; and 2. Estimate of budget outlays and new budget authority by major functional categories, e.g., as exemplified in President's budget: national defense; international affairs and finance; space research and technology; agricultural and rural development; natural resources and environment; commerce and transportation; community development and housing; education and manpower; health; income security; veterans benefits and services; interest, general government; general revenue sharing; contingencies; and undistributed intragovernmental transactions.

Within each functional category, a division of totals for existing and proposed programs; within existing programs, a division between permanent and current appropriations; within current appropriations, a division between controllable and other amounts. (See pp. 14–16 of Report for example.)

Resolution *may* include control provisions such as when new budget authority contained in individual authorization or spending bills can go into effect.

Budget Committee also to provide report with supporting data for all proposed levels in budget resolution, comparisons between President's and Committee's budget levels, and underlying economic assumptions supporting such levels; projections for next five fiscal years of outlays, revenues, deficits or surpluses, and tax expenditures; explanation of significant changes in levels of Federal assistance to State-local governments; allocations of appropriate levels of total budget outlays and new budget authority among each Senate and House committee having jurisdiction over new budget authority. Allocation to Appropriations Committees further subdivided among their subcommittees. An explanation must be made of Budget Committee actions taken with reference to recommendations submitted earlier by Joint Economic Committee and all standing committees.

Debate begins in each House on First Mandatory Budget Resolution. In Senate, debate limited to 50 hours.

By May 15—Standing committees report bills authorizing new budget authority.

By May 20—Each House completes action on first concurrent budget resolution for next fiscal year, except for action on conference report on resolution. In Senate, conference report debate limited to 10 hours. If conference committee unable to agree within 7 days, then conferees submit to respective Houses report recommending amounts agreed upon, and midpoint in amounts disagreed upon between original House and Senate amount. Conference report on First Mandatory Budget Resolution not required before May 25.

By June 1—Congress *shall complete action* on First Mandatory Concurrent Budget Resolution for next fiscal year. (Bill requires two such Resolutions; Congress may enact more.)

Thereafter, Budget Committees shall make allocations (based on foregoing Resolution) of total budget outlay and new budget authority to each standing committee; allocation to Appropriations Committee subdivided among their subcommittees, and each subdivision divided between controllable and all other amounts.

Neither House nor Senate can consider any bill providing for new budget authority, or change in revenues or public debt during fiscal year, until concurrent resolution for such year has been agreed to or until June 1, preceding fiscal year, whichever comes first.

Exceptions to above: If bill provides new advance spending money, e.g., Social Security trust fund; or new budget authority or revenue change to take place after fiscal year to which resolution applies. In Senate, if committee requests waiver through Budget Committee, which has 10 days to recommend pro or con, and if Senate approves.

Reports accompanying all bills or resolutions from committees providing new budget authority must contain, after consultation with COB, comparison with most recently agreed to concurrent resolution; projection, if practicable for five fiscal years, of budget outlays resulting from bill; impact of bill on State-local governments.

COB to supply up-to-date comparison of new budget authority, changes in revenues, etc., in bills enacted by Congress, with outlays set forth in most recently adopted budget resolution.

As soon as practicable, after start of new fiscal year, COB to issue report giving projections for each of next five years of total new budget authority, total budget outlays, revenues by source, and surplus or deficit.

With each bill providing new budget authority for uncontrollable outlays, Appropriations Committees in each House shall estimate total uncontrollable outlays under new and previous budget authority.

By August 1—Budget Committees estimate total outlay during next fiscal year under budget authority not provided in Appropriations acts.

Not later than 5 days before August recess, or by August 7—All bills providing new budget authority (other than supplemental, deficiency, or continuing appropriations), or new tax expenditures, for next fiscal year shall be enacted into law.

Not later than 3 days before August recess, or by August 15—Budget Committees shall report Second Mandatory Concurrent Budget Resolution for next fiscal year, which reaffirms concurrent resolution most recently agreed to or revises it in terms of subsequent congressional action and latest budget and economic developments.

Not later than 3 days after end of August recess (recess to be cut to 23 days) or not later than 4 days after Labor Day—Congress shall complete all action on Second Mandatory Budget Resolution.

By September 25—Reconciliation Bill shall be completed by Congress containing changes in laws made necessary by revisions under Second Mandatory Resolution.

After completion of above, neither House nor Senate can consider any bill, amendment thereto, or conference report thereon, which would cause total new budget authority or total outlays in most recent concurrent budget resolution for fiscal year to be exceeded.

Title IV: Controls on outlays, backdoor spending and deadline on authorizing legislation.

Sec. 401 (a) Neither House not Senate can consider bill or amendment providing new contract or borrowing authority (defined in subsec. (c) (2) (A) or (B)) unless such authority is to be effective for any fiscal year only to extent provided in Appropriations Acts.

(b) Neither House nor Senate can consider bill providing new mandatory entitlement authority (defined in subsec. (c) (2) (C)) which becomes effective before first day of fiscal year which begins during calendar year in which such bill is reported. Any such bill reported by Senate or House committee shall be referred to Appropriations Committee, which must report with recommendations within 10 days. Same referral for any such amendment agreed to in House or Senate. Appropriations Committee in each House can report bill referred to it with amendment which limits total of new entitlement authority.

(c) Defines new advance spending authority; advance spending authority, including contract or borrowing authority, and entitlement authority. Does not include loan guarantees.

(d) Exceptions:

(1) Subsections (a) and (b) do not apply to new advance spending authority if budget authority for outlays resulting from new advance spending is derived from Social Security Trust fund or any other trust fund established before enactment of Budget Act, which gets a substantial portion of receipts by separate taxes, e.g., Highway Trust fund, or any similar trust fund established by law after enactment of Budget Act which acquires 90 percent or more of receipts by separate taxes.

(2) Shall not apply to new advance spending authority which amends or extends State and Local Fiscal Assistance Act of 1972.

(3) Shall not apply to new advance spending authority where outlays are made by mixed ownership or wholly owned Government corporation specifically exempted by law from compliance with provisions of the Act.

Sec. 404 (a) Expands jurisdiction of Senate Appropriations Committee to include all proposed legislation relating to rescissions of appropriations contained in appropriations acts enacted at any time; amount of new contract or borrowing authority which is to be effective for any fiscal year; referral of all new or increased entitlement authority in bills reported out of other committees for possible limitation of new amount.

Title V: Refers to Change of Fiscal Year, and transition legislation necessary therefor.

Title VI: Refers to President's Budget, Amendment of Budget and Accounting Act, 1921. President shall enumerate estimates and recommendations as to six basic items contained in Congressional concurrent budget resolution of this Act; existing levels of tax expenditures; comparison of total estimated outlays for uncontrollables, and revenues for last completed fiscal year as made in his budget and actual outlays made and revenues received, and explanation for difference between two sets of figures.

President's budget must make allowance for additional estimated expenditures and unanticipated additional uncontrollable outlays for next fiscal year.

Following agencies and funds no longer excluded from inclusion in Budget of the United States:

Environmental Financing Authority; Export-Import Bank; Federal Financing Bank; Rural Electrification and Telephone Revolv-

ing Fund; Rural Telephone Bank; and United States Railway Association.

Title VII: Program Review and Evaluation by standing committees, and by Comptroller General. One form of evaluation may be by pilot testing.

Title VIII: Fiscal and Budgetary Information and Controls.

Proposes that Comptroller General, in cooperation with Secretary of the Treasury, OMB Director, and COB Director, develop standard terminology, etc., for Federal fiscal, budgetary, and program-related data and information; such terminology to be used by all executive agencies in supplying Congress such information.

Title IX: Miscellaneous Provisions; Effective Dates.

Title X: Appropriations Reserves—Amendment to Antideficiency Act of 1950. Retains authority to establish reserves for contingencies, or to effect savings whenever made possible by changes in requirements or greater efficiency of operations. Prohibits use of reserves ("impoundments") for fiscal policy purposes or to achieve less than full objective and scope of programs enacted and funded by Congress.

Amendment No. 1017: Chiles-Roth. Provides for open hearings and meetings of the Committee or any subcommittee thereof except when matters dealing with national defense secrets are being discussed or when matters before the committee would hurt an individual if made public, disclose the name of an informer or law enforcement agent, deal with purely internal staff matters, etc. Record vote of majority present required to close meetings.

Amendment No. 1023: Brock-Metcalf. To call upon the Budget Committees of both Houses to conduct continuing study of proposals for improving budgeting procedures, and to report its findings and recommendations to the Congress. To facilitate effort, Budget Committees are authorized to create task forces of experts drawn from congressional and executive agencies.

Amendment No. 1024: Chiles-Javits et al. Provides for an annual report on national goals and priorities from the Director and requires much more detailed information from both the President and each individual agency to support budget requests.

Amendment No. 1028: Kennedy-Pearson. The new Budget Committee set up by the bill will be a major Senate committee. Under Senate rules, Senators are limited to serving on only two such committees. The reported bill contains a provision exempting members of the new Budget Committee from this major-committee limitation until 96th Congress convenes (January 1979), avoiding forcing initial members to give up one of their present two major-committee assignments. This amendment would limit the "grandfather" clause to the 95th instead of 96th Congress, thus allowing exemption for one full Congress rather than two as provided by the bill.

Mr. TOWER. Mr. President, I support passage of S. 1541, the Congressional Budget Act of 1974.

Among legislative bodies in this world, the American Congress is a rare species. It actually initiates legislation; it actually works its will on money bills for the executive agencies.

We tend to take this for granted. Unfortunately, so do many Americans, no matter what their background in terms of education, familiarity with Government, or political views.

We have but to look abroad and note how feeble—comparatively speaking—most so-called legislatures are. They may indulge in fierce and even elegant debate. But they have little self-generating legislative power. For the most part, all legislative initiative—and particularly with respect to budget matters—rests with the Cabinet or whatever other term is used to describe executive-administrative authority.

And here I am speaking of the democracies, with true representative political institutions—not the rubberstamp travesties that posture as legislative assemblies in totalitarian countries.

So we must guard and treasure our genuine legislature. Yet, it is generally conceded we have allowed our power of the purse to dribble away during the many years of crisis government, while executive and administrative agencies have grown to such proportions.

Congress has ducked the question of regaining control too long. In fact, the argument may well be made that it was President Nixon's attempts to control expenditures last year by impounding funds—and I am not addressing myself to the question of constitutionality or even propriety at this point—which finally forced us to bite the bullet.

This Budget Act represents a conscious effort to restore the rightful power of Congress—to revitalize it—to adapt it to the world we live in today.

An enormous amount of work went into its drafting. This has been a hasty, patchwork affair. The Joint Committee on the Budget made its contribution by restating the problem and suggesting needed changes. The Government Operations Committee reported out the first version of an actual bill. Finally, a special staff assembled by the Rules Committee revised that bill into its present form.

I think this unprecedentedly lengthy and careful deliberation indicates how seriously we all took this question of budget reform.

I would comment, parenthetically, that the Republican Policy Committee and Conference had proposed several reforms in more general terms over the past few years. We had particularly stated our desire that the authorization process be speeded up. Delay on authorization bills was causing an inordinate slowdown of the appropriations process. It has become routine that appropriations for our most vital and costly programs are not finally approved until the fiscal year to which they apply is well advanced. In some cases it is already half over.

On February 5, 1974, I read into the record a Republican Policy Committee statement endorsing the concept of S. 1541.

I also introduced a Sense of the Senate Resolution unanimously approved by the Republican Policy Committee, Senate Resolution 275, proposing that authorization measures must be reported out not later than 1 month prior to the beginning of the fiscal year to which they apply.

I am delighted, therefore, that the act sets May 15 prior to the new fiscal year as the cutoff date for reporting authorizations.

All of us recognize that despite the heroic work done, the act itself is imperfect, and will have to be revised as experience demonstrates the need.

But it is a sign of the new vigor with which Congress views its power and responsibilities. It does attempt to put "backdoor" spending once more within the purview of our regular appropriations process. It does attempt to restore the power of the purse. For that reason alone, the act deserves support and passage.

Mr. SPARKMAN. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter signed by Senators TOWER, PROXMIRE and me, together with the letter from the Secretary of the Treasury, in support of the amendment proposed by us, amendment No. 1050.

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

DEAR COLLEAGUE: We expect today to call up an amendment to S. 1541, the Budget Control Act, which would retain the present exemption from the budget for the Federal Financing Bank.

We support the efforts of the bill's sponsors to structure the budget in a manner which more realistically reflects Federal expenditures for the purpose of promoting better budget control. We believe, however, that inclusion in the budget of the Federal Financing Bank would be counterproductive to that goal.

Rather than a program agency, the Federal Financing Bank is basically a conduit at the Treasury Department through which various agencies could market program obligations which they would otherwise market themselves. The Treasury Department believes that due to more efficient marketing and better marketability of Treasury obligations than program obligations, the government could save ½% or more interest on agency borrowings if the Bank is used. In many cases, benefits are passed on directly to program participants.

About 85% of these obligations are federally guaranteed and would continue to be financed outside the budget under S. 1541. However, if the Federal Financing Bank is included in the budget, such obligations also would be included if the Federal Financing Bank purchased them in order to substitute its more efficient obligations in the securities market.

Inclusion of these sums would not reflect government expenditures, because the Bank's outlays would be financed directly by borrowing from the public rather than tax receipts. Yet, so much money is involved that the agencies making the decisions virtually would be forced to continue their present inefficient forms of marketing rather than using the Bank and thus increasing budget totals.

The result is not likely to be greater budget control, but instead more expensive programs to meet agricultural, rural and urban housing, education, small business, health, transportation, and other pressing needs.

We will furnish a letter from Treasury Secretary Shultz which supports this position.

Sincerely,

JOHN TOWER.
JOHN SPARKMAN.
ROBERT TAFT, JR.
WILLIAM PROXMIRE.

SECRETARY OF THE TREASURY,
Washington, D.C., March 14, 1974.

Hon. SAM J. ERVIN, JR.
Chairman, Government Operations Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In our further review of S. 1541, we find one provision concerning the Federal Financing Bank, created by the Congress on December 29, 1973 (P.L. 93-224), which would effectively negate the purpose of that recent legislation.

Specifically, Section 606 of S. 1541, as reported by the Senate Committee on Rules and Administration on February 21, 1974, would repeal a number of provisions of law which exclude certain programs and agencies, including the Federal Financing Bank, from the Federal Budget totals and limitations. Inclusion of the Federal Financing Bank in that provision misconstrues the nature and purpose of the Bank, which conducts no substantive program and is designed solely to coordinate and make more efficient borrowing by other Government agencies that will take place in any event. The decision on appropriate budgeting treatment should be made with respect to the substantive agencies, not with respect to the Federal Financing Bank.

I sympathize with the objective of Section 606 to provide for better budget control. If the Congress determines that certain substantive Federal credit programs be included in the Budget, this can and would be assured by including those programs in the Budget. This objective would *not* be achieved by including the Federal Financing Bank in the Budget. The Bank is simply an optional financing vehicle to consolidate and to lower the costs of market borrowing activities for other Federal agencies. The Bank is authorized to issue its own securities and to use the proceeds to purchase any obligation issued, sold, or guaranteed by a Federal agency. Such purchases by the Bank would not affect the budget treatment of the agency operations. That is, those agencies which are in the Budget would not be removed from the Budget by using the Financing Bank. Nor would agencies outside the Budget be brought into the Budget simply because their obligations were financed by the Bank. Thus the Federal Financing Bank itself would have, and should have, no effect on the Federal Budget outlay and receipt totals or surplus or deficit except, of course, that budget savings would be realized over time by the reduction in agency financing costs made possible by the Bank.

The need for the Federal Financing Bank arose from the fact that over the years Congress provided many Federal credit agencies with authority to conduct their financing activities independently. The result has been a proliferation of inefficient Government-backed obligations in the market in the form of agency issues, sales, or guarantees of securities.

To a considerable extent, such agency financing is today in the form of guaranteed securities. This form of financing is outside the Budget today, and under the terms of S. 1541 would remain outside the Budget. Much of the savings made possible by the Bank would arise from financing such guaranteed obligations through the Bank. In many cases, such as guaranteed Farmers Home notes, public housing bonds, and GSA certificates, the Government itself would directly realize the savings in interest costs since these programs involve direct Federal interest payments. In other guarantee programs, such as Merchant Marine bonds, Amtrak issues, and Washington Metropolitan Transit Authority bonds, the interest savings would benefit the guaranteed borrowers but should in the end also lead to a reduction in Federal construction or operating subsidies for these programs.

If the Federal Financing Bank were to be included in the Budget while the substantive guarantee programs themselves remain excluded, those Federal agencies could not find it practicable to use the Bank to finance guaranteed securities. The net effect would be that most agency financing activities would continue to be conducted directly in the market in less efficient forms and at substantial additional costs to the programs being financed and to the Federal taxpayers.

In sum, the decision as to appropriate budgeting treatment should be made with respect to the credit programs themselves, and not on the basis of whether they choose to use the Federal Financing Bank as a financing vehicle. It is not my intention here to suggest which Federal credit programs should be in the Budget. I merely wish to point out the overlapping, and therefore self-defeating, nature of including the Federal Financing Bank in Section 606.

Sincerely yours,

GEORGE P. SHULTZ.

ANNOUNCEMENT OF POSITION ON VOTE

Mr. BIDEN. Mr. President, on March 20, the Senate voted to approve amendment No. 1017 to S. 1541, the congressional budgetary reform bill. I was unavoidably unable to be present at the rollcall on this amendment, which I was a cosponsor of and which was approved 55 to 26. Had I been present, of course, Mr. President, I would have voted "yea."

EXECUTIVE SESSION

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

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

The PRESIDING OFFICER (Mr. HATHAWAY). The nominations on the Executive Calendar will be stated.

DEPARTMENT OF JUSTICE

The second assistant legislative clerk read the nominations in the Department of Justice as follows:

William J. Mulligan, of Wisconsin, to be U.S. attorney for the eastern district of Wisconsin.

John L. Buck, of Pennsylvania, to be U.S. marshal for the middle district of Pennsylvania.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

COMMISSION ON CIVIL RIGHTS

The second assistant legislative clerk read the nomination of Arthur S. Flemming, of Virginia, to be a member of the Commission on Civil Rights.

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

DEPARTMENT OF LABOR

The second assistant legislative clerk read the nomination of Abraham Weiss, of Maryland, to be an Assistant Secretary of Labor.

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

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

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

LEGISLATIVE SESSION

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

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

SURELY, MR. PETERSEN, YOU HAVE BETTER THINGS TO DO

Mr. METCALF. Mr. President, the erosion of congressional power and the accompanying imbalance in what was designed to be a Federal Government of coordinate and coequal branches did not begin with the Nixon administration—with the impoundment of appropriated funds, the dismantlement of programs of Federal assistance, the design for a mini-super-Cabinet or the frightening near-success of a determined effort to undermine—if not destroy—the constitutional checks and balances that have sustained democratic government in this land for almost 200 years.

The eating away at the capacity of the Congress to effectively represent the people has, for the most part, been as silent, as long-lived and as constant—and, taken in each instance, as seemingly insignificant—as the carrying away of a few grains of sand in a single wave in the infinite wash of wave after wave receding from a shoreline.

And, so long as the attention of the Congress and its reactions to incursions into jurisdiction are manifested in momentary, piecemeal and unrelated responses, we will have no more success in checking the erosion of congressional power than if we sought to save that shoreline with a shovelful of sand.

Anti-impoundment legislation, for example, and the enforcement of congressional subpenas for information, while appropriate—again, in each instance—to meet two recent challenges to congressional authority, could not go far to restore the balance of powers lost over the years.

It is past time for the Congress to put its coequal branches on notice that we

have found our voice again and that we object to either the courts or the executive assuming it is better able to make a legislative decision than are we. It is time to halt the unfortunate trend that finds powers—constitutionally committed to the legislature—being exercised in the chambers of our courts and the conference rooms of Federal agencies.

Whether the decision is to commit this Nation to a war in some remote corner of the world or to terminate a commitment to cleaner water or better housing here at home, that determination properly rests with the elected representatives of the people—the Congress of the United States—to whom the Constitution grants the power to legislate a decision, in the name and on behalf of the people.

To regain and maintain the independence, power and integrity of legislative action, the Congress must, first, recognize the destructive cumulative impact of isolated acts of the executive and judicial branches which threaten that independence, power and integrity. Second, we must act—as a body—to respond to any exercise of our jurisdiction by another with sufficient forcefulness to gain, not only the attention, but the respect and accommodation, as well, of those who would challenge the rightful role of the Congress.

I am prompted to make these remarks by a matter which has come to my attention in my capacity as chairman of the Joint Committee on Congressional Operations—the committee chartered by the Congress—

To make a continuing study—of the Congress—with a view toward strengthening Congress, . . . improving its relationships with other branches of the United States Government, and enabling it better to meet its responsibilities under the Constitution.

For the past 3 years, the Joint Committee has monitored and studied the access to and use of the courts as a mechanism for the implementation and enforcement—and the restriction—of congressional powers and prerogatives. At the present time, there are more than 50 cases pending in the Federal court system which involve Members of Congress as parties or which involve issues of particular interest and import to the Congress. There are, in addition, more than 60 cases pending involving the impoundment issue and in a number of these cases Members are acting as parties-plaintiffs.

In connection with one of these impoundment cases, the Assistant Attorney General in charge of the Criminal Division, Henry Petersen, recently informed a Member of the other body that a criminal investigation had been initiated to determine whether a member of his staff had violated the provisions of section 205 of the criminal code, title 18, United States Code. The pertinent language of that section makes it a crime, punishable by a maximum fine of $10,000 and prison term of 2 years, for "an employee of the United States in the legislative branch" to act "as agent or attorney for prosecuting any claim against the United States."

The staff person, who is the subject of Mr. Petersen's investigation, is an attorney, fully qualified and registered to practice in the District of Columbia. He is the legislative assistant of the Member, who, along with five townships in his congressional district, is plaintiff in the impoundment lawsuit. The legislative assistant is the attorney of record in the case.

I am told that the suit alleges that the actions of the defendants—Housing Secretary Lynn and OMB Director Ash—nullified the Member's vote and substantially affected his ability to represent his constituents and that the court action was initiated by the staff assisant at the specific direction of the Member-employer as one of his staff duties. The mandamus action seeks only to compel the defendants to comply with Federal law by implementing a Federal program authorized by the Congress and disbursing funds specifically appropriated for that program by the Congress.

The statutory language excludes from the ambit of section 205 acts which are "in the proper discharge . . . of the employee's . . . official duties. Thus, it appears that the Justice Department, at least initially, all of the opinion that the "official duties" of a congressional staff assistant do not encompass the duties undertaken by this young attorney on behalf of his congressional employer—even though such duties were assigned to him solely because of his position as a member of the staff and no additional compensation was given him because of the additional task.

As Members of Congress, we each receive funds for the hiring of staff to assist us in the representation of our constituencies. The staff does not operate within the framework of bureaucratized "job descriptions," but performs assignments and tasks for their employers in accordance with the Senator's or Representative's directions, which are based on a determination of how best to apportion available manpower and funds to respond to the needs of the people of the State or district represented.

I, for one, do not need the Justice Department to tell me what the "official duties" of any member of my staff should or must be. I do not have any "plumbers" on my staff; they are all engaged in the business of the Congress. If there is a need for definitions of congressional staff positions—and no such need has ever been shown to my knowledge—neither the Executive nor the courts need worry about writing them. The Congress would have the responsibility and the only capability to do so.

It is equally true, that the Congress does not need the Justice Department to interpret for it the legislative intent of a law, for which a detailed legislative history is recorded in the official documents of the Congress.

The bill from which section 205 was taken was the product of more than 3 years of study by a House Judiciary Subcommittee chaired by the chairman of the full committee, former Representative Celler. One main thrust of that bill was described to be "to strengthen, revise, and simplify existing Federal conflict-of-interest laws," some of which dated back to the early 1870's.

In accord with that "conflicts" purpose, section 205 sought only to preclude an employee's "peddling" of actual or supposed influence, gained from his position of employment, in the private representation of others in claims against the Government.

No one of these elements is present in the instant situation.

Is it a felony—for that would be the charge against this staff assistant—for a congressional staff assistant, acting in his or her official capacity, to assist the Member of Congress employing the assistant in a matter which is within the Member's representative responsibilities to the constituency he is elected to serve?

It seems apparent that in the present situation there is no unofficial or private representation, there is no private gain, there is no "influence peddling" and there is no conflict of interest. This Member, with the assistance of a staff attorney, is merely asking the court to require compliance by the executive branch with the constitutional duty placed upon that branch to see that the laws are faithfully executed. If anything, there is a mutuality of interest amongst all the parties involved, be they plaintiffs or defendants or the general public. Is it now to be a felony to ask, in this administration, for compliance with the Constitution by those charged with implementing the laws passed by the Congress? It would seem to require a complete prostitution of the language and the intent of the statute to find it applicable to such a situation.

If the incipient action of Mr. Petersen does not rise to the level of intimidation, it smells sourly of harassment and reeks to high heaven of poor judgment.

It must be remembered that there is no "House counsel" for the Congress, no Attorney General for the legislative branch. If a Member of Congress, a committee or any representative of congressional interests wants to enforce or protect those interests in the courts—if we are to follow the interpretation of this conflicts-of-interest statute urged upon us by Mr. Petersen—legal counsel would have to be obtained from outside the Congress. Obviously, the Justice Department is not going to represent the Congress in an impoundment action against officers of the executive. So, too, few Members of the Congress can afford the fees for counsel that would result from such involved and protracted litigation, nor should they be asked to personally fund such suits brought in the public interest.

The alternatives—such as asking a law firm to accept the Congress as a "pro bono" client or having a congressional party join with a public interest lawyer in a lawsuit, when both may also be engaged in "lobbying" activities before the Congress—have the potential for raising very real questions of conflicts of interest.

Unless and until the Congress deter-

mines that it is appropriate to consider the establishment of some form of counsel for the Congress, a Member, committee or officer must be able to turn to the resources of legal expertise on the congressional payroll. Would it make any sense—especially to the taxpayers being asked to underwrite the expenses—to require, for example, the Ervin committee to retain outside counsel to enforce its subpenas for information relating to Watergate, when its staff attorneys are among the ablest lawyers available and are certainly the most knowledgeable about the issues involved in that legal action?

If the langauge of this statutory provision is subject to the interpretation being suggested by the Justice Department—which I do not accept—then the Congress should and must act to correct it. If this is no more than an unwise and politically motivated gambit by the Justice Department, then the Congress should and must let the Executive know who is in charge of the legislative branch of this Government. We should put them on notice that the erosion of congressional power has stopped. If they are picking a fight, then—so long as the congressional parties involved are willing—they should be advised that they have got one.

As a reasonable man, however, I would first suggest to Mr. Petersen and his lawyers in the criminal division, "Surely, you have better things to do."

ROUTINE MORNING BUSINESS

The routine morning business transacted during the day is printed here by unanimous consent.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

REPORT ON NATIONAL FORESTS REFORESTATION NEEDS

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law, a report on National forests reforestation needs, as of the end of fiscal year 1973 (with an accompanying report). Referred to the Committee on Agriculture and Forestry.

REPORTS OF DEPARTMENT OF DEFENSE

A letter from the Assistant Secretary of Defense, Installations and Logistics, transmitting, pursuant to law, a report on independent research and development and bid proposal costs for fiscal year 1973 (with an accompanying report). Referred to the Committee on Armed Services.

A letter from the Assistant Secretary of Defense, Installations and Logistics, transmitting, pursuant to law, a report of independent research and development and bid and proposal costs incurred by major defense contractors in the years 1972 and 1973 (with an accompanying report). Referred to the Committee on Armed Services.

PROPOSED LEGISLATION BY GENERAL SERVICES ADMINISTRATION

A letter from the Administrator, General Services Administration, transmitting a draft of proposed legislation to amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended (with an accompanying paper). Referred to the Committee on Armed Services.

REPORT OF EXPORT-IMPORT BANK OF UNITED STATES

A letter from the First Vice President and Vice Chairman, Export-Import Bank of the United States, transmitting, pursuant to law, a report of the actions taken by the Bank during the quarter ended December 31, 1973 (with an accompanying report). Referred to the Committee on Banking, Housing and Urban Affairs.

REPORT OF INTERSTATE COMMERCE COMMISSION

A letter from the Chairman, Interstate Commerce Commission, transmitting, pursuant to law, a report dealing with the operations of the National Rail Passenger Corporation dated March 15, 1974 (with an accompanying report). Referred to the Committee on Commerce.

REPORTS OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of financial statements of the Bureau of Engraving and Printing Fund for fiscal years 1972 and 1973, dated March 19, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of financial statements of the Federal Prison Industries, Inc., fiscal year 1973, Department of Justice, dated March 19, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

REPORT OF FEDERAL TRADE COMMISSION

A letter from the Chairman, Federal Trade Commission, transmitting, pursuant to law, a report on an evaluation of the mandatory petroleum allocation program, January 15–February 28, 1974, dated March 15, 1974 (with an accompanying report). Referred to the Committee on Interior and Insular Affairs.

WILD AND SCENIC RIVERS

A letter from the Secretary of the Interior, transmitting, pursuant to law, a study of the segment of the Allegheny River from its mouth to the town of East Brady, Pennsylvania, for potential addition to the National Wild and Scenic Rivers System. Referred to the Committee on Interior and Insular Affairs.

PROPOSED AMENDMENT TO CONCESSION CONTRACT

A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed amendment to a concession contract of the Acadia Corp. in the Acadia National Park, Maine (with an accompanying paper). Referred to the Committee on Interior and Insular Affairs.

RULES OF BANKRUPTCY PROCEDURE

A letter from the Chief Justice of the United States, transmitting, pursuant to law, Rules of Bankruptcy Procedure (with accompanying papers). Referred to the Committee on the Judiciary.

REPORT ON THIRD PREFERENCE AND SIXTH PREFERENCE CLASSIFICATION FOR CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports on third preference and sixth preference classification for certain aliens (with accompanying papers). Referred to the Committee on the Judiciary.

PROPOSED LEGISLATION OF ADMINISTRATIVE OFFICE OF U.S. COURTS

A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to authorize two additional judgeships for the U.S. Court of Appeals for the Ninth Circuit (with an accompanying paper). Referred to the Committee on the Judiciary.

A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend the Jury Selection and Service Act of 1968, as amended, by revising the section on fees of jurors (with accompanying papers). Referred to the Committee on the Judiciary.

A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to provide an additional permanent district judgeship in Puerto Rico (with an accompanying paper). Referred to the Committee on the Judiciary.

PROPOSED LEGISLATION OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Elementary and Secondary Education Act of 1965 to provide for a research, development, and evaluation program to be known as "Follow Through" for the purpose of developing and testing various approaches to the education of children from low-income families in kindergarten and early elementary grades who were previously enrolled in Headstart of similar preschool programs (with accompanying papers). Referred to the Committee on Labor and Public Welfare.

PROSPECTUS FOR PROPOSED LEASE

A letter from the Administrator, General Services Administration, transmitting a prospectus which proposes the acquisition of space, under a lease agreement in a building to be constructed in Columbia, S.C. (with accompanying papers). Referred to the Committee on Public Works.

PROPOSED LEGISLATION OF VETERANS' ADMINISTRATION

A letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38 of the United States Code to modify the pension program for veterans of the Mexican border period, World War I, World War II, the Korean conflict or the Vietnam era, and their widows and children (with accompanying papers). Referred to the Committee on Veterans' Affairs.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

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

A resolution of the General Assembly of the State of Georgia. Referred to the Committee on Labor and Public Welfare:

[General Assembly of the State of Georgia]

A RESOLUTION

Requesting the President and the Congress to participate in the fight against diseases of the eye; and for other purposes.

Whereas, countless citizens of this State and of the United States are afflicted in each year by diseases of the eye, and especially the disease Toxoplasmosis; and

Whereas, the causes of almost all diseases of the eye are unknown to science, causing incorrect diagnoses and leading toward a lack of proper treatment which in turn may facilitate blindness and even mental retardation; and

Whereas, it is more feasible to appropriate money for research to prevent blindness than to appropriate money to provide for the blind whose sight might have been saved through research; and

Whereas, even when funds are appropriated by the Congress for this vital research into the causes and cures of eye diseases they are often impounded or vetoed by the President for reasons which are not related to the crying need for eye research; and

Whereas, it is absolutely imperative that research into diseases of the eyes be continued and expanded in the most rapid and most thorough fashion possible.

Now, therefore, be it resolved by the General Assembly of Georgia that this body respectfully requests the President and the Congress to immediately act for the support and expansion of research into the causes and cures of eye diseases, and particularly of the eye disease Toxoplasmosis.

Be it further resolved that the Congress is urgently requested to appropriate funds to the National Eye Institute to enable such research to be conducted.

Be it further resolved that the Secretary of State is authorized and directed to transmit an appropriate copy of this Resolution to the President of the United States; the President of the Senate and Speaker of the House of Representatives of the United States; to the Governors of the states of North Carolina, South Carolina, Florida, Alabama, Tennessee, Mississippi, Louisiana and Texas; to the Director of the National Eye Institute; to Secretary of the Army, Howard "Bo" Callaway; to Undersecretary of Agriculture, Phil Campbell; and to the members of the Georgia Congressional Delegation.

Be it further resolved that Senator Herman Talmadge and Congressman Bo Ginn are respectfully requested to read this Resolution to their respective Houses and, thereafter, to insert this Resolution into the Congressional Record.

Be it further resolved that the Governors and Legislators of our sister states are urged to join with us in our urgent request for action to find the causes and cures of diseases of the eye.

In Senate read and adopted February 11, 1974.

In House read and adopted February 8, 1974.

Resolutions of the General Court of the Commonwealth of Massachusetts. Referred to the Committee on the Judiciary:

RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO CALL A CONSTITUTIONAL CONVENTION FOR THE PURPOSE OF PROPOSING AN AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES RELATING TO THE USE OF PUBLIC FUNDS FOR SECULAR EDUCATION

Whereas, The General Court of the Commonwealth of Massachusetts believes that an amendment to the Constitution of the United States will permit the several states to use more direct methods of financing secular education of children in nonpublic elementary and secondary schools and that Legislatures of the several states will pass resolutions applying to the Congress to call a convention for the purposes of proposing an amendment to the Constitution of the United States regarding financing secular education of children; and

Whereas, Article V of the Constitution of the United States grants to the states the right to initiate constitutional change by applications from the Legislatures of two thirds of the several states to the Congress, calling for a Constitutional Convention; and

Whereas, The General Court of the Commonwealth of Massachusetts believes it to be in the best interests of the people of the United States that such an amendment be adopted; now, therefore, be it

Resolved, That the General Court of the Commonwealth of Massachusetts respectfully applies to the Congress of the United States to call a Constitutional Convention for the sole and exclusive purpose of proposing the following amendment to the Constitution of the United States:

ARTICLE

Section 1. Nothing in this Constitution shall prohibit the United States or any state or any political subdivision of any state from the expenditure of public funds for the support of secular education of children in nonpublic elementary and secondary schools. Provided, however, no such expenditure of public funds shall be made for such purpose where the nonpublic elementary or secondary school discriminates in its admission policies on the basis of race, creed, color or place of national origin or in the conduct of its instruction on the basis of race, color or place of national origin.

Section 2. This Article shall be imperative unless it shall have been ratified as an amendment to the Constitution by the Legislatures of three fourths of the several states within seven years from the date of its submission to the states."; and be it further

Resolved, That if the Congress shall have proposed an amendment to the Constitution identical with that contained in these resolutions prior to June the first, nineteen hundred and seventy-four, this application for a convention shall no longer be of any force or effect; and be it further

Resolved, That this application shall constitute a continuing application for such convention pursuant to Article V until the Legislatures of two thirds of the states shall have made like applications and such convention shall have been called by the Congress of the United States unless previously rescinded by the General Court of the Commonwealth of Massachusetts; and be it further

Resolved, That copies of these resolutions be sent forthwith by the Secretary of the Commonwealth to the President of the Senate and the Speaker of the House of Representatives of the United States.

House of Representatives, adopted, February 26, 1974.

Senate, adopted in concurrence, March 4, 1974.

A resolution of the Senate of the State of Montana. Referred to the Committee on Banking, Housing and Urban Affairs:

[Montana State Senate]

A RESOLUTION OF THE SENATE OF THE STATE OF MONTANA REQUESTING HOUSING AND RELATED CARE FACILITIES FOR THE ELDERLY

Whereas, we have carefully studied the President's housing message of September 19, 1973, and

Whereas, our dedication to the purposes of this organization requires that we formulate and communicate our views and positions vis-a-vis Federal housing policies and programs as they relate to the housing and related needs of the low-moderate income elderly.

Now, therefore, be it resolved by the Senate of the State of Montana:

That the Senate of the State of Montana representing housing and related care facilities for the elderly, makes known its views and urges actions as follows:

1. The proposal for direct housing assistance payments to lower income individuals and families has merit and we particularly approve the President's stated intention of initially implementing this program to assist the lower income elderly. However, we support fully funding and implementation of the direct housing assistance payment plan for the elderly immediately rather than delaying it until 1975.

2. We join with all other knowledgeabe authorities in giving stated recognition to the fact that the housing and related needs of the elderly are complex and manifold and, therefore, no single program can meet the needs of all of the low-moderate income elderly . . . since there are various groups of the elderly, each of which has specific and unique needs. For example, an elderly couple in their early-to-mid sixties who enjoy good health and moderate income obviously do not have the same needs as single and widowed females in their late seventies and who often have incomes barely at subsistence level. Stated more simply, the most needful group of the elderly need not only housing but the security, companionship and independence that can only be provided by specialized housing and related care facilities.

3. These specialized facilities represented are effectively responding to the special housing and related needs of that segment of our elderly population for whom a direct housing assistance payment would not solve their needs and desires for physical, emotional and financial security combined with the need and desire for companionship, social recreational and constructive activity in a non-institutional atmosphere which enhances dignity and independence.

4. By far the most successful and economical Federal housing assistance program for the elderly was the Section 202 senior housing loan program.

5. The benefits of 202 type housing to a community have had profound impact in upgrading neighborhoods and in providing a ready talent pool to staff volunteer community programs.

6. We strongly recommend re-institution of the 202 type approach as a primary vehicle for housing the elderly. Furthermore, we heartily recommend that a re-instituted 202 type program be made even more flexible than the old program, in the sense of allowing for a broad spectrum of devices for meeting the total needs—housing, health, social, recreational, nutritional—of our aging people.

Be it further resolved, that copies of this resolution be transmitted by the Secretary of the Senate of the State of Montana to the Honorable Richard M. Nixon, President of the United States, Honorable Gerald Ford, Vice President of the United States, Honorable Mike Mansfield, Majority Floor Leader of the United States Senate, Honorable Lee Metcalf, United States Senate, Congressman Richard S. Shoup, House of Representatives, Congressman John W. Melcher, House of Representatives.

Signed this 1st day of March, 1974.

A joint memorial of the Legislature of the State of New Mexico. Referred to the Committee on the Judiciary:

[State of New Mexico]

A JOINT MEMORIAL REQUESTING THE PRESIDENT OF THE UNITED STATES TO APPOINT AND THE SENATE TO CONFIRM THE APPOINTMENT OF ERNEST L. LOVATO TO THE COMMISSION ON CIVIL RIGHTS

Whereas, the Commission on Civil Rights was created in the executive branch of the United States government to investigate complaints alleging that citizens are being deprived of their right to vote by reason of their race, color, religion or national origin, or by reason of fraudulent practices; to appraise federal laws and policies with respect to equal protection of the laws and to serve as a national clearinghouse for information in respect to denials of equal protection of the laws; and

Whereas, no member has ever been appointed to the commission representing the interests of the American Indian, and a vacancy in the membership exists; and

Whereas, Ernest L. Lovato is a member of the Santo Domingo Indian Pueblo and is the secretary and executive director of communications for the All Indian Pueblo Council and has experience with and an understanding of Indian problems;

Now, therefore, be it resolved by the Legislature of the State of New Mexico that the President of the United States is requested to appoint Ernest L. Lovato as a member of the United States Commission on Civil Rights and the United States Senate is requested to confirm such appointment; and

Be it further resolved that copies of this memorial be transmitted to the President of the United States and to each member of the United States Senate.

HOUSE JOINT MEMORIAL

Introduced by All Members of the House of Representatives Unanimously passed by House, and was passed by the entire Senate (HJM#2).

Requesting President Richard M. Nixon to appoint Mr. Ernest L. Lovato, to the U.S. Commission on Civil Rights membership (immediate action).

There is an urgent and a definite need to have First American Indian Representation on the U.S. Presidents Commission on Civil Rights.

The U.S. Commission on Civil Rights was established by Congress under the Civil Rights Act of 1957 as part of the executive branch, it is an independent, bipartisan, fact finding agency, authorized to submit reports of its activities, findings and recommendations to the President and the Congress.

Presently there are (6 members) of the Commission: 4 Anglos, 1 Black, 1 Spanish-American and no First American Indian.

Since the establishment of this Civil Rights Commission, there has never been any Indian represented, and yet, the problems, issues, affecting the National Indians are very serious and important.

There has been one previous vacancy in the Commission as a result of resignation of Reverend Father Theodore Hesburgh, and presently there existed another vacancy, which Mr. Maurice Mitchell resigned recently.

Therefore, the President and the entire Congressmen and Senators need to encourage, support and recommend Mr. Ernest L. Lovato, Full-Blooded American Indian, a Pueblo Indian from Santo Domingo Pueblo, New Mexico be appointed to the United States Commission on Civil Rights.

Mr. Ernest L. Lovato received strong endorsements from the entire New Mexico Congressional delegations, the Senator James Abourezk, Chairman, Senate Subcommittee on Indian Affairs, the NCAI-National Congress of American Indians, the all Indian Pueblo Council, Inc., State of New Mexico, the Northwest Coast Tribes, State of Washington, the Navajo Nation, Chairman Peter McDonald, the Human Rights Commission, the Chairman, NTCA-Robert Lewis, National Tribal Chairman's Association, Mr. Marvin Franklin, Former Assistant Secretary of the Interior for Indian Affairs, plus many interested National organizations, individual Indians and Non-Indians alike. All passed letters of endorsements were sent to the White House Office of the President, the Administrative aides to the President, John Vickerman, Jerry Jones and others.

A resolution adopted by the Protestant Episcopal Church in the Diocese of Tennessee, opposing the removal of the tax deductible status of contributions to churches. Referred to the Committee on Finance.

A resolution adopted by the Veterans of Foreign Wars, George E. Smith Post 7142, San Clemente, Calif., relating to the Canal Zone. Referred to the Committee on Foreign Relations.

A resolution adopted by the Lithuanian American Council, Rochester, N.Y., relating to the seizure of Lithuania by the Soviet Union. Referred to the Committee on Foreign Relations.

A resolution adopted by the Council of the County of Maui, Hawaii, praying for the enactment of legislation providing for the establishment of the Kalaupapa National Historic Site, Island of Molokai, Hawaii. Referred to the Committee on Interior and Insular Affairs.

A resolution adopted by the Committee on Industry and Business, 43d Legislative Assembly, State of North Dakota, praying for the preservation of workmen's compensation systems of the States. Referred to the Committee on Labor and Public Welfare.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, March 21, 1974, he presented to the President of the United States the following enrolled bills:

S. 1615. An act for the relief of August F. Walz;

S. 1673. An act for the relief of Mrs. Zosima Telebanco Van Zanten;

S. 1852. An act for the relief of Georgina Henrietta Harris;

S. 1922. An act for the relief of Robert J. Martin; and

S. 2315. An act to amend the minimum limits of compensation of Senate committee employees and to amend the indicia requirements on franked mail, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 240. A bill for the relief of Mrs. Wanda Martens (Rept. No. 93-739); and

S. 2362. A bill granting the consent and approval of Congress to the Cumbres and Toltec Scenic Railroad Compact (Rept. No. 93-740).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, Mr. SPARKMAN, from the Committee on Foreign Relations, submitted reported, without reservation, Executive U, 93d Congress, first session, a Treaty on Extradition between the United States of America and the Kingdom of Denmark, signed at Copenhagen on June 22, 1972, and submitted a report thereon (Ex. Rept. No. 93-28), which was ordered to be printed.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. KENNEDY:

S. 3206. A bill to expand Federal programs for relief from the effects of unemployment, and to provide special assistance to alleviate the problems resultant from the energy crisis. Referred to the Committee on Finance.

By Mr. KENNEDY (for himself, Mr. BROOKE, Mr. CASE, Mr. CRANSTON, Mr. HART, Mr. JACKSON, Mr. JAVITS, Mr. METCALF, Mr. MONDALE, Mr. STEVENSON, Mr. TUNNEY, Mr. CLARK, and Mr. BAYH):

S. 3207. A bill to amend the Sugar Act of 1948 to terminate the quota for South Africa. Referred to the Committee on Finance.

By Mr. HART:

S. 3208. A bill for the relief of Ates Tanin. Referred to the Committee on the Judiciary.

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

S. 3209. A bill to establish a National Resource Information System, and for other purposes. Referred to the Committee on Government Operations.

By Mr. GURNEY:

S. 3210. A bill to amend the Emergency Petroleum Allocation Act. Referred to the Committee on Interior and Insular Affairs.

By Mr. GURNEY:

S. 3211. A bill to amend the Emergency Petroleum Allocation Act of 1973, relating to adjustments in the allocation of gasoline. Referred to the Committee on Interior and Insular Affairs.

By Mr. GURNEY:

S. 3212. A bill to amend the Emergency Petroleum Allocation Act of 1973, relating to the mandatory allocation of gasoline. Referred to the Committee on Interior and Insular Affairs.

By Mr. BROCK (for himself and Mr. STEVENS):

S. 3213. A bill to establish an independent Foreign Economic Policy Board to assist the Congress in the development of policies affecting U.S. international finance, trade, investment, and aid; and for other purposes. Referred to the Committee on Foreign Relations.

By Mr. BELLMON:

S. 3214. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs. Referred to the Committee on Finance.

By Mr. BROCK:

S. 3215. A bill to authorize the Secretary of Commerce to enhance and validate certain export expansion activities. Referred to the Committee on Commerce.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KENNEDY:

S. 3206. A bill to expand Federal programs for relief from the effects of unemployment, and to provide special assistance to alleviate the problems resultant from the energy crisis. Referred to the Committee on Finance.

Mr. KENNEDY. Mr. President, there are some who question the reality of the energy crisis and the motives of those who seem to benefit from it. But for the more than 230,000 workers who have lost their jobs because of the energy crisis, the crisis is all too real.

With nearly 5 million Americans out of work and the unemployment rate at least at the level of 5.2 percent, the need for immediate action to assist both individuals and communities is apparent.

Much of the current energy crisis results from Federal policies and activities and the responsibility for assisting with the consequences of those policies clearly rests with the Federal Government.

In similar circumstances in the past, for example, when Federal decisions in 1971 produced large-scale unemployment in the space and defense industries, Congress responded with the Emergency Unemployment Compensation Act of 1971. That legislation, sponsored by Senator MAGNUSON, provided vital assistance to the unemployed in some 19 States and also helped maintain the viability of State unemployment insurance funds.

Already, the Congress has indicated its view that the current economic decline resulting from the energy crisis demands Federal action. In the emergency energy bill which passed both the Senate and the House, provisions were incorporated establishing a special federally funded unemployment insurance program.

Unfortunately that legislation was vetoed by the President and was not overridden by the Congress.

For that reason, there is no special assistance provided to workers across the country adversely affected by the energy crisis.

Therefore, I am introducing today legislation to establish a yearlong federally funded unemployment insurance pro-

gram for workers unemployed during this period of crisis.

In my own State of Massachusetts, some 7.7 percent of the work force are currently unemployed and the latest unemployment compensation claims reported indicate that the level is on the rise. I have developed this measure in coordination with the Governor of Massachusetts and I am hopeful that it will be viewed as a bipartisan response to a national problem.

A glance at the trend of unemployment in Massachusetts and in our major labor market areas shows substantial increases in virtually every area since January 1973 and even just in the month between December 1973 and January 1974.

MASSACHUSETTS UNEMPLOYMENT SITUATION

	January 1973		December 1973		January 1974	
	Amount	Percent	Amount	Percent	Amount	Percent
Statewide	160,800	6.5	183,000	7.0	197,700	7.7
Seasonal adjustment		6.3		7.4		7.5
Boston	18,400	6.8	81,600	6.5	88,700	7.2
Brockton	4,700	6.3	6,100	7.2	6,800	8.1
Fall River	3,900	6.0	4,900	7.3	4,800	8.8
Lawrence-Haverhill	6,700	6.9	8,500	8.4	9,100	9.1
Lowell	5,700	6.6	6,200	7.0	6,800	7.7
New Bedford	4,700	7.2	5,000	7.4	5,600	8.4
Springfield-Chicopee-Holyoke	13,200	6.1	15,300	6.8	17,100	7.7
Worcester	8,300	5.7	8,700	5.7	9,200	6.1

Note: Statistics from the Massachusetts Department of Employment.

Across the country, reports of auto industry layoffs again this month follow sharp layoffs already experienced. Airlines, aircraft manufacturers, tourist industry employees, and the paper, plastics and rubber industries are all suffering or expected to suffer major reductions in employment.

Not only does this level of unemployment create massive personal dislocations for hundreds of thousands of individuals but it severely threatens the viability of State unemployment benefit funds.

The determination of when the Federal Government would assume the costs of the extended unemployment benefits and the extra costs resulting from energy-related unemployment would be made on a month-to-month basis during the period of the bill which would extend through June 30, 1976. Whenever the average of insured unemployed increased beyond the average monthly unemployment during the previous 3 years, the program would go into effect.

Individuals therefore would have their benefits increased from the regular 26-week period to a full 52-week period during this period, and the State funds would be reimbursed from the Federal General Treasury to pay for that increased cost.

I believe this program would provide immediate and vital assistance to those areas of the country which suffer the major burdens of energy-related unemployment. There is a clear precedent for Federal action in the Emergency Unemployment Compensation Act of 1971, and I am hopeful that this measure will receive urgent and speedy consideration by the Congress.

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

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

S. 3206

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 "Energy Crisis Unemployed Compensation Act of 1974".

TITLE I—FINDINGS AND DECLARATIONS

SEC. 101. (a) The Congress hereby finds and declares that—

(1) the direct and indirect effects of the energy crisis threaten very high levels of unemployment throughout the Nation;

(2) this will occasion excessively heavy drains on the unemployment compensation reserve funds accumulated by the States;

(3) the duration of benefits payable under existing law will be inadequate for the needs of many of the unemployed;

(4) the consequent charges on the experience rating records of many employers will be far in excess of their normal ability to absorb, and will adversely affect their contribution rates for years to come; and

(5) it will be impossible to measure the precise impact of the energy crisis in terms of unemployment on an individual basis, since the indirect effects will be so extensive, and the causal relationship often obscure.

(b) It is the purpose of the Congress, by this Act, to provide substantial assistance whereby—

(1) additional unemployment compensation benefits will be available to the unemployed for whom existing provisions are inadequate;

(2) such benefits will be logically related to, and administered through, the existing structure of State agencies;

(3) adequate funds will be provided for necessary administrative expense; and

(4) a proportionate share of the added benefit costs will be federally reimbursed, to help maintain the solvency of the States' unemployment trust funds.

TITLE II—FEDERAL-STATE AGREEMENTS

SEC. 201. (a) Any State, the State unemployment compensation law of which is approved by the Secretary of Labor (hereinafter referred to as the "Secretary"), under section 3304 of the Internal Revenue Code of 1954, which desire to do so, may enter into and participate in an agreement with the Secretary under this title for the payment of Energy Crisis Unemployment Compensation. Any State which is a party to an agreement under this title may, upon providing 30 days' written notice to the Secretary, terminate such agreement.

(b) Any such agreement shall provide that the unemployment compensation agency of the State will make payments of Energy Crisis Unemployment Compensation—

(1) to individuals who—

(A) (i) have exhausted all rights to regular compensation under the State law;

(ii) have exhausted all rights to extended compensation, or are not entitled thereto, because of the ending of their eligibility period for extended compensation in such State;

(B) have no rights to compensation (including both regular compensation and extended compensation) with respect to a week under such law or any other State unemployment compensation law or to compensation under any other Federal law; and

(C) are not receiving compensation with respect to such week under the unemployment compensation law of the Virgin Islands or Canada; and

(2) for any week of unemployment which begins in—

(A) the Energy Crisis benefit period (as defined in subsection (c)(3)(A)); and

(B) the individual's period of eligibility (as defined in subsection (c)(3)(B)).

(c)(1) For purposes of subsection (b)(1)(A), an individual shall be deemed to have exhausted his rights to regular compensation under a State law when—

(A) no payments of regular compensation can be made under such law because such individual has received all regular compensation available to him based on employment or wages during his base period; or

(B) his rights to such compensation have been terminated by reason of the expiration of the benefit year with respect to which such rights existed.

(2) For purposes of subsection (b)(1)(B), an individual shall be deemed to have exhausted his rights to extended compensation under a State law when no payments of extended compensation under a State law can be made under such law because such individual has received all the extended compensation available to him from his extended compensation account (as established under State law in accordance with section 202(b)(1) of the Federal-State Extended Unemployment Compensation Act of 1970).

(3)(A) For purposes of subsection (b)(2)(A), the "Energy Crisis benefit period"—

(i) shall begin on February 1, 1974, and

(ii) shall end on June 30, 1976.

(B) For purposes of subsection (b)(2)(B), the individual's period of eligibility means the weeks in his benefit year which begin in the Energy Crisis benefit period, and, if his benefit year ends within the Energy Crisis benefit period, any weeks thereafter which begin in such period.

(C) For purposes of any agreement under this title—

(i) the amount of the Energy Crisis unemployment compensation which shall be payable to any individual for any week of total or partial unemployment shall be computed under the same provisions applicable to regular unemployment compensation under the State law; and

(ii) the terms and conditions of the State law which apply to regular unemployment compensation shall (except where inconsistent with the provisions of this title or regulations of the Secretary promulgated to carry out this title) apply to claims for Energy Crisis unemployment compensation and the payment thereof.

(d)(1) Any agreement under this title with a State shall provide that the State will establish, for each eligible individual who

files an application for Energy Crisis unemployment compensation, a separate compensation account.

(2) The amount established in such account for any individual shall be 100 per centum of the total amount of regular compensation payable to him, except that—

(A) in no case shall the total amount of regular compensation, plus extended benefits, plus benefits under this Act, exceed fifty-two times the weekly benefit amount of regular compensation during an individual's benefit year and the immediately succeeding weeks of his eligibility period; and

(B) if the State law provides for dependency allowances in addition to regular compensation, comparable allowances will also be payable under this title in addition to the total amount provided under subsection (A).

TITLE III—PAYMENTS TO STATES HAVING AGREEMENTS FOR THE PAYMENT OF ENERGY CRISIS UNEMPLOYMENT COMPENSATION

SEC. 301. (a) (1) There shall be paid to each State which has entered into an agreement under this title an amount equal to 100 per centum of the Energy Crisis unemployment compensation paid to individuals by the State pursuant to such agreement.

(2) There shall be paid to each State for each month in the Energy Crisis benefit period an amount which is the product of the total amount of regular compensation paid in that month, multiplied by the excess cost factor (as defined in section 501(b)).

(3) There shall be paid to each State for costs of administration under the agreement an amount computed on the basis of the cost model standards for unemployment insurance activities which have been developed by the States and the Manpower Administration of the Department of Labor.

(b) No payment shall be made to any State under this section in respect to compensation for which the State is entitled to reimbursement under the provisions of any Federal law other than this title.

(c) Sums payable to any State by reason of such State's having an agreement under this title shall be payable, either in advance or by way of reimbursement (as may be determined by the Secretary) in such amounts as the Secretary estimates the State will be entitled to receive under this title for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.

TITLE IV—FINANCING PROVISIONS

SEC. 401. (a) (1) For the purpose of carrying out this Act, there are hereby authorized to be appropriated such amounts as may be necessary for the fiscal year ending June 30, 1974, and for each year thereafter.

(2) The Secretary from time to time shall certify to the Secretary of the Treasury for payment to each State the sums payable to each State under this title. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the State in accordance with such certification, by transfers to the account of such State in the Unemployment Trust Fund.

TITLE V—DEFINITIONS

SEC. 501. For purposes of this title—

(a) the terms "compensation", "regular compensation", "extended compensation", "base period", "benefit year", "State", "State agency", "State law", and "week" shall have the meanings assigned to them under section 205 of the Federal-State Extended Unemployment Compensation Act of 1970; and

(b) the term "excess cost factor" means, for each month in the Energy Crisis benefit period, the result of the following computation:

(1) the State's rate of insured unemployment for that month shall be obtained from Table 2 of Unemployment Insurance Statistics, a monthly report of the United States Department of Labor.

(2) The rate of insured unemployment for each of the corresponding months in 1971, 1972, and 1973 shall be similarly obtained from Unemployment Insurance Statistics, and the average of these rates calculated to the third decimal place.

(3) The average rate obtained under paragraph (2) shall be subtracted from the rate obtained under paragraph (1), and the difference shall be divided by the rate obtained under paragraph (1), with the quotient calculated to the third decimal place. This quotient is the excess cost factor for purposes of section 301(a)(2).

TITLE VI—REPORT BY SECRETARY OF LABOR

SEC. 601. (a) The Secretary of Labor shall conduct a comprehensive study and review of the program established by this Act, with a view to submitting to the Congress the report required to be submitted under subsection (b). Such study and review shall be conducted with particular regard to (1) the benefit payments made under such program, (2) projections of benefit payments which will be payable under such program after the period covered by such report, (3) the desirability of continuing such program after the period prescribed in section 201(c)(3)(A), and (4) the funding of the benefits payable under such program should be continued after the period prescribed in section 201(c)(3)(A).

(b) On or before November 1, 1974, the Secretary of Labor shall submit to the Congress a full and complete report on the study and review provided for in subsection (a). Such report shall cover the period ending June 30, 1974, and shall contain the recommendations of the Secretary of Labor with respect to such program, including but not limited to, the operation and funding of such program, and the desirability of extending such program after the period prescribed in section 201(c)(3)(A).

By Mr. KENNEDY (for himself, Mr. BROOKE, Mr. CASE, Mr. CRANSTON, Mr. HART, Mr. JACKSON, Mr. JAVITS, Mr. METCALF, Mr. MONDALE, Mr. STEVENSON, Mr. TUNNEY, Mr. CLARK, and Mr. BAYH):

S. 3207. A bill to amend the Sugar Act of 1948 to terminate the quota for South Africa. Referred to the Committee on Finance.

Mr. KENNEDY. Mr. President, with the bipartisan support of 12 Senators, I am introducing for appropriate reference, legislation to remove the sugar quota for the Republic of South Africa. The Sugar Act of 1948 authorizes domestic sugar production to be augmented on an equitable basis by imports from various sugar producing countries from around the world. It is my understanding that the 1971 amendments to the act grant 1.42 percent of America's sugar imports to be supplied by South African growers. The measure I am introducing today will remove the quota that our Government allots to sugar producers in the Republic of South Africa.

The reasons for terminating the sugar quota at this time remain unchanged from those we confronted 5 years ago when I first offered legislation to end South Africa's sugar quota.

Morally, the case against South Africa is clear and well known to all of us in the Senate. No one in that Republic is free from the savagery of degradation and submission if he is black. South Africa has enslaved its citizens in a system that dehumanizes blacks and distorts the true meaning of life for whites.

Withdrawal of the multimillion dollar sugar subsidy to a nation whose GNP exceeds $18 billion can not significantly alter that country's economy. Yet, the continuation of the subsidy can have no visible justification when we in this country insist that South Africa's official policies and laws violate all tenets of decency. Indeed, it is precisely the size and vitality of the South African economy that make our continued subsidy appear gratuitous to that nation and insensitive to all the nations of black Africa.

Moral arguments often lack the force of persuasion found in coldly calculated decisions prompted by profit or self-interest. But the demand to end South Africa's sugar quota is founded upon clearly stated doctrines established by this Congress.

The chairman of the House Committee on Agriculture explained to nations applying for a sugar quota that quotas will be allotted only to those nations exercising friendly relations with the United States.

We know, however, that there is discrimination against U.S. citizens in South Africa. Congressman CHARLES DIGGS' request for a visa to visit South Africa was not honored on three occasions before that Government finally consented to grant permission for the chairman of the House Subcommittee on Africa to enter Johannesburg in 1971. But, last November, the South African Government again thwarted the chairman's effort to visit the country.

South African tourist agencies spend enormous sums enticing Americans to spend their vacations in South Africa. Meanwhile pending court actions challenge that country's insistence in urging Americans to visit South Africa when black Americans are still denied equitable treatment over there simply because of their skin color.

Friendly nation status cannot be bestowed upon any nation where U.S. warships must turn down port privileges, because the crew is not welcomed ashore by the local government. But in 1967, all the crew members of the aircraft carrier *Franklin D. Roosevelt,* remained aboard ship, by order of the Secretary of Defense, because there were no activities in South Africa free from the repressive regulations imposed by apartheid.

During the past 12 years, South Africa has received over $125 million in special subsidies under the sugar act. And since 1971, the subsidy has amounted to more than $31 million. For a nation that spends over $18 billion each year for its goods and services, there is simply no way to claim that such a payment is deserved

to enable the country to escape deprivation, because it is underdeveloped. For that reason alone, the sugar quota is wholly undeserved.

The sugar quota has as one of its principal purposes the offer of assistance to underdeveloped countries. South Africa knows it is not a developing country. The rest of the world knows South Africa is not a developing country. Why then, should the U.S. Government look upon that nation as underdeveloped when we determine which nations ought to receive the benefits of a sugar allocation? Further, why should our government specify that quotas must be allotted to underdeveloped nations and defy that provision by awarding a bonanza to a country with such a reprehensible system as apartheid?

Finally, the quota is not only designated to assist underdeveloped countries but to also improve economic conditions for the farmers and workers who produce the sugar shipped to the United States.

In South Africa, national laws prohibit black workers from obtaining the opportunities enabling them to receive incomes comparable to their white neighbors. Thus, sugar plantation workers, and all other black South Africans, are doomed to perpetual poverty and substantial wage deprivations by the force of national law. How then can the U.S. Government establish an important criteria for assigning quotas and then tolerate this meretricious violation?

Nearly 5.5 million tons of sugar produced abroad, are permitted to enter U.S. ports under the 1971 amendments to the Sugar Act. It makes sense to equitably distribute that amount to those nations that depend heavily upon sugar for its exports. South African agricultural exports account for about 10 percent of its export shipments, and sugar exports amount to about a third of that figure. No reasonable calculations can be construed to allege that such a nation is worthy of the benefits or the protection accorded by the quota.

Mr. President, I first introduced legislation to withdraw South Africa's sugar quota in April 1969. Again, in January and in June 1971, I introduced similar legislation. After debate on my amendment in July 1971, 45 Senators voted to delete the quota for South Africa. That measure was defeated by the narrow margin of two votes. The arguments and the issues since that time have remained unchanged.

I am offering a measure to abolish the sugar quota for South Africa at this time because I believe a majority of Senators will express their commitment to establish the United States in its rightful position regarding the criteria for awarding sugar allotments. Withdrawing the sugar quota from South Africa is an essential first step that this Nation must make to comply with our own policies.

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

S. 3209. A bill to establish a National Resource Information System, and for other purposes. Referred to the Committee on Government Operations.

SHORTAGES: MINERALS, FOOD, INFORMATION

Mr. NELSON. Mr. President, the energy crisis presents a classic case of blissful ignorance combined with mismanagement and lack of planning on the part of Government and industry, abetted by the American belief in endless abundance and technological magic.

Energy, its sources, its availability, its uses, is an enormously complicated matter.

Nevertheless, for a quarter century resource experts have warned about the coming energy crunch. And even long before that many others have discussed the limit of these natural resources on the planet. The problem is that resource experts read what resource experts write, but decisionmakers do not.

If the Government had established a central data collection agency with the responsibility for collecting statistics on energy resources, projecting consumption rates, reporting refining capacity, evaluating current technology, and making annual reports to the Congress, the President and the public, we could have made plans to meet this crisis 15 or 20 years ago. Certainly, we would have passed an energy resource and development act 15 years ago instead of 3 months ago. By now we would have explored new energy sources, developed efficient methods of coal gasification, coal liquefaction, shale oil extraction, and instituted long-range energy conservation plans.

Our failure was not lack of availability of the critical statistics. They were available to be collected and used. It was, rather, a failure to establish a mechanism to forcefully thrust this important issue upon the attention of the President, the Congress, and the country. If that had been done we would have acted years ago instead of waiting until a crisis forced the issue to our attention. The Energy Information Act which is pending before the Interior Committee will provide us with the tools we need to guide us in future decisionmaking on energy matters.

However, this should be only a first step in the critically important process of establishing a comprehensive program of evaluating the status, availability and use of all-important resources.

The energy crisis is only symptomatic of a much broader and far more serious phenomenon. That phenomenon, in fact, encompasses a series of approaching crises involving many resources vital to all nations, developed or developing.

Twenty-five years ago Aldous Huxley was predicting a worldwide shortage. "World resources," he said in 1949, "are inadequate to world production."

In the early 1950's, mineral shortage authorities began predicting shortages in metals. Then, in 1969, a U.S. Interior Department study concluded that the United States had become dependent on other countries for more than 63 percent of 30 minerals and metals designated as critical to national security. Fred Bergsten of the Brookings Institution has pointed out that the United States today depends on imports for over half of its supply of 6 of 13 basic raw materials—chromium, nickel, rubber, aluminum, tin, and zinc. And Interior Department projections suggest the number will rise to nine by 1983.

Data from the Department of the Interior, Geological Survey, indicates that the United States is presently moderately to heavily dependent on foreign sources for the following minerals:

1. Aluminum and Bauxite (mainly Jamaica, Surinam, Australia and Guinea).
2. Antimony (South Africa, Mexico and Bolivia).
3. Chromium (U.S.S.R., South Africa, Rhodesia and Turkey).
4. Copper (Chile, Peru, Zambia and Zaire).
5. Fluorine (Mexico, Spain and Italy).
6. Gold (South Africa).
7. Manganese (Brazil, Gabon, South Africa, Zaire and Ghana).
8. Nickel (Canada).
9. Oil and Gas (Canada, Saudi Arabia, Iran, Persian Gulf States, Venezuela, and Nigeria).
10. Tin (Malaysia, Thailand, Bolivia, Brazil and Zaire).
11. Titanium (Australia).
12. Tungsten (Canada, Australia, Bolivia, Peru, Portugal and South Korea).
13. Zinc (Canada, Peru, Mexico and Australia).

A Library of Congress study on resource supply and demand conducted at my request, reports that—

U.S. population will probably increase by approximately 50% by the year 2000, and world population may double. Per capita consumption (of materials) is also increasing dramatically, with U.S. per capita consumption demand possibly doubling by the year 2000. . . . Total U.S. materials consumption may double or triple by the year 2000 with similar trends in the rest of the world . . . what is certain (from all of this) is that there will be constraints upon the world supply of materials throughout the remainder of the 20th century. There will probably be periodic materials shortages, and materials costs are likely to rise.

Complicating the whole issue is the possibility of a handful of raw material-exporting nations banding together in an Arab oil producers OPEC arrangement to withhold resources from the rest of the world. The possibility is not so farfetched. Guinea, Australia, Guyana, Jamaica, and Surinam, the principal producers of bauxite, a basic ingredient in aluminum, recently discussed such an arrangement. Zaire and Zambia, suppliers of 70 percent of the world's tin exports could also make a similar arrangement. And the pattern could be repeated by the four countries controlling more than 80 percent of the world supply of copper and the four controlling half the supply of natural rubber.

FOOD SHORTAGE

Mineral shortage is only a part of our scarcity problem. On the agricultural side, the prestigious journal "Foreign Policy" recently said that a combination of factors "suggest that the world food economy is undergoing a fundamental transformation, and that food scarcity is becoming chronic."

Protein supplies are overburdened, and most arable cropland already is being farmed. The ocean, viewed historically as an inexhaustible source of protein in fish and algae, also is being depleted—a condition few expected until 5 years ago. And climate experts led by Dr. Reed Bryson, of the University of Wisconsin, predict long-range worsening weather conditions that could spell famine for tens of millions of people.

Changing weather, Bryson points out, is a major contributing factor to starvation conditions in the Sahel in Africa and in northern India. The world is experiencing a disastrous food crunch—all the rosy public relations announcements about the Green Revolution notwithstanding. Agriculture development expert William Paddock has stated that—

The truth is that, while the new wheat and rice varieties are excellent, high yielders under certain specialized conditions (controlled irrigation, high fertilization), they have done little to overcome the biological limits of the average farm.

Population growth has exceeded increases in food production in those areas of the world where the Malthusian food production squeeze has always been the most acute. Andrew J. Mair, of the Office of Food for Peace of the AID, has recently stated that agricultural production, on a per capita basis, had actually fallen 2 percent in the underdeveloped countries over the 10-year period 1963–72.

He concluded:

Without an eventual reduction in the rate of growth of world population, there can be no long-run solutions to the world food problem.

Food expert Lester Brown seconds that conclusion:

At the global level, population growth still generates most of the additional demand (for food). Expanding at about 2% per year, world population will double in little more than a generation. If growth does not slow dramatically, merely maintaining current per capita consumption levels will require a doubling of food production over the next generation.

Increasing demand for food is also generated by growing affluence and new tastes for meat in some developing nations. The average person in a poor country, where the diet is predominantly cereal, eats 400 pounds of grain a year. But in the United States and Canada, per capita grain use is approaching a ton a year. Of this total, only about 150 pounds are consumed directly in bread, cake, or breakfast cereal. The rest is consumed indirectly in the form of meat, milk, and eggs, which inefficiently convert grain to protein.

We in the United States are experiencing shortages in the form of spiraling food prices. 1973 was the year of the biggest jump in grocery prices in more than 25 years. However, the London Economist's index of world commodity prices shows that while food prices were up last year by 20 percent in this country, food prices were up an average of 50 percent worldwide. Prices for fibers have risen 93 percent and metals 76 percent.

Whereas the American consumer will have to pay more for his food, millions of human beings in this world cannot afford any food at all. For individuals living on marginal incomes—the vast majority of the world population—the fact that food prices are up less than other prices is no comfort. When one spends about 80 percent of one's income on food, as a large portion of mankind does, any price rise—and indeed a price hike of 50 percent—"drive(s) a subsistence diet below the subsistence or survival level," according to Lester Brown.

INFORMATION SHORTAGE

Shortages of basic minerals and proteins is matched by the equally serious shortage of knowledge about U.S. and world reserves of essential materials and foodstuffs. For a quarter of a century resource experts have been writing, speaking, and pleading for the preservation of our resources, but few at the political level bothered to listen. Similarly, for a quarter of a century the United States has ignored warnings of an information shortage.

The last four Presidents and the Congress consistently failed to recognize that our knowledge is insufficient for wise policy choices concerning the world's resources. Twenty-two years ago the Paley Commission, the familiar title for the President's Materials Policy Commission, concluded in its report, "Resources for Freedom" dated June 1952:

There must be, somewhere, a mechanism for looking at the problem as a whole, for keeping track of changing situations and the interrelation of policies and programs. This task must be performed by a Federal agency near the top of the administrative structure. . . . Such an agency . . . should maintain, on a continuing basis, the kind of forward audit which has been this Commission's one time function, but more detailed than has been possible here; collect and collate the facts and analyses of various agencies; and recommend appropriate action for the guidance of the President, the Congress, and the Executive agencies.

No single organization is today discharging these overall functions. In this Commission's opinion, this lack must be made good. . . . The forward audit of the proposed organization should be directed at least 10 years ahead of current activity and look as far ahead as 25 years. . . .

The organization proposed would be concerned with such subjects as the total pattern of activities in their materials and energy field, the relationships of individual programs to each other; the scope and dimensions of foreign production materials programs and their relationship to domestic programs; the probable effects of current production programs on the long-term materials position; the selection and development of current programs in the light of long-term requirements; programs for both scientific and technological research on materials, and their interrelations; and the relationship of materials policies to manpower, and to fiscal and foreign policies which may in various measure bear on materials. . . .

Such an organization should issue periodic reports so that Government, business, and the general public could be kept informed of leading developments in all the related materials field. It would hold a watching brief for the entire field of materials policy.

Since the Paley Commission filed its report 22 years ago, nothing yet has been done to implement its recommendations. Then in June 1973, history repeated itself with the National Commission on Materials Policy proposal that "a comprehensive Cabinet-level agency be established for materials, energy, and the environment."

The Library of Congress study conducted at my request, echoed the conclusion that—

The most pressing management requirement in the field of materials policy is increased information about the basic parameters of materials supply and demand. . . .

Resources experts throughout history have become a chorus of Cassandras. They have the blessed gift of being able to predict the future and the curse of no one believing them. But unless we act, the entire world will suffer the consequences of Cassandra's predicament.

The time is long past due for adjusting the Government apparatus to the problems of resource scarcity. In fact, there are many agencies in the Government charged with the task of monitoring the status of the Nation's major commodities. But therein lies the problem: an overabundance of agencies with a paucity of coordinated information Monitoring and forecasting capability is fragmented and scattered in the Departments of Agriculture, Commerce, Interior, State, and even the CIA. A November 1968, Library of Congress report counted 58 U.S. governmental agencies with, in the words of the report, "a materials function."

Mr. President, I ask unanimous consent to have the chart of responsible agencies entered in the RECORD at the conclusion of my remarks.

The Department of Agriculture has 500 Ph. D.'s concerned with agriculture commodities. There are 50 people looking at cotton alone. In the Department of Commerce, there are 160 people in the Office of Business Research and Analysis, 20 to 30 of whom are concerned with industrial commodities; two of them are Ph. D.'s. The State Department has six people involved in commodity questions. And the Department of the Interior has a vast staff of resource experts, geologists, et cetera.

And yet—all these experts notwithstanding—the United States has been plagued by shortages in every sector of the economy. The problem is poor coordination of would-be valuable information. For example, we and the rest of the world face serious fertilizer shortages. In this period of grave world food shortages, fertilizer is all the more essential a factor. Fertilizer depends on natural gas for energy and phosphates and nitrogen as basic raw materials; the availability of these items, therefore, involves the Departments of the Interior and Commerce. Moreover, the Agriculture Department is also concerned with fertilizer for the Nation's crop production. Plus the State Department is no doubt involved in jawboning foreign demand on fertilizer.

Furthermore, official information often suffers from the fact that agencies ad-

dress client audiences more than the general public. For example, the chemical experts at the Commerce Department seem to be reporting to the chemical industry. The cotton people at the Department of Agriculture serve as a reporting network for the cotton industry.

The disastrous consequences of limiting distribution of agency information was demonstrated in the Russian wheat deal. Starting in June 1972, one half of America's wheat crop was sold to the Russians without the appropriate U.S. Government authorities even knowing. According to GAO investigators, as late as September 1972, Agriculture officials "told us [they] were still unaware of the magnitude of the sales made by the trade." There is evidence, however, that some individuals in the Government were knowledgeable but that their information was not properly channeled to the public or even the upper echelons of the Government, including the office of Henry Kissinger.

The grain deal disaster was followed by the June 1973 soybean embargo. Had the Government been properly monitoring supply and demand on soybeans and soybean-related products, the drastic measure of export controls perhaps would have been unnecessary. There again was a problem of information scarcity complicating market scarcity of a vital resource.

The Government does not have a clearcut statement of procedure or systematic requirements for reporting. There is no model building or systems analysis to deal with forecasting per se.

Reporting is purely crisis-oriented. For example, in the Commerce Department, experts are spread thin and jump from commodity to commodity depending upon how many inquiries and complaints they receive from industry, Congress, et cetera.

Decisions—when they are made—are based on inadequate information gathered unsystematically and in an ill-coordinated fashion. Simply stated, there is no coordinated reporting and forecasting system in the U.S. Government.

Mr. President, the legislation I am introducing today establishes a National Resource Information System.

It will give one agency monitoring responsibility for collecting all data in the Government on supply and demand of major raw materials and foodstuffs.

It will make an annual report to Congress and the public on critical resources.

It will make regular projections of future demand and supply for major resources based on such factors as per capita consumption rates and population growth for, for example, the next 5, 10, 15 years.

It will have authority to contract for research in academic institutions to augment agency work.

It will have the authority to subpena industrial information necessary for maintaining accurate and adequate national resource inventories.

It will provide for guarding confidentiality of company information of a competitive nature.

Mr. President, I ask unanimous consent to have the digest of the National Resource Information Act, together with the Library of Congress study, "Natural Resources, Consumption, and the Future: Management Requirements," the Library of Congress chart of "U.S. Governmental Agencies With Materials Functions," articles by Julian Huxley, Aldous Huxley, and Tom Alexander, and a recent Business Week article on Government economic data gathering entered in the RECORD.

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

DIGEST OF S. 3209, THE "NATIONAL RESOURCE INFORMATION ACT"

National Resource Information Act—States purposes to provide for improved resource information within a National Resource Information System, for inventories of natural resources in the public lands, for regular reporting of information by significant corporations in natural resource industries, and to provide information that will aid in improved policy making, conservation, science, environmental protection, competition and regulation. Defines terms.

TITLE I: BUREAU OF RESOURCE INFORMATION

Establishes a Bureau of Resource Information ("the Bureau") within the Department of Commerce, headed by a Director of Resource Information ("the Director") appointed by the President by and with the advice and consent of the Senate. The Bureau is to build, operate, maintain and improve the National Resource Information System. The Bureau is to establish consultation, coordination and exchange arrangements with other departments and agencies of government, and private institutions, which have libraries of natural resource information. The Bureau is also to conduct extensive studies and reviews of the state of information on such subjects as the institutional structure of the resource supply system, consumption patterns, statistical and accounting methods and problems in natural resource information, price and cost factors affecting energy, technological and environmental factors, and capital requirements of public and private institutions responsible for natural resources. The Bureau is also to report monthly, quarterly and annually on specified classes of natural resource information.

TITLE II: NATIONAL RESOURCE INFORMATION SYSTEM

Establishes a National Resource Information System ("the System") to be operated and maintained by the Bureau. Establishes the System in three components: a public library, a confidential library, and a secret library. Provides that the System shall use other available libraries of resource information, use modern, including microform and electronic, methods; have its information on natural resource industries organized by establishments, companies, Standard Industrial Classifications, geographical locations and other referents; and have capacity to receive and answer questions of fact concerning, and compare sources of, natural resource information. Provides for unlimited public use of the public library of the System, at fees generally sufficient to cover costs of such use; but provides for waiver or reduction of fees in certain cases of public-interest use. Provides for access to the confidential library by Federal Government officials, for official use only. Establishes the secret library as repository for information that may be used only for statistical purposes in anonymous aggregates. Establishes priorities for entry of information into the System. Establishes standards for placement of natural resource information in the public, the confidential, or the secret library. Defines and limits national security and reasonable competitive equities as reasons for placement of information in the confidential or secret library. Provides for removal of information more than 25 years old from the confidential or secret library to the public library. Provides for hearings in cases of dispute on placement of information in a particular library of the System, and for placement of information in question in the secret library pending resolution of the dispute. Provides penalties for unauthorized disclosures and thefts of information from the System, and for failure to provide required information for the System. Authorizes Secretary of Commerce or the Director to obtain from an affiliate of a company, or an organization of which it is a member, any information which they are empowered by this Act to obtain directly from the company, provided the company is notified. Gives Secretary of Commerce and Director power to inspect records and subpoena documents in certain cases. Confers jurisdiction on U.S. District Courts to enforce such subpoenas.

TITLE III: NATURAL RESOURCES INVENTORIES AND INSPECTIONS BY THE DEPARTMENT OF THE INTERIOR

Directs Secretary of the Interior to compile and maintain, on annual basis, an inventory of natural resources in public lands of the U.S., including the Outer Continental Shelf. Provides that the inventories may be based on estimates, supplemented as feasible by onsite geological and engineering inspections by departmental personnel. Provides that the first inventory is to be completed within 18 months and reported to Congress within 20 months of effective date of this title. Provides that copies of all such annual reports and inventories shall be given to the Director for the System's public library. Provides that, on request of the Director, the Secretary of the Interior shall make onsite physical inspections of mineral reserves and resources reported in private lands. Contains directions for the contents of reports by the Secretary of the Interior.

TITLE IV: INFORMATION ON NATURAL RESOURCES

Provides that substantial natural resource companies are to file verified annual reports with the Director on the mineral reserves and natural resources they control. Contains directions on the contents of such reports. Provides for promulgation by the Director of forms for the making of such reports and also of the reports required by title V of this Act.

Provides for clearance of such forms by Office of Management and Budget within seven months after the effective date of this title. Provides that such forms shall be mailed by the Director to reporting companies within 11 months of effective date of this title and be returned by companies to the Director within 60 days after receipt. Provides for single rather than dual reports by companies which are both substantial natural resource companies and major natural resource companies, as defined in Act. Provides that information obtained by Director on report forms required by this title and title V shall be placed in the public, confidential, or secret library of the System, as provided elsewhere in this Act.

TITLE V: INFORMATION ON NATURAL RESOURCE INDUSTRIES

Requires major companies in commerce to file verified annual reports, on an establishment basis, on their operations worldwide. Provides for the making of such reports in two parts, one being for the public library of the System and the other for the confidential or secret library. Contains directions for the contents of such reports, including information on shipments by Standard Industrial Classification, total business receipts, and in certain cases profit information. Authorizes the Director to require such reports more often than annually in certain cases, and to require from major natural resource companies lists describing all mandatory and voluntary reports they file elsewhere, containing natural resource information.

TITLE VI: GENERAL ACCOUNTING OFFICE OVERSIGHT

Provides that Comptroller General of the U.S., upon his own initiative or by direction of Congress, shall review and evaluate procedures of the Bureau. Review may include issues arising under claims that certain natural resource information required by the Bureau under this Act is proprietary or involves the national security and therefore is entitled to be kept secret. Directs Comptroller General to report to Congress at least annually on such reviews of the Bureau; but provides that such report may be by endorsement of or addendum to the Bureau's own annual report.

TITLE VII: CONFORMANCE OF AND WITH OTHER STATUTES

Provides that the Director may excuse a company from providing natural resource information required by this Act, if the company waives confidential status of the same information as previously provided by it to the Census Bureau and protected by the Census Code, 13 U.S.C. 9. Amends the "Freedom of Information Act," 5 U.S.C. 552, to provide that clauses (4) and (9) of subsection (b), pertaining to corporate and geological information, shall be construed consistently with policy of this National Resource Information Act. Amends Federal Reports Act of 1942, 44 U.S.C. 3504, 3506, 3508 and 3509, to make it consistent with policy and purposes of this Act.

TITLE VIII: MISCELLANEOUS

Contains usual separability section and blanket authorization of appropriations. Establishes effective date as date of enactment, except titles IV and V, which are made effective on first day of third full calendar month after date of enactment.

INFORMATION ON NATURAL RESOURCES, POPULATION, PER CAPITA MATERIALS CONSUMPTION, AND MANAGEMENT PROBLEMS RELATED TO MATERIALS RESOURCE DEVELOPMENT

I. INTRODUCTION AND SUMMARY

The subject of this paper is the impact of the Nation's population and level of per capita consumption on its stock of natural resources, through the year 2000, and the related management requirements suggested by existing and anticipated problems.

This is a complex subject which involves interrelationships between total natural resources and known materials reserves, population and population growth, and consumption—both U.S. and world—and the impact of technology, economic profitability, and national and international policies on resource availability.

The relationship between resources, population, consumption, and the application of human technique has been put into a convenient equation by McKelvey: [1]

L=R×E×I/P where

L=society's average level of living measured by its useful consumption of goods and services;

R=society's useful consumption of all kinds of raw materials, including metals, nonmetals, water, soil minerals, biological produce, and so on;

E=society's useful consumption of all forms of energy;

I=society's useful consumption of all forms of ingenuity, including political, socioeconomic, and technological ingenuity; and

P=people who share in the total product.

This equation is a useful illustration that per capita standard of living depends upon the availability of both natural resources and human ingenuity. Since ingenuity is essentially unquantifiable, the equation's predictive value is limited to qualitative estimates. However, the equation puts the basic relationship between resources and ingenuity into proper perspective and serves as a concise introduction to this paper.

Summary

1. There is a very important distinction between the world's stock of potentially recoverable resources, which is estimated to be very large in relation to anticipated world demand, and reserves, which are known natural resources which are economically recoverable with existing technology. Reserves generally represent only a small fraction of total resources and, for many materials, are smaller than anticipated world demand in the year 2000. However, reserves of most materials have increased continually over time, because of exploration and new technology, and are expected to continue to increase. When shortages develop and resource prices increase, previously known but uneconomical resources become economical to develop at the higher prices. Reserves (known and economically recoverable resources) are thereby increased.

2. U.S. population will probably increase by approximately 50 percent by the year 2000, and world population may double. Per capita consumption is also increasing dramatically, with U.S. per capita consumption demand possibly doubling by the year 2000. Per capita consumption in the rest of the world is also increasing significantly. Increases in population and per capita consumption contribute approximately equally to the expected several-fold increase in total world consumption demand for materials in the year 2000 and beyond. Total U.S. materials consumption may double or triple by the year 2000 with similar trends in the rest of the world.

3. Perhaps the single most important factor in meeting the expected problems associated with limited materials availabilities throughout the rest of this country and beyond is human ingenuity. Many persons believe that technological ingenuity will ultimately solve or ameliorate the probems of providing sufficient amounts of economically recoverable materials. If so, this is a long-term solution. In the short term, the ingenuity of national political leaders will be increasingly tested as developed nations, like the United States, begin to rely more heavily on foreign reserves of materials. Increased international trade in materials, possible materials boycotts and cartels, and balance of payments considerations appear to be likely short-range problems with which the Congress and the Executive branch will be faced. "Third world" countries, many of which have large reserves of necessary materials, will also increase their materials demands and may also demand a more equitable share of world resources than they have received in the past.

4. The above factors suggest that national and international materials management is a useful concept for the world community to undertake. The most immediate requirement for materials management at the national political level would seem to be (1) increased knowledge about the world's stock of potentially recoverable materials, reserves, and materials consumption, (2) increased support for materials science and technology, and (3) the development of policies aimed at conserving, and perhaps developing buffer stocks of, materials which are scarce, potentially scarce, or which are imported from politically uncertain supply sources.

II. NATURAL RESOURCES AND RESERVES

This section discusses the distinction between total natural resources and known reserves, with the exception of agricultural resources. Estimates of U.S. and world resources and reserves are also presented.

Schematic Relationship of Reserves to Total Resources. Reserves are identified or known natural resources which are economically recoverable with existing technology. Conditional resources are known resources which are uneconomical to recover with existing technology. Undiscovered resources of varying degrees of certainty of existence make up the remainder of total resources. Although the terminology used in the literature of resources use is not uniform, the above terminology is both adequate and representative.

An important fact in evaluating both reserves and resources is that both reserves and useful resources have increased steadily over time. Reserves are identified and economically recoverable resources. The amount of known and economically recoverable iron ore, for example, has increased dramatically since the beginning of the iron age. It is anticipated that more economically recoverable iron will be found in the future. Thus, reserves of iron have increased and are likely to continue to increase for some time, but for how long is unknown.

The total amount of iron ore and other elements and minerals in the earth is fixed, of course. However, of that total fixed amount (or total resources), useful resources have also increased over time. For example, before technology was used to reduce bauxite (aluminum oxide) to the metal aluminum, bauxite was a relatively useless resource and, until about 1860, petroleum was a relatively useless resource. Materials science and technology are likely to continue to increase the amounts of useful resources available to mankind in the future.

In brief, it is important to distinguish between:

Total natural resources;

Useful natural resources; and

Reserves (known and economically recoverable natural resources). It is also important to realize that reserves account for only part of known resources. Many known resources are not economically recoverable with existing technology and are not considered to be reserves. As commodity prices increase and it becomes economically feasible to use previously uneconomical resources, reserves increase. The same is true when improved technology contributes to economic feasibility.

Another factor bearing on knowledge about reserves is that the private resource companies which prospect for and develop resources may find it in their best commercial interests to understate or be less than diligent in recording reserves under their control for reasons of competitive advantage and tax benefits.

With these caveats in mind, the following paragraphs of this section set forth estimates of U.S. and world resources and reserves.

Footnotes at end of article.

The total mass of the earth is about 6.5 x 10^{21} tons. In terms of foreseeable mineral recovery, only the crust, oceans, and atmosphere are likely to be sources of materials. The earth's average crustal depth is about ten miles and has about 24,000 quadrillion (24,000 x 10^{15}) tons of materials while the oceans account for about 56 quadrillion (56 x 10^{15}) tons of dissolved minerals (56 percent sodium, 31 percent chlorine, 6.5 percent magnesium, 2.5 percent sulfur, 4 percent other) and the atmosphere accounts for about 5.6 quadrillion (5.6 x 10^{15}) tons of air (78 percent nitrogen, 21 percent oxygen, 1 percent argon). The crust is the earth's largest storehouse of potentially recoverable resources. Of the total abundance of resources in the crust (25,000 quadrillion tons), perhaps about 40 trillion (40 x 10^{12}) tons, or approximately one millionth of total crustal abundance, is potentially recoverable at current levels of knowledge and technology.[2] And about 75 percent of this amount is oxygen, silicon, and their compounds.

The approximate percentages of the major elements of the earth's crust are shown in Table 1.

Assuming that 10 trillion (10 x 10^{12}) tons approximates the total recoverable resource potential of the earth's crust at current levels of knowledge and technology, excluding oxygen, silicon, and their compounds which account for about 30 trillion tons, Table 2 suggests relationships between U.S. and world reserves and the currently estimated recoverable potential of some resources.

In summarizing the discussion of resources and reserves, it is very important to keep three facts in mind:

Reserves (known economically recoverable resources) represent only a small fraction (generally minuscule) of potentially recoverable resources (see Table 2);

The estimated figure for total potentially recoverable crustal resources (at current levels of knowledge and technology) represents only about one millionth of estimated total crustal abundance; and

Current knowledge of the amounts of both reserves and total resources is quite limited.

TABLE 1.—*Percent Abundance of Major Crustal Elements*

(In percent)

Oxygen	46.60
Silicon	27.72
Aluminum	8.13
Iron	5.00
Calcium	3.63
Sodium	2.83
Potassium	2.59
Magnesium	2.09
Subtotal	98.59
Titanium	.44
Hydrogen	.14
Phosphorus	.12
Manganese	.10
Subtotal	99.39
Sulfur	.05
Carbon	.03
Clorine	.03
Rubidium	.03
Fluorine	.03
Strontium	.03
Barium	0.03
Zirconium	.02
Chromium	.02
Vanadium	.02
Zinc	.01
Nickel	.01
Copper	.01
Tungsten	.01
Lithium	.01
Total	99.73

NOTE.—The remaining 61 naturally occurring elements account for about .25 percent of the earth's crust.

Source: Derived from Weast, Robert C. ed. Handbook of Chemistry and Physics, Forty-Eighth Edition. Cleveland, The Chemical Rubber Company, 1967: F-135.

TABLE 2.—UNITED STATES AND WORLD RECOVERABLE RESOURCE POTENTIAL AND RESERVES

[In billions of tons]

	World		United States	
	Recoverable resource potential	Reserves	Recoverable resource potential	Reserves
Aluminum	3,519	1.160	203	0.008
Iron	2,035	87	118	1.800
Titanium	225	.117	13	.025
Phosphorus	51	15	2.94	.931
Manganese	42	.630	2.45	.001
Fluorine	20	.035	1.15	.005
Barium	17	.076	.98	.031
Chromium	3	.696	.189	.002
Vanadium	5	.010	.294	.0001

Source: Erickson, Ralph L. Crustal abundance of elements, and mineral reserves and resources. In Brobst, Donald A. and Walden P. Pratt, eds. U.S. Mineral Resources: Geological Survey Professional Paper 820. Washington, U.S. Government Printing Office, 1973: 42-23.

What these facts imply in regard to the availability of resources for the future is that (1) human ingenuity is perhaps the most important aspect of resource recovery and (2) knowledge about resources and reserves should be greatly increased.

III. RESOURCE CONSUMPTION

This section discusses total and per capita resource consumption and consumption demand in the United States and the world through the year 2000 and beyond.

Resource consumption is a function of total population and consumption per capita. U.S. population is currently about 210 million. It will probably increase to about 300 million by the year 2000. This growth represents a one percent per year population increase.

World population is currently about 3.6 billion. Many sources estimate that world population will be about seven billion by the year 2000.[3] This represents about a two percent population growth rate for the earth as a whole. Some parts of the world, particularly the developing nations, are increasing at even faster rates.

In terms of resource consumption per capita, the United States leads the world. With only about six percent of the world's population, the United States uses about 33 percent of the world's mineral resources [4] and about 35 percent of the world's energy.[5] During the last 30 years, the United States has used more minerals and mineral fuels than have all the people of the world previously.[6]

Although the rate of increase may slow down somewhat, per capita consumption probably will continue to increase through the end of this century and beyond, perhaps doubling the 1973 level by the year 2000, assuming the continued economic availability of most materials. Per capita materials consumption in the rest of the developed world also probably will increase several fold. In the developing nations of South America, Africa, and Asia, with about two-thirds of the world's population, significant increases in per capita resource consumption are probable. The U.S. share of the world's materials consumption will probably continue to decrease from, for example, 50 percent of the world's mineral output in about 1952 and 33 percent currently [7] to an even lower percentage in the years ahead.

Zero population growth has been suggested as a partial solution to increasing world demands for natural resources. However, it is likely to take decades before zero population growth, as a comprehensive world program, could be implemented through mass education and the use of widespread contraceptive techniques. Many moral, religious, cultural, and governmental issues also would have to be addressed before population control becomes feasible on a large scale. Consequently, many sources indicate that world population will probably double by the year 2000 (to about seven billion) and could double again (to about 15 billion) by 2100 before a stable world population is attained.

Thus, the world is faced with the possibility of a four-fold increase in population by about 2100 and rapidly increasing per capita materials consumption, particularly in the developing nations.

A few simple and rough calculations indicate possible relative materials consumption levels in the United States at the end of the Century.

U.S. population increase from 1973 to 2000, about 1.5 times

U.S. per capita consumption increase from 1973 to 2000, about 2 times

Total U.S. consumption increase from 1973 to 2000, $2 \times 1.5 =$ about 3 times

In the rest of the developed world, a similar three-fold increase in consumption demand could be expected by the year 2000. In the developing two-thirds of the world, there will probably be a two-fold increase in consumption demand just due to population increase. Any increase in per capita consumption which the developing nations could manage would increase their total consumption demand that much more.

Both population and per capita consumption are exponentially increasing quantities in the world today. In the United States and other developed nations, per capita resource consumption appears to be increasing at a greater rate than population, while in the developing nations, the reverse may be true. However, both the growth in population and in per capita consumption demand appear to be problems of approximately equal magnitude, that is, they contribute approximately equally (on an order-of-magnitude basis) to the world's demand for natural resources. In short, population and per capita consumption demand appear to be the two sides of the same coin of increasing total consumption.

Of the two major factors of population and per capita consumption demand, population would appear to be the more critical factor in ensuring long-term resource availability. Theoretically, population could continue to increase until agricultural resources failed to keep up, while per capita consumption is likely to ultimately level off since human beings have a liimted capacity to use material resources, even though the limit may be at a relatively high level. It has been estimated that world agricultural production using known technology theoretically could be increased from four to eight times over the present level.[8] However, it is likely that population control on a global scale would be instituted before the agricultural limits of population growth are reached. This control would probably occur because of generally decreasing food availabilities on a per capita basis and increasing food costs, regional famines, national aggressions caused by the internal pressures of overpopulation, decaying urban areas and

Footnotes at end of article.

decreasing quality of life due to overpopulation, and so on.

Thus, irrespective of the potential quantities of the earth's material resources, population is likely to stabilize at some small multiple (possibly three times) of the present population of the earth, perhaps based upon the ultimate agricultural production capacity of the earth.

Although world per capita consumption of materials is also likely to level off, world per capita consumption, or at least world per capita consumption demand, can also be expected to increase several-fold (perhaps two to three times) during the remainder of the 20th century and into the 21st century.

In general, total world resource consumption will increase significantly to the year 2000 and beyond. With current knowledge, it is impossible to know with any degree of confidence just what the levels of total and per capita materials consumption are likely to be, or to know what total world reserves (known and economically recoverable resources) will be at that time. Because of the vast store of potentially recoverable resources, however, it appears that in the year 2000 there would be total reserves sufficient to meet total consumption demand, although perhaps, at considerably higher real costs.

For the United States, the Final Report of the National Commission on Materials Policy contains probable cumulative primary mineral demand figures from 1971 to 2000 (as estimated by the U.S. Bureau of Mines in 1973) and estimated reserves at 1971 prices. These statistics are reproduced in Table 3 on the following two pages. Although the table is useful, neither "probable cumulative primary mineral demand 1971–2000," "reserves at 1971 prices," "identified resources," nor "hypothetical resources" should be considered to be firm data. Demand and resources are estimates, and reserves are likely to continue to increase due to changes in economic factors and technology and because new resources will be identified.

A comparison of Table 3 data with Table 2 data (see page 11) provides some interesting insights. If it is assumed that U.S. "probable cumulative primary mineral demand in 1971–2000" (Table 3) will account for approximately 25 percent of world demand over that period, it can be seen that for the materials listed in Table 2, such world demand would represent only very small percentages of "recoverable resource potential," generally less than one percent, with chromium being the highest of those listed at about 2.5 percent. While data analysis of this type is intriguing, data of materials resources, reserves, and probably consumption probably are not adequate at this time for deriving sound conclusions about the current and future status of U.S. and world stocks of materials and probable materials demand.

TABLE 3.—U.S. RESERVES AND RESOURCES OF SELECTED MINERAL COMMODITIES

Commodity and units	Probable cumulative primary mineral demand 1971–2000[1]	Reserves at 1971 prices[1]	Identified resources[2]	Hypothetical resources[3]
Aluminum (million short ton)	370	13	Very large	KDI.
Antimony (thousand short ton)	822	100	Small	Small
Arsenic (do)	800	700	do	do
Asbestos (million short ton)	43	9	Small	Insignificant.
Barium (million short ton)	31	45	Very large	Very large.
Beryllium (thousand short ton)	28	28	do	Huge.
Bismuth (million pounds)	81	10	do	do
Boron (million short ton)	5	40	Very large	Huge.
Bromine (billion pounds)	12	17	Huge	Do.
Calcium (billion short ton)	5	Adequate	Very large	Do.
Cadmium (million pounds)	560	264	do	do
Cesium (thousand pound)	350	do	do	do
Chlorine (million short ton)	645	Adequate	Huge	Huge.
Chromium (million short ton)	19	do	Insignificant	Insignificant.
Clay (billion short ton)	3	Adequate	Large	Very large.
Coal (billion short ton)	21	Adequate	Huge	Huge.
Cobalt (million pounds)	540	56	do	do
Columbium (million pounds)	288	do	do	do
Construction stone:				
Crushed (billion short ton)	41	Adequate	Large	KDI.
Dimension (million short ton)	79	Adequate	do	Do.
Dimension (million short ton).	79	Adequate	do	Do.
Copper (million short ton)	93	81	do	Large.
Diatomite (million short ton)	29	40	Huge	KDI.
Feldspar (million long ton)	38	500	do	Huge.
Fluorine (million short ton)	39	6	Small	Small.
Gallium (thousand kilograms)	281	Adequate	do	do
Germanium (thousand pounds)	1,600	900	do	do
Gold (million troy ounces)	293	82	Large	KDI.
Graphite (million short ton)	2	do	Very large	Do.
Gypsum (million short ton)	726	350	Huge	Huge.
Hafnium (short ton)	1,280	Adequate	do	do
Indium (million troy ounces)	19	11	do	do
Iodine (million pounds)	269	225	Very large	Huge.
Iron (billion short ton)	3	2	do	Do.
Kyanite (million short ton)	9	15	Huge	Huge.
Lead (million short ton)	34	17	Large	Moderate.
Limestone and dolomite	do	do	do	KDI.
Lithium (thousand short ton)	183	2,767	Huge	Huge.
Magnesium (million short ton)	52	Adequate	do	Do.
Manganese (million short ton)	50	do	Large	KDI.
Mercury (thousand flasks)[4]	1,730	75	Small	Do.
Mica, sheet (million pounds)	62	do	Insignificant	Very large.
Mica, scrap and flakes (million short ton).	7	250	Huge	Huge.
Molybdenum (billion pounds)	3	6	do	Do.
Natural gas (trillion cubic feet)	1,098	279	Moderate	Large.
Nickel (billion pounds)	14	(5)	Large	KDI.
Nitrogen (million short ton)	1,018	Adequate	Huge	Huge.
Peat (million short ton)	43	Adequate	do	KDI.
Petroleum (billion barrels)	276	38	Large	Large.
Phosphorus (million short ton)	208	39	Very large	Huge.
Planinum (million troy ounces)	16	1	Moderate	Large.
Potassium (million short ton)	216	50	Very large	Huge.
Pumice (million short ton)	208	200	do	do
Rare earths (thousand short ton)	452	5,045	Huge	KDI.
Rhenium (thousand pounds)	360	400	do	do
Sodium (million short ton)	1,160	Adequate	Huge	Huge.
Sand & gravel (billion short ton)	54	Adequate	Large	KDI.
Scandium (kilograms)	544	Adequate	do	do
Silver (million troy ounces)	4,400	1,300	Moderate	Large.
Strontium (thousand short ton)	771	do	Huge	Huge.
Sulfur (million long ton)	514	75	do	Do.
Talc (million short ton)	52	150	Very large	Do.
Thorium (thousand short ton)	21	2	do	KDI.
Titanium (million short ton)	32	33	do	Very large.
Tungsten (million pounds)	1,000	175	Moderate	Moderate.
Uranium (thousand short ton)	1,240	130	Large	Large.
Vanadium (thousand short ton)	471	115	Very large	KDI.
Zinc (million short ton)	62	30	do	Very large.
Zirconium (million short ton)	4	4	Large	KDI.

[1] As estimated by U.S. Bureau of Mines, 1973.

[2] Identified resources are defined as including reserves and materials other than reserves which are essentially well known as to location, extent, and grade and which may be exploitable in the future under more favorable economic conditions or with improvements in technology.

[3] Hypothetical resources are undiscovered, but geologically predictable, deposits of materials similar to identified resources.

[4] 76 lb flasks.

[5] Less than 1 unit.

Note: Resource appraisal terms: Huge—Domestic resources (of the category shown) are greater than 10 times the minimum anticipated cumulative demand (MACD) between the years 1971 and 2000. Very large—Domestic resources are 2 to 10 times the MACD. Large—Domestic resources are approximately 75 percent to twice the MACD. Moderate—Domestic resources are approximately 35 to 75 percent of the MACD. Small—Domestic resources are approximately 10 to 35 percent of the MACD. Insignificant—Domestic resources are less than 10 percent of the MACD. KDI (known data insufficient)—Resources not estimated because of insufficient geological knowledge of surface or subsurface area. Dashes indicate data not available.

Source: Materials Needs and the Environment Today and Tomorrow: Final Report of the National Commission on Materials Policy, Washington, U.S. Government Printing Office, June 1973: 4B-8 and 4B-9.

Summary

The state of the knowledge concerning resources, reserves, and consumption demand is that estimates of these factors can be made and are useful, but total resources are unknown; reserves have continually increased and are likely to continue to do so because of increasing knowledge, economic factors, and new technology; and consumption demand is extremely difficult to predict except to the extent that through the end of the 20th century and probably well into the 21st century at least, both world per capita and total consumption demand for resources is likely to increase several fold.

Considering the earth as a total resource system, it appears that most world resources will be adequate even for a many-fold increase in consumption demand. However, increased demand will undoubtedly mean temporary and localized shortages in some commodities until new sources of supply are developed or until abundant materials are developed as substitutes for scarce commodities. In addition, resources in general may increase significantly in cost, although historical trends to date indicate rather constant resource costs over a long period. For example, Figure 4 on the following page shows graphically the close relationship between total materials costs and population in the United States from 1900 to 1970. The rapidly increasing gross national product since about 1940 indicates the transformation of the United States from a goods producing and consuming nation to a services-oriented nation. However, the danger in projecting future relationships from past trends is that the underlying realities change. The period covered in Figure 4 was a period of

generally plentiful and relatively cheap resources in the United States. Recent and impending shortages in materials may significantly increase material costs over the short term. For example, rapidly increasing costs for petroleum may continue for many years until major new reserves of petroleum are found, if there are any, or until substitutes for petroleum (like shale oil and coal liquefaction) are commercially developed.

IV. TECHNOLOGY, ECONOMICS, AND NATIONAL AND INTERNATIONAL POLICIES

A brief review of the preceding two sections of this paper indicates that although the world's potentially recoverable resources are estimated to be very large, known economically recoverable reserve of some materials are small in relation to existing or anticipated consumption demand. The United States is turning increasing to foreign, rather than domestic, reserves to meet its domestic requirements for many materials. The Attachments to this paper gives some indication of the United States' current dependence on imported materials.

What this situation means for the United States is that increasingly the Nation will have to rely upon technology and national and international policies to provide it with materials at economically acceptable costs. Even so, the costs of some, perhaps many, materials can be expected to increase over time. When costs of commodities become high enough, previously uneconomical known resources will be tapped and substitute materials will be developed. In short, the era of generally cheap and exploitable materials seems to be at an end in the United States and the world. The developing two-thirds of the world will increasingly compete for, rather than merely supply, many of the materials that the United States will require. Being the world's richest country, the United States will no doubt be able to afford higher costs for materials and, as in many things, it will be the poorer countries that are likely to suffer disproportionately from increased materials costs.

Technology is looked upon by many persons as being the means for providing adequate supplies of materials to meet the world's increasing requirements. There is evidence that technology is an exponentially increasing function in developed and technology-intensive societies.[1] If this is true, technology can be expected to provide the techniques necessary to keep up with the world's increasing demand for materials, perhaps through that time when both world population and per capita consumption could be expected to stabilize at some (from now) relatively high level. In the field of energy, the ability of technology to provide rapidly increasing supplies is already manifest. It is anticipated that nuclear fusion of hydrogen from sea water will be possible in the 21st century, possibly by 2030. If fusion is actually developed as a safe energy source, it will provide an almost unlimited source of energy for the world.

It can be anticipated that the application of technology to materials problems will result in similar benefits in the future, but between now and then, the world will have to make do with recovering materials with existing technology.

To buy time for technology to provide adequate amounts of materials at reasonable costs to meet the expected several-fold increase in world demand for materials, there is likely to be greater pressures on national legislatures and executives to develop workable national and international materials and materials-related policies. For example, to offset or ameliorate possible near-term national shortages in many materials, the Congress will probably be faced with major materials policy considerations in areas like:

International trade;

International assistance in materials development;

Developing buffer stocks of potentially scarce materials;

Incentives for the exploration and development of materials by commercial interests;

Government-supported materials research and development;

Materials effectiveness. like recycling, reuse, improved engineering design, and materials conservation;

Rationing; and

National and international environmental aspects of materials recovery, use, and disposal.

All of these policy considerations deal with securing adequate sources for the rapidly increasing U.S. demand for materials. Because the United States has been the greatest, and sometimes profligate, user of the world's resources during the 20th century, there may be increasing international pressures, especially from the developing "third world," for assistance in developing world resources and for sharing them more equitably than in the past.

The factors discussed in this section suggest that human "ingenuity" may be the most important ingredient in developing U.S. and world material resources. In the long-term, technological ingenuity may provide the major solutions to the materials supply problem. Although this is possible, and even probable, the technological solution is not completely certain and is probably a long way off. Until then, national and international policymakers must use their ingenuity in facing the many intricate problems associated with making the wisest use of the earth's limited supply of currently known resources.

What is certain is that there will be constraints upon the world supply of materials throughout the remainder of the 20th century. There will probably be periodic materials shortages, and materials costs are likely to rise. New reserves will be found and substitutes will be developed. Hopefully, materials science and technology will be supported to the extent required to provide a continual supply of materials for world development, through (1) the discovery of new reserves or entirely new uses of existing reserves of abundant materials and (2) the conservation and reuse of existing materials. To the extent that scientific and technological ingenuity is not used to solve the materials supply problem, it is safe to predict that the political ingenuity of national legislatures and executives will be called upon to develop policies on a wide range of materials-related issues for getting the most use out of the world's economically recoverable resources.

V. MANAGEMENT PROBLEMS

There is a wide range of problems related to the rational development of the natural resources of the United States and the world. These problems can be classified as international, economic, technological, political, and so on. This section will deal with problems that can be classified as management problems, that is, problems which involve the application of high-level decisionmaking, in this case specifically decisionmaking at the national political level.

Among the primary requirements of national decisionmakers concerned with materials policy is increasing knowledge about many aspects of the earth's natural resources, like:

Increased knowledge concerning the earth's store of natural resources;

Increased knowledge concerning probable per capita consumption trends in the United States and the world;

The development of early warning systems to predict short-term materials shortages;

Increased materials research and development efforts; and

Research into possible alternative uses of the Nation's and the world's limited reserves to conserve scarce materials.

In short, the most pressing management requirement in the field of materials policy is increased information about the basic parameters of materials supply and demand and additional research on resource discovery and recovery and materials effectiveness. Only when more is known about materials resources and use, can adequate long-range decisions be made on the national and international levels. In the meantime, management problems will probably include the resolution of short-term crises like materials shortages and imbalances in international trade. To offset recurring shortages and imbalances in materials production and supply, a system of national and international buffer stocks could be developed for those materials which are, or are expected to be, in short supply, or which are imported from politically uncertain supply sources. Buffer stocks could provide a cushion against physical shortages of materials, against price fluctuations and against supply disruptions caused by international political situations.

Through technology and intelligent management of the earth's resources, the earth may ultimately provide sufficient materials for a high quality of life for most of its inhabitants. However, political decisionmakers cannot assume that this is the case. Perhaps a preferable working hypothesis would be that materials usage will outpace materials production if intelligent national and international materials management is not vigorously pursued. It appears that the most important aspects of improved materials management are (1) a significant increase in knowledge about the earth's store of potentially and economically recoverable resources, (2) increased support for materials science and technology, and (3) the development of policies aimed at conserving, and perhaps developing buffer stocks of, materials which are scarce, potentially scarce, or which are imported from politically uncertain supply sources.

FOOTNOTES

[1] V. E. McKelvey. Mineral Resource Estimates and Public Policy. *In* Brobst, Donald A. and Walden P. Pratt, eds. United States Mineral Resources: Geological Survey Professional Paper 820. Washington, U.S. Govt. Off., 1973: 9.

[2] The figure of 40 trillion tons to represent the earth's total potentially recoverable resources is an estimate based upon the table of abundances, reserves, and resources found in Erickson, Ralph L. Crustal Abundance of

Elements, and Mineral Reserves and Resources. *In* Brobst, Donald A. and Walden P. Pratt, eds. United States Mineral Resources: Geological Survey Professional Paper 820. Washington, U.S. Govt. Print. Off., 1973: 22–23. It is important to note that most of the quantitative data used in this paper and elsewhere in the literature on resources and reserves generally represent only approximations and should not be considered to be precise.

[3] See, for example, Frejka, Tomas. The Prospects for a Stationary World Population, Scientific American, v. 228, March 1973: 15–23.

[4] Hayes, Earl T. U.S. Minerals Supply, Outlook, and Trends. *In* U.S. Congress, Senate. Committee on Public Works. Problems and Issues of a National Materials Policy. 91st Congress, 2d Session. December 1970. Washington, U.S. Govt. Print. Off., 1970: 50.

[5] U.S. Congress. Joint Economic Committee. The Energy Outlook for the 1980's. 93d Congress, 1st Session. December 17, 1973. Washington, U.S. Govt. Print. Off., 1973: 8.

[6] McKelvey, p. 11.

[7] Hayes, p. 50.

[8] How Far Can Man Push Nature in Search of Food? Conservation Foundation Letter, November 1973: 6. Also See U.S. Congress. House. Committee on Foreign Affairs. Subcommittee on National Security Policy and Scientific Developments. Beyond Malthus: The Food/People Equation. 92d Congress, 1st Session. October 1971. Washington, U.S. Govt. Print. Off., 1971. 96 p.

[9] Starr, Chauncey and Richard Rudman. Parameters of Technological Growth. Science, v. 182, October 26, 1973: 358–364.

I. MATERIALS ARRANGED ACCORDING TO THE PRESENT COST OF IMPORTS (COL. 2)

U.S. DEPENDENCE ON IMPORTED MATERIALS

Commodity	Present cost of imports (billions)	Percent dependence	Major import sources [2] (percent)	
1. Petroleum, including natural gas liquids	$7.5	29–32	Canada	42
			Venezuela	17
			Indonesia	7
			Nigeria	7
			Saudi Arabia	6
			Others	21
			Total	100
2. Iron and steel	3.4	20	Europe	45
			Japan	40
			Canada	9
			Others	6
			Total	100
Iron ore	.5	28	Canada	50
	3.9		Venezuela	31
			Liberia	6
			Others	13
			Total	100
3. Aluminum metal	.3	10	Canada	76
			Others	24
			Total	100
Bauxite	.4	90–96	Jamaica	54
	.7		Surinam	23
			Guyana	7
			Others	16
			Total	100
4. Gold	.7	61–80	Canada	51
			Switzerland	24
			Burma	9
			United Kingdom	3
			Others	13
			Total	100
5. Nickel	.5	74–90	Canada	82
			Norway	8
			Others	10
			Total	100
6. Zinc	.5	52–68	Canada	68
			Mexico	24
			Peru	8
			Total	100
7. Copper		15, 18	Canada	31
			Peru	27
			Chile	22
			Republic of South Africa	6
			Others	14
			Total	100
8. Natural gas	.4	4–9	Canada	97
			Mexico	3
			Total	100
9. Silver	.3	44–70	Canada	58
			Peru	20
			Mexico	8
			Others	14
			Total	100
10. Tin	.3	77–100	Malaysia	64
			Thailand	27
			Others	9
			Total	100
11. Chromium	$0.1	100	U.S.S.R.	32
			Republic of South Africa	30
			Turkey	18
			Philippines	14
			Others	6
			Total	100
12. Cobalt	.1	98–100	Zaire	45
			Belgium and Luxembourg	29
			Norway	8
			Canada	6
			Others	12
			Total	100
13. Fluorine	.1	77–87	Mexico	77
			Spain	12
			Italy	6
			Others	5
			Total	100
14. Lead	.1	26–36	Canada	29
			Peru	21
			Australia	21
			Mexico	12
			Others	17
			Total	100
15. Manganese	.1	95–98	Gabon	35
			Brazil	33
			Republic of South Africa	7
			Zaire	7
			Others	18
			Total	100
16. Platinum	.1	99–100	United Kingdom	39
			U.S.S.R.	32
			Republic of South Africa	12
			Others	17
			Total	100

II. MATERIALS WHOSE PRESENT COSTS OF IMPORTS ARE LESS THAN $0.1 BILLION, ARRANGED ACCORDING TO PERCENT DEPENDENCE (COL. 3)

Commodity	Present cost of imports (billions)	Percent dependence [1]	Major import sources [2] (percent)	
17. Cesium	(3)	100	Pollucite: Canada and Africa	(4)
			Cesium compounds:	
			West Germany	87
			Netherlands	8
			Others	5
			Total	100
18. Columbium	(3)	67–100	Brazil	62
			Canada	16
			Nigeria	14
			Others	8
			Total	100
19. Hafnium	(3)	100	France	65
			Japan	8
			Others	27
			Total	100
20. Indium	(3)	100	Canada	44
			U.S.S.R.	14
			Others	42
			Total	100

I. MATERIALS ARRANGED ACCORDING TO THE PRESENT COST OF IMPORTS (COL. 2)

Commodity	Present cost of imports (billions)	Percent dependence [1]	Major import sources [2] (percent)
21. Rhodium	(3)	100	United Kingdom 59 U.S.S.R. 15 Others 26 Total 100
22. Rubidium	(3)	100	Negligible imports.
23. Scandium	(3)	100	Australia 55 Canada 40 Others 5 Total 100
24. Strontium	(3)	100	Mexico 81 United Kingdom 12 Spain 7 Total 100
25. Tantalum	(3)	97–100	Canada 30 Brazil 22 Zaire 14 Others 34 Total 100
26. Titanium (rutile)	(3)	86–100	Australia 92 Sierra Leone 8 Total 100
27. Zirconium metal	(3)	100	Australia 96 Others 4 Total 100
28. Corundum	(3)	100	Kenya 100
29. Mica sheet	(3)	100	India 79 Brazil 14 Malagasy Republic 3 Others 4 Total 100
30. Palladium	(3)	98	U.S.S.R. 51 United Kingdom 32 Republic of South Africa 6 Others 11 Total 100
31. Graphite	(3)	97	Mexico 76 Malagasy Republic 9 Norway 6 Sri Lanka 5 Others 4 Total 100
32. Antimony	(3)	65–95	Ore: Republic of South Africa 51 Mexico 20 Others 29 Total 100 Metal: Mexico 18 Peoples Republic of China 16 Others 66 Total 100
33. Arsenic	(3)	90	Sweden 43 Mexico 40 France 15 Others 2 Total 100
34. Iodine	(3)	86	Japan 72 Chile 28 Total 100
35. Asbestos	(3)	84–85	Canada 96 Republic of South Africa 3 Others 1 Total 100
36. Mercury	(3)	58–83	Canada 59 Mexico 17 Spain 8 Italy 5 Others 11 Total 100
37. Yttrium	(3)	73	Australia 53 Malaysia 44 Others 3 Total 100
38. Gallium	(3)	64	Switzerland 72 United Kingdom 4 West Germany 4 Others 20 Total 100
39. Bismuth	(3)	62–75	Peru 34 Mexico 29 Japan 11 Canada 9 Others 17 Total 100
40. Cadmium	(3)	25–62	Japan 23 Canada 22 Australia 15 Peru 12 Others 28 Total 100
41. Thorium	(3)	60	Australia 53 Malaysia 44 Others 3 Total 100
42. Beryllium ore	(3)	53	Brazil 64 Republic of South Africa 13 Argentina 7 Others 16 Total 100
43. Potassium	(3)	45–60	Canada 94 Israel 2 Others 4 Total 100

[1] Published figures for "percent dependence" vary according to whether U.S. imports are measured against U.S. primary (new) production of materials or against primary production plus scrap, and perhaps for other reasons. Consequently, the figures of col. 3 are sometimes given as a range, like "29–32" percent dependence for petroleum.

[2] Based on 1969–72 average data.

[3] Less than $0.1 billion.

[4] Most.

Source: Department of the Interior, Bureau of Mines information as of Feb. 1, 1974; and Materials Needs and the Environment Today and Tomorrow: Final Report of the National Commission on Materials Policy. Washington, U.S. Government Printing Office, June 1973: 2–25.

APPENDIX L—U.S. GOVERNMENT AGENCIES WITH MATERIALS FUNCTIONS

(By Science Policy Research Division, Legislative Reference Service, the Library of Congress)

EXPLANATORY NOTE

The accompanying chart of "U.S. Government Agencies with Materials Functions" was prepared in the Science Policy Research Division, Legislative Reference Service, Library of Congress, as a first cut at the problem. It is accordingly to be regarded as preliminary and illustrative. It is not intended to be complete. It does serve the purpose of demonstrating the wide range of different agency interests in materials and the need for a considerable extent of coordination.

The methodology employed in assembling the chart was to go through the U.S. Government manual for clues, with an effort to apply in-house expertise to their interpretation and expansion.

Not included in the chart are the National Academy of Sciences and the National Academy of Engineering, because they are not Government agencies, although chartered by Congress. These Academies, and their operating arm, the National Resources Council, provide an important deliberative, advisory, and focusing functions in the field of materials, mainly through their National Materials Advisory Board, and also deal with related issues through a number of other boards and committees.

U.S. GOVERNMENT AGENCIES WITH MATERIALS FUNCTIONS (PRELIMINARY, NOV. 12, 1968)

	Department of Defense				Department of the Interior								Department of Agriculture								Department of Commerce				Department of State			Department of Justice		Department of H.E.W.		Department of Transportation				Independent offices							Executive Office of the President						
	Army	Navy	Air Force	ARPA	Bureau of Mines	Geological Survey	Office of Minerals and Solid Fuels	Office of Oil and Gas	Oil Import Administration	Office of Coal Research	Office of Water Resources Research	Federal Water Pollution Control Administration	Office of Saline Water	Commodity Credit Corporation	Agricultural Stabilization and Conservation Services	Forest Service	Marketing and Consumer Services	Economic Research Service	Agricultural Research Service	National Agricultural Library	Business and Defense Services Administration	Bureau of the Census	Economic Development Administration	National Bureau of Standards	Bureau of Intelligence and Research	Agency for International Development	Bureau of the Mint, Department of the Treasury	Antitrust Division	Bureau of Narcotics and Dangerous Drugs	Public Health Service	Food and Drug Administration	Federal Highway Administration	Bureau of Railroad Safety	Office of Hazardous Materials	Office of Urban Technology and Research, Department of Housing and Urban Development	Atomic Energy Commission	General Services Administration	National Aeronautics and Space Administration	National Science Foundation	U.S. Tariff Commission	Interstate Commerce Commission	Office of Science and Technology	Federal Council for Science and Technology	President's Science Advisory Committee	Water Resources Council	MCMRED (Marine Council)	Office of Emergency Planning
Basic research:																																																
In mineral occurrence						●																																										
In mineral formation	●	●	●			●																																									
In materials properties				●	●																																										
In materials extractions	●	●	●		●		●			●	●																																				
Applied research:																																															
In materials properties	●	●	●		●					●	●																		●		●																
In minerals extraction					●																																										
In ore treatment																																															
In development of new materials	●	●	●		●					●																			●																
In development of composite materials	●	●	●		●					●																																				
In new uses for materials													●																																		
Experimental development:																																															
Prospecting instrumentation						●																																									
Materials processing	●	●	●		●					●																			●		●															
Recovery and salvage					●							●●				●●																															
Effluent treatment					●																																										
Shapes of new materials	●	●	●		●											●													●●																
Composite geometrics	●	●	●																																											
Fabrication technology	●	●	●										●																																		
Long-range policy planning:																																															
Military mobilization	●	●	●				●														●●																									
National mobilization																																															
Research and development																																															
National needs and supply					●				●						●			●			●●																									
Long-range admustment																																															
Materials data management:																																															
Supply (general)																																															
Requirements (general)	●	●	●		●		●		●						●						●●●																									
Materials flow					●																●●●						●																		
Mineral							●		●																																						
Agricultural																●		●																													
Silvan																			●●																												
Waste and pollution management:																																															
Solid wastes					●							●●						●●											●●																	
Water pollution					●										●●			●●											●●●																	
Air pollution					●					●																																					
Health standards																								●					●●●																	
Materials standards:																																															
Test samples																								●																						
Procurement standards	●	●	●																																											
International materials trade:																																															
Import statistics					●				●						●●				●		●●																									
Export statistics					●										●●				●		●●				●●																				
Stockpile procurement							●							●												●																				
Materials special problems:																																															
Currency																											●																			
Narcotics	●	●	●																									●●	●●																	
Drugs	●	●	●																									●●	●●		●●														
Helium	●				●																																										
Aerospace materials	●	●	●																										●●		●●														
Petroleum					●			●	●																																					
Coal					●					●																																					
Uranium					●																																										
Radioactive materials																																															
Electronic materials	●	●	●																																											
Marine materials development		●			●																																										
Marine materials exploitation					●			●																																							
Housing construction materials	●																																														
Highway construction materials	●																																														
Toxic materials regulation																																															
Transport of dangerous materials																																															
Environmentali mpingement																																															

[From Playboy, January 1967, vol. 14, No. 1]

THE CRISIS IN MAN'S DESTINY

(By Sir Julian Huxley)

The most bewildering characteristic of the present moment of history is that things are happening faster and faster. The pace of change in human affairs, originally so slow as to be unnoticed, has steadily accelerated, until today we can no longer measure it in terms of generations: Major changes now take place every few years, and human individuals have to make several drastic adjustments in the course of their working lives. Where are these breathless changes taking us? Is change synonymous with progress, as many technologists and developers would like us to believe? Is there any main direction to be discerned in present-day human life and affairs? The answer at the moment is no. Change today is disruptive; its trends are diverging in various directions. What is more, many of them are self-limiting or even self-destructive—think of the trend to explosive population increase, to overgrown cities, to traffic congestion, to reckless exploitation of resources, to the widening gap between developed and underdeveloped countries, to the destruction of wild life and natural beauty, to cutthroat competition in economic growth, to Galbraith's private affluence and public squalor, to overspecialization and imbalance in science and technology, to monotony, boredom and conformity, and to the proliferation of increasingly expensive armaments.

What is to be done? Before attempting an answer, we must look at the problem in a long perspective—indeed in the longest perspective of all, the perspective of evolution. The process of evolution on this planet has been going on for five billion years or so. First of all, it was only physical and chemical—the formation of the continents and oceans and the production of increasingly complex chemical compounds. Then, nearly three billion years ago, this purely physicochemical phase of evolution was superseded by the biological phase—the evolution of living matter, or "life." The threshold to this was crossed when one of the numerous organic chemical compounds built up by ultraviolet radiation in the world's warm, soupy seas became capable of reproducing itself. This compound is a kind of nucleic acid, called DNA for short; its complex molecule is built in the form of a double helix, like a spirally twisted ladder whose complementary halves are joined by special chemical rungs. In favorable conditions, the two halves sooner or later break apart, and both build themselves into new wholes by incorporating organic compounds from the surrounding medium. DNA also has the capacity to build up special enzymes and many other proteins out of its chemical surroundings, with the final result of producing a primitive cell with DNA as its core.

DNA is thus self-reproducing and self-multiplying matter. It is also self-varying, since now and again it undergoes a small change in part of its structure as a result of radiation or some chemical agency (or sometimes spontaneously), and then reproduces itself in this changed form. In modern terms, it mutates, and the mutation is hereditary. And very soon, the sexual process multiplies the variation manyfold by recombining mutations in every possible way.

As a result of these two properties of self-multiplication and self-variation, there results a "struggle for existence" between the different variants, and this in turn results in what Darwin called *natural selection*—a shorthand phrase for the results of the differential death, survival and reproduction of variants.

Crossing the threshold must have been a relatively slow business, taking perhaps 10,000,000 years or more; but once it was crossed, the whole process of evolution was enormously speeded up, major changes taking place at intervals to be measured in hundred-million-year instead of billion-year units. And, as Darwin pointed out over a century ago, and as has become clearer ever since, major change was inevitably progressive, headed in the direction of improvement—improving the organization of plants and animals in relation to their environment, enabling them to surmount more of its dangers and make better use of its resources.

Each major change in biological evolution involved the step-by-step crossing of a critical threshold, leading to the formation of a new dominant type. This is followed by a rapid flowering of the new type and its further improvement along many divergent lines, usually at the expense of its parent and predecessor type. Sooner or later, the process reveals itself as self-limiting: The type as a whole comes up against a limit, and further progress can only be realized by one or two lines slowly achieving a new and improved pattern of organization, and stepping across the threshold barrier to give rise to quite new dominant types.

Thus the amphibians broke through the barrier from water to land, though they still had to live in water as tadpoles or larvae in the early stages of their development; but after about 100,000,000 years, they were succeeded by a new and fully terrestrial dominant type, with shelled eggs containing private ponds to develop in—the reptiles, which, as everyone knows, produced an astonishing variety of specialized lines—crocodiles and tortoises, marine ichthyosaurs and plesiosaurs, aerial pterosaurs and the splendid array of terrestrial dinosaurs.

But after nearly 150,000,000 years, they too reached their limit. A new type of organization was produced, involving hair, warm blood, milk and prolonged development within the mother, and broke through to dominance in the shape of the placental mammals, while most reptilian lines became extinct. This new type again radiated out, to produce all the familiar mammal groups—carnivores and ungulates, rats and bats, whales and primates. Once more, after 50,000,000 years or so, their evolution seems to have reached its limits and got stuck. Only one line among the primates took all the steps—to erect posture, tool- and weapon-making, increased brain size, and capacity for true speech—that led, a mere 100,000 or so years back, to the emergence of man as the new dominant type, and took life across the threshold from the biological to the psychosocial phase of evolution.

This works by cumulative tradition rather than by genetic variation, and is manifested in cultural and mental rather than in bodily and physical transformation. Yet evolving human life progresses in the same sort of way as animal life—by a succession of improved dominant types of organization. However, these are not organizations of flesh and blood and bodily structure but of ideas and institutions, of mental and social structure—systems of thought and knowledge, feeling and belief, with their social, economic and political accompaniments: We may call them psychosocial systems. With the emergence of each new system, man radically changes his ideas about his place, his role and his job in nature—how to utilize natural resources, how to organize his societies, how to understand and pursue his destiny.

Up to the present there have been five such dominant psychosocial systems, five major progressive stages, involving four crossings of a difficult threshold to a new way of thinking about nature and coping with existence. First the crossing from the stage of food gathering by small groups to that of organized hunting and tribal organization. Then the step, first taken some 10,000 years ago, across to the neolithic stage, based on the idea of growing crops and domesticating animals, associated with fertility rites and priest-kings, and leading to food storage and settled life in villages and small towns. Third, nearly 6000 years ago, the radical step to civilization, with organized cities and trading systems, castes and professionals, including a learned priesthood, with writing or other means of nonvocal communication, and leading to large and powerful societies (and eventually to empires), always with a religious basis. And fourth, less than 500 years ago, the even more decisive step, marked by the Renaissance, the Reformation and the beginnings of organized objective inquiry, over the threshold to the stage of exploration—geographical, historical, religious and, above all, scientific: in a word, the stage of science. This was associated with increasingly secular representative government, with the idea of progress based on ever-increasing knowledge and wealth, and led to a profit-based economic system, industrialization and competitive nationalism.

What, you may ask, has all this to do with our present troubles? The answer is that they portend a new threshold to be crossed to a new dominant system and a new stage of human advance. During each previous dominant stage, mankind differentiated into competing groups, with divergent trends of thought and action. These were in the long run self-limiting, self-defeating, disruptive or just hampering. But they contained seeds of self-correction: As their unhelpful nature became obvious, this provoked new thinking and new action to reduce their harmful effects, and eventually to make clear the need to attempt the difficult passage into a new stage based on a radically new system. To take but one case, abuses of ecclesiastical power provoked the Reformation, backward-looking and hairsplitting scholasticism helped on the new birth of the Renaissance and of modern science, and the reaction against the Church's ban on "usury" or charging interest on a loan, coupled with the urgent need for large-scale trade ventures, stimulated the birth of the capitalist system.

The same sort of thing is at work today. The population explosion is stimulating birth control, monolithic overplanning in the U.S.S.R.—and its satellites—is producing liberalizing reactions, while the doctrinaire freedom of enterprise and expression of the U.S.A. and its acolytes is forcing the acceptance of some degree of discipline and planning; the gap between rich and poor nations is stimulating increased aid and assistance; while racial injustice is stimulating campaigns for integration. The inadequacy of our educational systems has called forth efforts for their expansion and reform; the reckless exploitation and careless destruction of the world's varied resources is leading to a multitude of separate attempts to conserve them; traffic congestion and the other frustrations of city life are leading to transportation planning and schemes of urban renewal; in reaction against the conformity and boredom of modern mechanized existence, a whole crop of new outlets for life is sprouting, in sport and art, in adventure and dedicated projects; while to fill the vacuum caused by the enfeeblement of traditional religious belief and expression, new adventures of spiritual and mental exploration are being undertaken. And the giant wars of this most destructive of centuries have provoked a reaction against war itself and generated a general desire for peace and a crop of projects for preserving and fostering it.

But all this is not enough—all these are negative attempts, actions *against* something, instead of positive efforts *for* something. What is needed is a new over-all pattern of thinking and willing that will give us a new vision and a constructive purpose, providing meaning for our lives and incentives for our actions. Only this can bring together the separate reactions against the divergent

threats that beset us, and harness them (and all our reserves of suppressed good will) in a single-minded team.

A new vision has been revealed by post-Darwinian science and learning. It gives us a new and an assured view of ourselves. Man is a highly peculiar organism. He is a single joint body-mind, not a body plus a separate mind or soul, but with mind on top, no longer subordinate to body, as in animals. By virtue of this, he has become the latest dominant type in the solar system, with three billion years of evolution behind him and (if he doesn't destroy himself) a comparably long period of evolution before him. Certainly no other organism could oust him from his position: He would quickly become aware of any challenge, whether from rat, termite or ape, and would be able to nip it in the bud. His role, whether he wants it or not, is to be the leader of the evolutionary process on earth, and his job is to guide and direct it in the general direction of improvement.

To do this, he must redefine his aims. In the past, most human groups and most human individuals have aimed at wealth or pleasure or pride of power, though with a sizable minority seeking salvation in a future life, and a smaller minority seeking spiritual satisfactions or creative outlets in this life. During the long march of prehuman evolution, dominant types have split into a multitude of separate biological organizations termed species. Dominant man has also split, but into separate psychosocial and often competing organizations that Konrad Lorenz calls pseudospecies—tribes and nations, empires and religions (though this tendency toward diversity and disunity has been partially offset by an increasing tendency toward convergence and unity).

Clearly, our first aim must be to demote these pseudospecies and recognize the unity of the real species *Homo sapiens*—in other words, the oneness of mankind. And, *pari passu* with that, to construct more effective organs of his unity, in the shape of really effective international (or preferably supranational) institutions, to think, plan and act on behalf of the human species as a whole. A supporting aim must be to increase man's understanding of this new vision of himself, of his destiny and responsibility, of the limitless possibilities of improvement. And to convert understanding into action, he must improve his instruments for actually getting on with the job—new knowledge and new skills, new technological achievements, new social and political mechanisms.

But his most important instrument is his mind; accordingly, one of his most urgent tasks is to improve his own mental and psychological organization. As anthropologist Loren Eiseley has said, ancestral man entered his own head; ever since, he has been trying to adapt to what he found there. What he found there, of course, was a lot of myths and mumbo jumbo, witchcraft and wish fulfillment, the results of primitive thinking trying to cope with his own profound ignorance, with the civil war of conflicting passions inside and with the constricting forces of nature outside.

Man's primitive or fantasy thinking is always projecting his own ideas, his own guilt and his own secret wishes, onto someone or something else; its unconscious cunning is always inventing justifications for his own passions—supernatural justification like shifting the blame for his actions onto God, moral justifications like ascribing wickedness to his enemies or proclaiming his own group as divinely inspired or chosen.

In the natural sciences, man has learned the technique of "reality thinking"—of accepting the facts and phenomena of external nature and trying to understand them objectively, without bias. But he still has to tackle the more difficult task of abandoning primitive for reality thinking in dealing with the facts of his own nature and his own psychosocial creations, like religions and arts, laws and customs, social organizations and political institutions, and all the myths and rationalizations concerning them. In a word, man must improve his mechanisms for thinking about himself.

An obvious aim is to find out further how best to avoid conflict by transcending or transforming it, both internally, within our heads, and externally, in the physical and social world. Another is to ensure that the new pattern of thought and belief (and therefore of potential action) shall not be self-destructive but capable of constructive growth, not self-limiting but open-ended. And the aim of aims must be to provide truly satisfying goals for human beings everywhere, so as to energize our species, to stimulate it to move and to ensure that it moves in the right direction. This involves planning for greater fulfillment for human individuals and greater achievement by human societies, and for fuller realization of man's varied possibilities, both personal and collective. It means aiming at quality rather than quantity—quality of life and personality instead of quantity of people, wealth and material goods. The time is ripe for a new approach to destiny, a new look at human life through the telescope of comprehensive vision of wholes instead of the microscope of analysis into separate parts.

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Now I want to take another brief look at some of the unpleasant and threatening trends I spoke of at the outset, to see how the countermeasures we obviously must take against them may help us in planning the practical steps needed to achieve these new integrated ends.

First, population. The world's population is increasing by over 60,000,000 a year—the equivalent of a good-sized town every day of the year, and of nearly 12 baseball teams (with coach) every minute of the day. Its compound interest rate of increase has also increased, from under ½ percent per annum to over 1¾ percent today, and is still increasing a good deal. This applies just as much to Western countries like Britain or Sweden with a slow increase rate or the U.S.A. with a medium rate as to Asian or Latin-American countries with a high rate.

Whatever we do, the world's population will double by the turn of the century. If we do nothng now, life for our grandchildren and great-grandchildren will be much more unpleasant than it is for us, which is saying a good deal. If we go on doing nothing, man will lose his chance of being the beneficent guide of evolution, and will become the cancer of the planet, ruining it and himself with it.

A prerequisite for further human progress is immediate and universal birth control as an instrument of national and international policy, with the immediate aim of reducing man's rate of increase to manageable proportions, well below one percent a year, and the ultimate aim of reducing the total number of human beings in the world.

This means publicizing the need for birth control, incorporating family planning in national health services, adjusting family allowances and taxation systems to discourage overlarge families, and providing birth-control appliances and trained personnel to fit them, in all programs of aid and technical assistance. This means rethinking the whole problem of population, in terms of higher quality of life instead of increasing quantity of people. It also means rethinking the problem of resources, in terms of long-term conservation based on scientific ecology instead of quick exploitation based on mechanized technology.

Next there is the problem of cities. In the last half century, more and more metropolitan areas have grown to monstrous size, up to 12,000,000, 14,000,000, even 16,000,000 in Tokyo, Greater London or Greater New York. If you take as your yardstick the city proper, the central area without its suburban tentacles, the number of cities with over a million inhabitants has grown from 30 at the end of World War Two to over 80 today, only 21 years later. And meanwhile, the population of automobiles is growing twice as fast as that of people. As a result, cities are suffering from traffic thrombosis and their inhabitants from severe vital frustration. We know from experiment that overcrowding in animals leads to distorted, neurotic and downright pathological behavior. We can be sure that the same is true in principle for people. City life today is definitely leading to mass mental disease, to growing vandalism and possible eruptions of mass violence.

Existence in cities must be made not merely tolerable but life-enhancing, as it has so often been in the past. To do this, we must forcibly restrict any further expansion of overbig cities, while undertaking planned and limited expansion of smaller ones; we must create new towns in strategic locations (as is already being done in Britain) to accommodate the overspill of the nation's population; and we must rigorously prevent the horrible unplanned spread of what is neither city nor suburb nor country town, but "slurb"—a compound of slum, suburbia and urban sprawl, which has already blighted Southern California and much of the Atlantic seaboard.

And we must be ready to devote a great deal of money and a great deal of skilled effort to something much bigger and more constructive than what often passes for urban renewal—the conversion of cities from being victims of their own size, ugly or infinitely dreary monuments of profiteering development and general unplanning, or even parasites of the automobile like Los Angeles, into what they should be by definition: organs for civilized existence; places in which their inhabitants enjoy living, instead of being turned into neurosis fodder; generators of fulfillment instead of frustration.

Science is exploding even more violently than population. Scientists (including technologists) are multiplying over three times as fast as ordinary people. The 1,000,000 or so scientists now at work constitute over 90 percent of all the scientists who have ever lived, and their numbers may well go up to 20,000,000 or even 30,000,000 by A.D. 1999. The number of scientific journals has increased from one in 1665—*The Philosophical Translations of the Royal Society*—to about 1000 in 1865, to over 50,000 in 1965, in which nearly 5,000,000 separate articles are published each year; and the rate of increase is itself increasing. If nothing is done about it, science itself runs the risk of drowning in this torrent of paper; specialization will make scientists in one field more ignorant of work in other fields; and man's advance will be stifled in the mounting mass of unassimilable knowledge that he himself has accumulated.

The situation is made worse by the gross lack of balance between different fields of research. Billions of dollars are spent every year on outer-space research—much of it merely for the sake of prestige, in an effort to get to the moon of Mars before somebody else—as against a few millions on exploring the "inner space" of the human mind; billions on weapons research as against a few millions on the sociology of peace; hundreds of millions on "death control" through medical science as against four or five millions on birth control and reproduction. Biological research has given us the tools for real eugenic improvement, in the shape of artificial insemination with the deep-frozen sperm of outstanding male donors, even after their death, and the speedy prospect of grafting ova from admired female donors—but nothing (except words) has been spent on any such project.

The situation is also made worse by the

lack of balance between scientific progress in different countries and regions. There is a big scientific and technological "brain drain" from Britain and Europe to the U.S.A and Canada, and this is producing an equally big one to Britain and Europe from underdeveloped countries like those of Southeast Asia, the Middle East and Africa. In consequence, the gap between rich and poor nations is widening scientifically as well as economically.

What is to be done? The torrential flow of scientific printed matter could be reduced if the scientific reputation of a man or a department did not depend so much on the number of scientific papers published. This leads, among other things, to postgraduate students being pushed to undertake researches where publishable results rather than scientific importance are the prime consideration. (This holds with even greater force in the humanities, which too often pretend to be "scientific," flooding the learned market with Ph.D. theses crammed with unimportant literary or historical details.)

But what is mainly necessary is a change in approach. Instead of all the separate sciences, like inorganic chemistry or astronomy or systematic botany, pushing on and on along their own divergent lines, and individual scientists competitively striving for new discoveries (or just for publishable facts), more and more scientific man power should be mobilized to converge on problems that can only be solved by cooperative teamwork between different branches of natural and human science—problems of land use and city planning, of resource use and conservation, of human behavior and health, of communication and education. Beyond all, we need a science of human possibilities, with professorships in the exploration of the future.

Tentative beginnings on a world basis are being made along these lines, like the very successful I. G. Y., or International Geophysical Year, and now the International Biological Program, or I. B. P.; and I am sure that they will increase and multiply in regional, national and professional affairs as well. At the same time we must do our best to get rid of the present imbalance between different branches of science and integrate them in a framework of common effort. This is a necessary step toward a greater goal—the integration of science with all other branches of learning into a single comprehensive and open-ended system of knowledge, ideas and values relevant to man's destiny. This might even lure professional philosophers out of their linguistic burrows and metaphysical towers to take part in rebuilding a genuine philosophy of existence. But before this can happen, we must repudiate our modern idolatry of science and technology, and dethrone them from the exaggerated pedestals on which we have set them. After all, "science" is only the name for a particular system of knowledge, awareness and understanding acquired by particular methods; it must come to terms with other systems acquired by other methods—aesthetic and historical, intuitive and subconscious, imaginative and visionary. A prerequisite for this is the creation of a real science of psychology in place of the array of conflicting heresies at present occupying the field. I venture to prophesy that this will find its root in ethology, the science dealing with the analysis and evolution of animal mind and behavior.

One of technology's most exciting but also alarming achievements is the computer, which is pushing technologically advanced countries like America into an era of computerized automation. I say *alarming* because computerized automation coupled with population increase must tend to split a country into two nations, to use Disraeli's phrase about mid-Victorian Britain. In late 20th Century America, the two nations will not be the rich and the poor but the employed and the nonemployed, the minority with assured jobs and high incomes, the majority with no jobs and only unemployment pay. Even though automation can ensure increased production of all kinds of goods, this would be a socially disastrous and politically intolerable situation. Somehow or other, the technologically advanced countries will have to rethink the whole concept of work and jobs. One kind of work that will certainly expand is teaching; another is learning—teaching and learning how to live.

The problems of adjustment will be formidable, and the methods for achieving it will need not only hard thinking but time to work out. Meanwhile, we may be driven to providing everyone, even if they have no job in the customary sense, with a really adequate income to tide them over the period of adjustment.

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In regions of dense population and rapid industrial growth, science and technology are producing an alarming increase in pollution and ecological degradation. The volume of solid matter discharged annually into the world's waters amounts to over 65 cubic miles—equivalent to a mountain with 20,000-foot vertical sides and a flat top of over 16 square miles. This includes so much sewage that bathing in many lakes including even the Lake of Geneva, and on numerous sea beaches has become either disgusting, dangerous to heal, or both. Our vaunted Affluent Society is rapidly turning into an Effluent Society. Meanwhile, rubbish dumps and used automobiles are polluting the land, automobile exhausts, domestic smoke and industrial fumes are polluting the air, and pesticides and herbicides are killing off our birds, our wild flowers and our butterflies. The net result is that nature is being wounded, man's environment desecrated, and the world's resources of enjoyment and interest demolished or destroyed.

Here is an obvious case where quality of life and living must take precedence over quantity of production and profit. Compulsory measures against pollution, whatever they may cost, are as necessary as are compulsory vaccination or compulsory quarantine against disease. Meanwhile, science can be set to find better methods of pest control, and technology put to work to reduce effluents, to render them innocuous (or even beneficial, as are some forms of sewage treatment) and to recover any valuable components for future use. Both science and technology must also be called in to reduce the really shocking gap in standards of living and quality of existence between rich and poor countries. If this goes on widening, it will split the world economically into two hostile halves. It will inevitably stir up "envy, hatred, malice, and all uncharitableness," as The Litany puts it, in the poor countries, all too probably combined with racial animosity and with a threat of violence lurking under the surface.

It is all too clear that our present methods of aid and assistance are pitifully inadequate to reduce the gap to below the danger point, let alone close it. To take a single example: The losses inflicted on the countries of Latin America by the falling prices of their primary export products during the Fifties were greater than all the aid they received in the same period. During the present so-called Development Decade, they may well become less instead of more developed.

We have to rethink the whole system. The very idea of aid and assistance, with its implications of charity, of a man satisfying his conscience by giving a beggar half a dollar, must be dropped; for it we must substitute the idea of cooperation in world development, with rich and poor in active though complementary partnership.

This will involve large changes, both in attitude and in practice. First, we must take into account the raw fact that an underdeveloped country cannot be industrialized if its rate of population increase is too high: Too much of the capital and skills required is used up in feeding, housing, educating and generally taking care of the excess crop of human infants; it goes down the drain—the baby drain. Thus expert inquiry has made it clear that unless the Indian birthrate is halved within a generation, it will be impossible for India to break through to modernized economy. Accordingly, all plans for aid must take account of what may be called the recipient country's demographic credit worthiness; if this is too low, some of the aid must go to help the country control its rate of increase, by providing contraceptives and training personnel in their use, and by sending expert advisors.

Secondly, we must somehow transform our international economic system—trade and barter, loans and grants and technical assistance—from the outdated shackles of "free" enterprise and competitive profitability. It is not for a noneconomist to suggest remedies, beyond obvious ones like making loan terms as easy as possible and stabilizing commodity prices. But clearly the job is urgent, and demands a high degree of economic and political statesmanship, in nations, foundations and international bodies.

Both science and automation link up with education. Dorothy Parker once acidly remarked that education consisted in casting sham pearls before real swine. Omitting all questions of the swinishness of its recipients or victims, we must admit that many of its pearls *are* false, flawed or misshapen and, to change the metaphor, that it often involves the forcible feeding of its pupils on unsuitable, unhealthy or even poisonous diets. Just as education in Hitler's Germany was based on stuffing children's brains with National Socialist dogma and anti-Jewish indoctrination, in many Roman Catholic countries, it is based on Catholic dogma and anti-Communist and antihumanist indoctrination; and in China, the U.S.S.R. and its satellites, it is based on Communist dogma and anticapitalist and antireligious indoctrination. Meanwhile, educational systems in the Western world, and I regret to say in India and most emergent nations in Africa and Southeast Asia, are suffering from the complaint that has been called *examinotosis*—cramming pupils with facts and ideas that are to be regurgitated at appropriate intervals, in subjects that can be marked or graded by the examination process, with the ultimate idea of awarding certificates, diplomas and degrees that will help the examinees in obtaining jobs.

In addition, the world's poor countries suffer grievously from undereducation at all levels. One result of this is that adult illiteracy is actually increasing. A Unesco survey has shown that between 1952 and 1962, 35,000,000 adults were added to the over one billion of the world's illiterates, and the figure is growing yearly. In many countries, only 25, 15, or even 10 percent of the male population is literate, and the illiteracy of women is considerably higher. Meanwhile, surveys have demonstrated that literacy is an indispensable basis for vigorous national life in the world of today, and that 40 percent literacy is the minimum needed for achieving appreciable economic, technological or cultural success. The Shah of Iran has suggested that all nations should contribute one percent of their annual military budgets to a world campaign against illiteracy, and there are numerous other projects for promoting literacy.

Many efforts are also being made to free the examination-ridden educational systems of developed countries from their restrictive practices and liberate them for their true goals—of transmitting human culture in all

its aspects and enabling the new generation to lead fuller and more rewarding lives.

The first thing is to reform the curriculum so that, instead of separate "subjects" to be "taken" piecemeal, growing minds are offered a nutritious core of human knowledge, ideas, techniques and achievements, covering science and history as well as the arts and manual skills. The key subject must be ecology, both biological and human—the science of balanced interaction between organisms and their environment (which of course includes other organisms)—together with its practical applications in the conservation of the world's resources, animal, vegetable and mineral, and human. Education must prepare growing human beings for the future, not only their own future but that of their children, their nation and their planet. For this, it must aim at varied excellence (including the training of professional cities and at the fullest realization of human possibilities.

This links up with the rethinking of religion—a vital task, but one I can only touch on in summary fashion. It is clear that the era of mutually exclusive and dogmatic religions, each claiming to be the sole repository of absolute and eternal truth, is rapidly ending. If mankind is to evolve as a whole, it must have a single set of beliefs in common; and if it is to progress, these beliefs must not be self-limiting but open-ended, not rigid barriers but flexible guidelines channeling men in the general direction of improvement and perfection. Already an effort is being made to find common ground between the world's various religions and churches, and we can be sure that necessity will drive them further in this direction. But this is not enough. In the light of our new and comprehensive vision, we must redefine religion itself. Religions are not necessarily concerned with the worship of a supernatural God or gods, or even with the supernatural at all; they are not mere superstition nor just self-seeking organizations exploiting the public's superstitions and its belief in the magical powers of priests and witch doctors.

The ultimate task will be to melt down the gods, and magic, and all supernatural entities, into their elements of transcendence and sacred power; and then, with the aid of our new knowledge, build up these raw materials into a new religious system that will help man to achieve the destiny that our new evolutionary vision has revealed. Meanwhile, we must encourage all constructive attempts at reformulating and rebuilding religion. My personal favorite is Evolutionary Humanism, but there are many others tending in the same general direction, like Yoga and Zen, ethical and meditative systems, and the cults of release through psychedelic drugs or bodily rituals.

How does this all add up? It adds up to a meaningful whole, something greater than the sum of its parts. We need no longer be afflicted with a sense of our own insignificance and helplessness, or of the world's nonsignificance and meaninglessness. A purpose has been revealed to us—to steer the evolution of our planet toward improvement; and an encouragement has been given us, in the knowledge that steady evolutionary improvement has actually occurred in the past, and the assurance that it can continue into the future.

It is especially encouraging to know that biological improvement has been born of struggle, and that conflict has often been disinfected of open violence and sometimes even converted into cooperative bonding; and it is especially significant that the most vital of all improvements has been the improvement of mind—awareness, knowledge and understanding—coupled with ability to learn and profit from experience. What is more, improvements in the human lot, in man's ways of coping with the problems of existence, have always depended on improvements in his awareness, knowledge and understanding; and today the explosive increase of knowledge has given us a wholly new understanding of our role in the universe and wholly new hopes of human improvement. We are still imprisoned in a mental cage, whose walls are made of the forces of nature as we have experienced them, whose bars are the constructions of our own primitive thinking—about destiny and salvation, enjoyment and ethics, guilt and propitiation, peace and war.

Today the individual man or woman need not feel himself a meaningless insect in the vast spaces of the cosmos, nor an insignificant cog in a huge, impersonal social machine. For one thing, the individual human is the highest and most wonderful organization we know of. In developing his own personality, he is making his own unique contribution to the evolution of the universe.

Secondly, he is a unit of mankind; and mankind is the highest type in the solar system, the only organism we know of in whom mind has broken through to dominate existence. Mankind is not only a product of past evolution but an active agent in its future course: The human individual can help mankind shoulder this responsibility.

Our first objective is to clarify the new vision of our evolution. The next is to define the tasks required to carry out our responsibilities. Our over-all aim is improvement. Our immediate tasks are to achieve the peaceful unity and cooperative development of mankind, to encourage varied excellence and greater achievement, to think in terms of ecology and to practice conservation, and to build a fulfillment society underpinned by some new system of beliefs. The final aim will be the eugenic transformation of man's genetic nature, coupled with the cultural transformation of his social environment. Meanwhile, all can help in understanding and spreading the new revelation of human destiny.

THE DOUBLE CRISIS

(By Aldous Huxley)

1. THE PROBLEM STATED

The human race is passing through a time of crisis, and that crisis exists, so to speak, on two levels—an upper level of political and economic crisis and a lower-level crisis in population and world resources. That which is discussed at international conferences and in the newspapers is the upper-level crisis—the crisis whose immediate causes are the economic breakdown due to the War and the struggle for power between national groups possessing, or about to possess, the means of mass extermination. Of the low-level crisis, the crisis in population and world resources, hardly anything is heard in the Press, on the radio or at the more important international conferences.

Yet the low-level crisis is at least as serious as the crisis in the political and economic field. Moreover, the problems on the upper-level cannot be solved without reference to the problems that are taking shape in the cosmic and biological basement. If it is ignored the low-level crisis is bound to sharpen the crisis on the political and economic levels. At the same time, a concentration of attention and energy on power politics and power economics will make a solution of the low-level problems not merely difficult but impossible. In what follows I propose to discuss certain aspects of the low-level crisis and to point out how the obscure happenings in the basement have affected and are likely to go on affecting the lives of private individuals, the policies of statesmen and the conduct of nations.

It has been fashionable for some time past to talk about "poverty in the midst of plenty." The phrase implies that the planet possesses abundant resources to feed, clothe, house and provide amenities for its existing population and for any immediately foreseeable increase in that population, and that the present miseries of the human race are due entirely to faulty methods of production and, above all, of distribution. Given currency reform, socialism, communism, unrestricted capitalism, distributism, or whatever the favourite remedy may be, humanity, like the prince and princess in the fairy stories, will be able to live happily ever after. Want and hunger will be transformed into abundance and the whole earth will become one vast Land of Cockayne.

Such are the miracles to be achieved by political and economic planning. But when we pass from these high-level considerations to a study of what is going on at the biological and ecological levels, our optimism is apt to seem a little premature, to say the least of it. Instead of poverty in the midst of plenty, we then find that there is poverty in the midst of poverty. World resources are inadequate to world population. At the present time our planet supports a little less than two and a quarter thousand millions of human beings, and the area of food-producing land is in the neighbourhood of four thousand million acres. It has been calculated that two and a half acres of land are needed to provide a human being with a diet which nutritionists would regard as adequate. (This may be an idealistic estimate, but I shall take it as the basis of what I have to say.)

More and more people

Thus, even if all the available productive land were good—and much of it is of very poor quality—the existing population could not be assured of an adequate diet. Actually, in order to bring all the people in the world who are at a very low nutritional level up to even an adequate standard within the next 25 years the pre-war food supply would have to be doubled. But this cannot be accomplished overnight. In the words of Dr. Thomas Parran, the former U.S. Surgeon-General, "the greatest possible increase in food production will not for decades be enough to meet the minimum adequate diet." And world population will continue to rise. It is rising at the rate of about two hundred million every ten years.

Moreover, while population goes up, the fertility of the soil declines, "Modern man," writes Ward Shepard in his recently published book, *Food or Famine*, "has perfected two devices, either of which could annihilate civilization. One is atomic war, the other is world soil-erosion. Of the two, soil-erosion is the more insidiously destructive. War disrupts or destroys the social environment, which is the matrix of civilization. Soil-erosion destroys the natural environment, which is its foundation." In other words, atomic warfare can destroy one particular civilization; soil-erosion can put an end to the very possibility of any civilization.

Favourable weather has prevailed in North America for the last ten years and, in consequence, we hear much less of erosion than was heard during that succession of dry seasons which called the Dust Bowl into existence. Nevertheless, in spite of considerable improvement in agricultural practices, soil-erosion still goes on and is likely, as soon as the North American continent's weather takes another turn for the worse, to assume the same disastrous proportions as it did in the thirties.

Already enormous areas have been partially or completely sterilized, and millions of acres more are destined to suffer the same fate. But within the next twenty-five years the population of the United States will rise (if nothing untoward happens in the interval) by about thirty millions. There will be more mouths to feed from a diminishing area of productive land.

What is happening in North America is

happening also in other parts of the world. Erosion is rampant all over Africa, where a rapidly increasing native population clings tenaciously to its old habit of measuring social status in terms of cattle. There are more people, therefore more cows, therefore more over-grazing, therefore more erosion. In Asia, too, the same irreparable damage is being done to the very foundations of any possible civilization. Human poverty exists in the midst of a steadily increasing natural poverty.

Sound practices have combined with a climate that is without extremes to provide Western Europe with a tolerably stable agriculture. Its farmers produce good crops without, in the process, destroying the soil. But however good these crops may be, they are insufficient to provide the present population of Western Europe with even its minimum food requirements. In relation to the local food-supply Western Europe is over-populated. Since 1800 Western Europe has trebled its population. This increase was made possible by the exploitation of the empty and agriculturally virgin territories of the New World.

Today the New World has a large and rapidly increasing population of its own, and its soil, after more than a century of abuse is losing its fertility. There is still a very large exportable surplus of food; but as numbers go up, and fertility goes down, there will be less and less to spare for the hungry in other parts of the world. Moreover, the manufactured articles which Western Europe exchanged for food and raw materials have tended to become less acceptable in proportion as the nations of the New World have developed their own industries. Europe will find it more and more difficult to pay for supplies which, as the population pressure on the New World's eroded soil increases, are bound to diminish. And this will happen at a time when a newly industrialized Asia will be in a position to compete for whatever surpluses of food the New World can still make available to the Old.

Food is a renewable commodity. If the soil is not abused, this year's harvest will be succeeded by next year's. But the vein of tin or copper which produced this year's output of ore will not be renewed in years to come. When the lode has been worked out the miner must move on to another deposit of the mineral. And if he can find no other deposits—well, that is just too bad. Industrialism is the systematic exploitation of wasting assets. The thing we call progress is, in many cases, simply acceleration in the rate of that exploitation. And such prosperity as we have known up to the present is the consequence of rapidly spending the planet's irreplaceable capital.

How long can the accelerating dissipation of capital go on? How long will the wasting assets of the world be exhausted? All we know for certain is that the supplies of many hitherto essential commodities are limited and that, in many places, very rich and easily available deposits of those commodities have been, or are in process of being, worked out. Thus, in the United States high-grade iron ore is running low; so are zinc, copper, lead; so is petroleum. And this is happening at a time when a rising population is calling for ever-increasing quantities of consumer goods—in other words, is making ever heavier demands on the limited reserves of our planetary capital.

Further complications

Up to this point I have dealt with world population as a single undifferentiated whole. The problem thus posed is that of increasing pressure upon diminishing resources. But this basic problem of our time is deepened and complicated by the fact that rates of increase are not uniform throughout the world's population. Different birth-rates as between the various people of the earth, and as between classes within a people, are rapidly engendering a host of new problems.

In Western Europe and North America the overall birth-rate has sharply declined in the course of the last fifty or sixty years. Because of the lowered death-rate and the relatively large numbers of persons within the reproductive age-groups, this decline in the birth-rate has not yet manifested itself in a net decline of population. But the onset of such a decline is close at hand. For example, by 1970 the population of France and Great Britain will have declined by about 4 millions apiece, and the number of persons over sixty-five will be approximately equal to the number of those under fifteen. Similar declines are due, at a slightly later date, in the other countries of Western Europe and in the New World (except South America). Meanwhile, in spite of much higher death-rates, the population of Eastern Europe and of Asia is destined to go on increasing. By the end of the present century Asia alone will have a population of about two thousand millions. And in 1979 when Western Europe will have some nine million fewer inhabitants than it possesses today, Russia wil have gained upwards of seventy-five millions.

In the preceding paragraphs I have indicated, in baldest outline, the nature of the lower-level crisis through which humanity is now passing—a crisis which, so far as we can see, will grow more acute with every year that passes. We have now to consider how these untoward events on the biological level have affected, and are likely in the future to affect, behaviour on the levels of international and domestic politics and how the more dangerous symptoms might be palliated during the long period required for removing the underlying causes.

2. FOOD, PEOPLE, AND POLITICS

An unfavorable relationship between population and natural resources create a permanent menace to peace and permanent menace to political and personal liberty. In our days, whether there is a threat to peace depends upon whether such an overpopulated country possesses an industrial plant capable of producing armaments. There can be no aggression without the means to aggression. Lacking these means, the people of an over-populated country are confronted with only two alternatives. They can either stop breeding and so reduce the population; or else they can go on breeding until famine, disease, political unrest and civil war combine to raise the death-rate to the point where a decreased population can re-establish a favorable relationship with natural resources. But some over-populated countries are also industrialized; and for these, there is a third alternative: to enslave or exterminate their neighbors, and so acquire more land, food, raw materials and markets.

Remembering that "God is on the side of the big battalions," the military leaders of industrialized countries with high birth-rates will feel confident of winning any war they care to wage against the countries with low brith-rates. And, remembering that David killed Goliath with a stone from his sling, the military leaders of the countries with low birth-rates will come to believe that their only chance of survival consists in using, before it is too late, their technical superiority in atomic and biological weapons, in order to off-set the effect of the big battalions. So long as it remains axiomatic that nations exist for the purpose of damaging or destroying one another, the unequal increase of world population is no less dangerous, politically speaking, than the over-all increase of population pressure on resources.

The world's underlying population crisis can only be relieved through the adoption, by all the nations, of a world policy, aiming at the stabilization of population at a figure at which the relationship between numbers and resources, between numbers and the amenities of life, shall be most favourable. As things are at present no political foresight is possible, since the rapid changes in the absolute and relative numbers of human beings create a constantly varying social, economic and political environment. A rational control of human destiny depends on the existence of a stable world population with a low death-rate. It doesn't make sense to talk about Human Dignity and the Four Freedoms in relation to some Far Eastern countries where, say, almost half of the inhabitants die before they are ten years old; where two-thirds die before they are thirty; and where, none the less, the total population rises by tens of millions every decade. The "giant misery of the world" cannot be mitigated by inspirational twaddle, but only by an intelligent attack upon the causes of the misery.

It is, of course, a great deal easier to talk about a world population policy than it is to get such a policy accepted by the various national governments; and it will be easier to get the policy accepted than to get it implemented. Moreover, even if it should, by some miracle, come to be accepted and implemented immediately, the beneficent results could not, in the nature of things, be apparent for several generations. Let us elaborate a little on this depressing theme.

So long as idolatrous nationalism remains the effective religion of mankind, and so long as it is taken for granted that war is right, proper and inevitable, no government of a country with a high birth-rate will pledge itself to the reduction of that rate; and no government of a country with a low birth-rate will forgo in advance the privilege of trying to increase that rate with a view to increasing the size of its armed forces.

Assuming now, for the sake of argument, that in spite of nationalism and militarism a world population policy should be agreed upon, how easy would it be to get that policy implemented? The answer is that in the countries where its immediate implementation would be most desirable it would be exceedingly difficult, indeed, almost impossible, to do so. For a variety of reasons, material and psychological, birth control is not practised by persons whose standard of living falls below a certain level, and this level, for the great majority of Asiatics and even of Eastern Europeans, is unattainably high. To obtain any conscious or deliberate reduction of the high birth-rates prevailing in the East would be a task requiring many years of education and technological advance.

Finally, even if a substantial cut in the present high birth-rates of the world were to take place tomorrow, the number of persons in the reproductive age-groups is at present so large that, despite the reduced birth-rate, overall population would continue to increase until at least the end of the present century. In the most favourable circumstances we can reasonably imagine, world population is bound to rise to at least 3,000 millions before it starts to decline. This means that, whatever happens, the next half-century will be a time of the gravest political and economic danger. If a world population policy should be agreed upon and implemented in the near future this danger may be expected to grow less acute after about the year 2000. If no such policy is adopted the crisis is likely, unless something startlingly good or something startlingly bad should happen in the interval, to persist for many years thereafter. The adoption of a population policy is a goal at which we should certainly aim; but while we are waiting for it first to be agreed upon and then to take effect, we must do what we can to minimize the dangers to peace and liberty which are inseparable from over-population.

The problem requires simultaneous attack on several fronts—the ideological front, the organizational front and the scientific-tech-

nological front. On the ideological front the formidable enemy to peace is nationalism; for it is in the context of nationalistic thinking that over-population becomes most dangerous. The depth and sincerity of religious belief are measured by the sacrifices which the believer is prepared to make for it. At the present time there are probably a thousand men and women prepared to undergo martyrdom for the local national idol, to every one who would willingly die for his or her belief in God. Of all the motives for mass action, nationalism is, at present, by far the most potent.

The idea that war between nations is right, proper and inevitable, remains a kind of axiom and, as it were, a necessity of thought. The appalling experiences of the last thirty years have taught collective humanity precisely nothing. The nations of the world continue to think and feel and act in the same old ways—the ways that are positively guaranteed to lead to catastrophe. If social aggregates fail to learn by even the bitterest kind of experience, how is the indispensable lesson to be imparted?

The contribution of science

From the ideological and organizational approach to the problem of war we pass to the scientific and technological. Workers in the fields of pure and applied science are in a position to make two important contributions to the cause of peace. They can refuse to take part in the current preparations for the mass extermination of civilians; and supplementing negative by positive actions, they can work for the palliation of those consequences of over-population, which are among the basic causes of war. Of the first course of action I need say no more than that the question of taking it or not taking it is for the individual to decide. Some scientific workers regard it as a matter of duty to place their knowledge at the service of the State; others regard it as a duty to refuse to participate in research whose avowed purpose is the discovery of improved methods of slaughter. It is a matter of conscience.

In regard to the morality of positive scientific action there can be no difference of opinion; nor, I think, can there be serious disagreement about the basic objectives to be aimed at. The facts are only too obvious. We have, as a species, a rapidly rising population which cannot, under present conditions, be adequately fed. Over large areas of the earth, soil-erosion is gnawing at the foundations of any possible civilization. Moreover, the dominant civilization of our time—Western industrialism—is based upon the ever more efficient exploitation of wasting assets. While waiting for a world population policy to take effect we can and we should use the resources of applied science to increase the food supply to check erosion, to conserve the rapidly disappearing basis of industrial prosperity and, at the same time, to see what can be done to shift our civilization on to a less precarious foundation.

A world food policy?

The world's supply of food can be increased in the following ways: by improving existing methods of production, conservation and distribution; by opening up hitherto unexploited areas of land and sea; and by developing techniques for transforming easily available materials into nourishment, either directly for man or indirectly for his domesticated animals, insects and fungi.

The Food and Agriculture Organization of the United Nations exists for the purpose of considering, and making recommendations about these ways of increasing the world's food supply. The Organization possesses no authority, and one of its most ambitious schemes—the Orr Plan for a World Food Board empowered to buy and distribute surpluses, to stabilize prices and preserve an "ever-normal granary"—has been rejected by a majority of the governments concerned. But there are other ways of getting results; the delegates to the F.A.O. are extremely competent, and we can certainly count on them, in the years ahead, to do as good a job as the various national governments to which they are responsible will permit.

We come now to the second method of increasing the food supply. When one looks at the map of the world on page 8, shaded according to the density of population, one sees that large areas are almost uninhabited. Most are uninhabited because, under present conditions, they are uninhabitable. In some places the expenditure of more or less considerable quantities of human labour and capital might change the conditions and make the land productive. As world population rises, and the demand for food yet further outstrips the supply, it will become increasingly worth while to spend time, work and money on tasks which, in present circumstances, are economically unjustifiable. And if atomic power can be harnessed without too much danger, and made available at a very cheap rate, many projects at present quite unjustifiable would become matters of practical policy. Meanwhile, it has been reported that the Russians have succeeded in thawing out the Siberian tundra and converting it into fields of rye and wheat. Much hitherto barren land in sub-Arctic Asia and America might become productive if this can be done.

Any increase in the world's total food supply is desirable. But it should always be remembered that, from a political point of view, the most desirable kind of increase is one which does not involve a natural monopoly by any one nation. The ideal to be aimed at is a method for increasing the food supply that shall be equally available to all nations, regardless of their size, population density and geographical position. A step in this direction would be taken if new methods could be devised for getting a greater amount of food from the sea. At the present time most of the seas in the immediate neighbourhood of densely populated areas are being overfished. More effort has to be put forth to obtain a smaller catch—and this at a time when the rising population demands more food. It has been found, however, that in landlocked bays and inlets the supply of fish can be increased by dropping suitable fertilizers into the water. The overgrazing and consequent erosion of pasture lands will soon compel us to turn more and more to the seas as our prime source of animal protein. The sooner we set about discovering the basic laws of marine stock-raising the better.

Some countries are far from the sea and some seas are by nature less productive than others. Even in salt water there is a natural monopoly. To break the politically dangerous monopolies in fertile territories and in access to the sea, chemists and biologists should be enlisted to collaborate on a series of Manhattan Projects,[1] not of destruction but of creation. Thus, the Germans are said to have used a method of converting organic waste products, such as sawdust, into a sugar solution for the culture of edible yeasts. Such a technique, if suitably developed, might provide much-needed proteins for those millions who, at present, have to subsist on an unbalanced diet of cereals. And the goal of another of these projects would be the synthesis of chlorophyll, the substance which permits the growing plant to use the sun's energy to convert air and water into carbohydrates.

Up to the present the rulers of the world have been ready to lavish time, energy, money and brains upon the development of atomic and biological weapons; it seems hardly even to have occurred to them that it might be a good thing to use the resources of applied science for the relief of the world's hunger and the removal of one of the principal causes of war.

Natural monopolies in raw materials are even more politically dangerous than natural monopolies in food. When located in the territory of a strong nation deposits of minerals necessary to industry are a standing temptation to the abuse of military and economic power; when located in that of a weak nation they are a standing temptation to aggression from abroad. Research should be deliberately organized for the purpose of discovering universally available substitutes for these relatively rare and most unevenly distributed minerals. If successful, such research would have two beneficial results; it would break the natural monopolies which are so politically dangerous; and it would help our industrial civilization to shift from its precarious basis in the exploitation of rapidly wasting assets to a more secure, a more nearly permanent foundation.

3. THE THREAT TO WORLD PEACE

We now come to the problem of atomic energy. Though we would like to assume (and it would be a pretty large assumption) that henceforward atomic energy will be used exclusively to provide power for peacetime industry and agriculture, all the time the temptation to use the new source of energy for political purposes, in war or evolution, would beckon every ambitious adventurer, every fanatic and idealist. "Lead us not," we pray, "into temptation"—for the good reason that, whenever temptation is strong enough and persistent enough, we almost invariably succumb to it.

Industrial civilization is based upon the exploitation of wasting assets by means of manpower and the power generated by coal, oil, gas and falling water. If successfully harnessed, atomic energy will increase the available power to an enormous event. From this two results may be anticipated, one unfavourable, the other favourable. To begin with, we may expect that increased power will lead to the more effective exploitation and, consequently, to the more rapid exhaustion of the more easily available supplies of such indispensable minerals as iron, tin, copper, zinc and the like. Atomic energy will permit us to enjoy the prosperity of the spendthrift who lives gloriously for a few years on inherited capital. If this were all that could be expected the discovery of atomic energy would be wholly disastrous. But, fortunately, this is not the whole story. Given an indefinite amount of cheap power it will become economically possible to exploit deposits whose low concentration of desirable minerals renders them, under present conditions, practically worthless.

In other words, the harnessing of atomic power is likely to accelerate the dissipation of what may be called our high-grade capital; but it should postpone the final onset of bankruptcy by making available to industry the low-grade capital which it now costs us too much to spend. In combination with a reasonable population policy, a reasonable policy for the use of atomic energy might permit some better version of our industrial civilization to achieve stability and a certain permanence.

Applied science can indeed be used in the fight for liberty, no less effectively than in the fight for peace. Let us assume, for example, that a means will be discovered for substantially increasing the supply of food. This would have the same kind of result as the discovery of a second New World. It would make life easier for the inhabitants of overcrowded countries and, by doing so, it would remove the necessity for some of the centralized and peremptory social controls which must always be imposed when the pressure of population upon resources becomes excessive.

Meanwhile, every day brings its quota

[1] The U.S. wartime project to develop the atomic bomb, which had top priority.

of some fifty-five thousand new human beings to a planet which, in the same period of time, has lost through erosion almost the same number of acres of productive land and goodness knows how many tons of irreplaceable minerals. Whatever may be happening to the superficial crisis, to the crisis on the political, or industrial or financial levels, that which underlies it persists and deepens. The current almost explosive growth in world population began about, two centuries ago and will continue, in all probability, for at least another hundred years. So far as we know, nothing quite like it has ever happened before. We are faced by a problem which has no earlier precedent. To discover and having discovered, to apply the remedial measures is going to be exceedingly difficult. And the longer we delay the greater the difficulty will be.

[From Fortune magazine, Feb. 1974]

OMINOUS CHANGES IN THE WORLD'S WEATHER

(By Tom Alexander)

For several years now, odd and unpleasant things have been happening to weather around the world. The droughts south of the Sahara, where unknown thousands of persons have died of famine and its associated diseases and millions more have been kept alive only by emergency food shipments, have been well publicized. It is not so well known that the African drought belt is part of a much larger dry-weather pattern extending all the way through the Middle East to India, South Asia, and North China. Drought has struck Central America as well. While these regions were drying up, places as widely scattered as the midwestern U.S., the Philippines, and Italy were submerged in some of their severest floods in centuries. And while low-temperature records were being broken in some northern regions, Siberia for example, others such as European Russia and the northeastern U.S. were enjoying unprecedentedly warm winters.

Not too long ago, if anyone asked whether something was going wrong with the climate, weather scientists answered with a slightly superior, "No." The eminent British meteorologist Hubert Lamb, who heads Europe's only climatic research organization, at the University of East Anglia, says it has always been assumed that climatic change of any significance was something that belonged to the geological past. "It was denied that there was anything other than random fluctuations from year to year or from one little group of years to another." Climatology, the study of long-term weather conditions, was regarded, says Lamb, as "the dullest branch of meteorology."

ARMADILLOS IN RETREAT

In the last decade, however, a number of scientists from several disciplines have concluded that some fairly drastic climate change is going on. Their message is that for nearly half of the current century mankind was apparently blessed with the most benign climate of any period in at least a thousand years. During this kindly era the human population more than doubled. But now there's good reason to believe that the world's climate is reverting rapidly to its less beneficient norm.

The changes, which are charted on the facing page, began with a pronounced warming trend after about 1890. Mean temperatures peaked in 1945 and have been dropping sharply ever since. The total drop since the Forties—about 2.7° F.—hardly seems dramatic, but the effects have been substantial. Icelandic fishing fleets that learned to range northward during the warm period have now had to return to traditional waters to the south. For the first time in this century, ships making for Iceland's ports have found navigation impeded by drifting ice. Since the late Fifties, Iceland's per-acre yield of hay has dropped 25 percent.

In North America, the armadillo extended its range as far north as Nebraska during the warming trend, and now is beating a retreat southward again. In England, the average growing season is two weeks shorter than it was prior to 1950. As Lamb puts it, "Global temperatures since 1945 constitute, we believe, the longest unbroken trend downward in hundreds of years."

GRANDPA WASN'T KIDDING

A fair rule of thumb is that *any* climate change is bad; not only armadillos but man and his institutions are adjusted to precisely the weather that prevails. As for the present cooling trend, a number of leading climatologists have concluded that it is very bad news indeed. They say that it is the root cause of a lot of that unpleasant weather around the world and they warn that it carries the potential for human disasters of unprecedented magnitude. The most telling effect of the falling temperatures is to alter the vast, integrated system of winds that sweep about the planet. And the most grievous result of the new wind pattern has been the blocking of vital monsoon rains upon which large sections of Africa, Asia, and Central America depend. Elsewhere in the world, there seems to be a return to the more extreme and variable weather conditions—including floods, droughts, and great winter blizzards—that were typical of the nineteenth century. "When Grandpa said the weather was different in his day, he wasn't kidding," remarks one climatologist.

Long-range climate forecasting is still pretty much beyond the grip of science, but in recent months highly respected climatologists have been risking their reputations to predict that things will get worse. Japan's Meteorological Agency has warned its government to expect long-term increasing coldness in the north and drought in western Japan.

In the U.S., the most outspoken perceiver of climatological danger signals is Reid Bryson, director of the Institute for Environmental Studies at the University of Wisconsin. "There is very important climate change going on right now," he says. "And it's not merely something of academic interest. It is something that, if it continues, will affect the whole human occupation of the earth—like a billion people starving. The effects are already showing up in rather drastic ways."

"THE MOST ABNORMAL PERIOD"

Bryson draws upon a broad variety of research performed by himself and others, but his conclusions are molded by his own unusual combination of interests. Originally, he wanted to become an archaeologist. During World War II, however, he was trained in meteorology by the Army Air Corps and became persuaded that this field might provide a unique perspective into the study of man. After the war, he received the thirtieth Ph.D. degree in meteorology ever handed out in the U.S. and went on to found the meteorology department at the University of Wisconsin, now the largest in the country. He has spent much of his scientific career in remote parts of the world gathering hints as to what past climates were like and what might have caused them to change. At the same time, his archaeological interest has kept him unusually conscious of the effects of climate upon man—and vice versa.

From this long-range perspective, Bryson finds it wildly inappropriate that it is the modern era, with its beneficent climate, that meteorologists, by international agreement, define as normal. "It's perfectly obvious," Bryson says, "that this has been the most abnormal period in at least a thousand years." He points, for example, to the fact that from 1918 to 1960 India experienced far fewer droughts than would have been expected from the prior record (see the chart at lower left). The comparative absence of famine in this period, he contends, has played a large role, along with improved medical care, in causing the population of such regions as India to more than double in this century.

Bryson believes that the period from about 1890 to 1945 amounted merely to a brief respite from the "little ice age" that has held the world in its grip ever since the sixteenth century.

THE WHITENING OF GREENLAND

Before the little ice age, grapes were widely cultivated in England, and the French complained of English wine makers dumping their wares in European markets. As early as the tenth century, the Vikings had established prosperous colonies in Greenland, having named the island for its verdant pastures. By the early fifteenth century, however, these colonies were wiped out by cold and hunger and now four-fifths of Greenland lies buried under hundreds of feet of ice cap.

From the evidence found in such things as sea-floor sediments, peat bogs, and tree rings, the earth's long-term climatological history has been as full of rallies and plunges as the stock market. Even the little ice age is really only a minor squiggle in such longer-term oscillations between warm periods and true ice ages. In terms of these cycles, there's fair agreement among researchers that the earth is now heading very slowly into another major ice age such as the one that brought the glaciers deep into North America before it retreated some 10,000 years ago.

One of climatology's more surprising recent conclusions, derived from investigations of sea-floor sediments, is that for at least the past 700,000 years, global mean temperatures have been as high as they are now only about 5 percent of the time. Says Cesare Emiliani, who has been plotting the long-term cycles at the University of Miami, "We used to think intervals as warm as the present lasted 100,000 years or so. Instead, they appear to be short, infrequent episodes." Another surprising finding is that sometimes transitions from one major temperature regime to another have taken place with astounding rapidity, often within a century or so.

What makes the temperature fluctuate at all is a matter of intense debate. Many believe that the long-term cycles have astronomical causes. The earth has a slightly elliptical orbit that brings it closer to the sun at certain times of the year than at others. In addition, the axis upon which the earth spins is tilted. Finally, the earth wobbles slightly upon this axis, like a top. The combination of all these circumstances can, for example, lead to a series of very cool summers during which an unusual proportion of each winter's snow fails to melt in the northern latitudes.

It is known that the world's climate is a delicated balanced system, full of sensitive feedback mechanisms that serve either to amplify or to counter changes that occur. It is also known that the climate depends primarily upon the amount of solar radiation that gets absorbed by the earth and atmosphere. This is determined by the planet's overall "albedo," the measure of its reflectivity. The greater the albedo, the colder the earth. Since white things are highly reflective, clouds are major contributors to the albedo, as are snow and ice.

VOLCANOES THAT DIMMED THE SUN

Clouds can serve to moderate whatever climate trend is under way: if the earth's surface temperature climbs for whatever reason, more water evaporates and may rise to form more cloud cover. This increases the albedo and lowers the rate of heating. Ice and snow, on the other hand, provide positive feedback: if the average year-round temperature decreases, the extent of ice and snow coverage increases and reflects more of the incoming sunlight back to space. The result is to lower the rate of heating still

more, particularly in the regions closest to the poles.

There's yet another contributor to the planet's albedo—airborne particles, particularly the extremely fine dust particles that have been carried too high in the atmospehre to be washed out by precipitation. Many of these particles remain aloft for months or years. It's Reid Bryson's thesis that dust of various kinds initiates short-term cooling trends with characteristic time spans of decades or centuries.

Past cool epochs, he believes, were triggered by increases in volcanic eruptions, which spewed huge quantities of dust into the stratosphere. Historical writings are full of accounts of the dimming of sunlight and the brilliant sunsets that prevailed throughout the world for several years after major eruptions. Scientists who have drilled through many layers of the Greenland and Antarctic ice sheets report evidence of lower temperatures in the same layers in which a lot of volcanic dust is deposited. And most climatologists agree that a diminution of the sunlight as small as 1 percent would suffice to initiate a cool period and perhaps even major glaciation.

During the early parts of the century, when the climate began warming, volcanoes were unusually quiescent. They've been acting up again since 1955, and monitoring stations in places as scattered as the Caucasus Mountains, Mongolia, and Greenland have recorded measurable increases in dust fall, as well as decreases in the transparency of the atmosphere, and in the amount of direct sunlight reaching the earth.

THE HUMAN IMPACT

Bryson calculates, however, that neither volcanic activity nor the lack of it seems sufficient to account for the temperature ups and downs of this century. He is convinced that man's activities have been playing an increasingly significant part.

In agreement with other climatologists, he believes that a substantial increase in carbon dioxide from the burning of fossil fuels contributed to the earlier warming trend, through what's called the "greenhouse effect." Carbon dioxide happens to be quite transparent to light of short, visible wavelengths, which include most of the energy we receive from the sun. After this light penetrates the atmosphere, however, it is converted into heat by the earth and reradiated at the longer infrared wavelengths. Carbon dioxide molecules are not very transparent to infrared wavelengths, so this energy is trapped and reinforces the solar heating effect.

Bryson contends that sometime after 1930, the cooling effect of more dust in the atmosphere began to overpower the warming effect of carbon dioxide. Part of the dust blanket, no doubt, is due to industrial pollution. But Bryson suspects that windblown dust from mechanized agricultural operations and overgrazed arid land, plus smoke from the primitive slash-and-burn land-clearing methods widely practiced in the tropics, may have contributed even more. While all the man-made particles together are probably still outweighed by contributions from nature—volcanic dust, salt particles from evaporated ocean spray, and organic compounds emitted by vegetation—the human contribution is the only part over which man has any control.

Whatever its source, dust has a more pronounced cooling effect on the polar regions than on the tropics. For one thing, sunlight reaching the poles must travel obliquely through the dust layers, and therefore more of it is reflected. Also, there seems to be much less dust over the equator than in middle and higher latitudes.

NATURE'S EFFORT TO EQUALIZE

What makes this variation important is that the large-scale circulation of the atmosphere is largely induced by the temperature difference between the equator and the poles. The wind system, which is illustrated on pages 92–93, can be viewed as nature's effort to equalize temperatures around the globe.

One mechanism is the heating and ensuing rise of warm, moist air from the equatorial oceans. In rising, the air sheds much of its moisture on equatorial rainy belts and then, like air above a radiator that spreads along the ceiling to the cooler walls, it travels toward either pole. It reaches only about a third of the way to the poles before it descends again to create the high-pressure belts where most of the world's major deserts are found.

Some of the descended air circulates back toward the equator in the form of the trade winds, while the rest continues on toward the poles. As it does so, it still carries with it much of the speed induced by the earth's east-to-west spin. At the equator, this amounts to about 1,100 mph, while precisely at the poles, of course, the rotational speed is zero. So as the air moves poleward, it blows more and more strongly from the west—the prevailing westerlies at lower altitudes and the jet streams on high.

Eventually the poleward-trending air runs into a barrier of sorts in the form of great caps of heavy, cold air extending outward from either pole. Together the westerly winds and the polar air mass make up what meteorologists call the "circumpolar vortex." It resembles a great skirt whirling around the poles. The lower hem of this skirt is full of waves and turbulence, particularly in the Northern Hemisphere, where there are numerous mountain ranges to perturb the flow of the wind.

Waves along the boundary come in several sizes. The very largest—of which there are normally only from two to six stretching end to end around the earth's temperate zones—tend to remain semistationary. Their location is determined partly by terrain and partly by temperature differences between various parts of the earth's surface.

RAIN ON THE PLAINS

The vagaries of the circumpolar vortex account for most of the weather patterns in the temperate zones. The westerly winds, following the wavy profile, serve to bring warm southern air to northern regions or cold northern air southward. The greater the temperature contrast between the equator and the poles, the deeper and more numerous are the waves in the vortex, as though nature were trying harder to equalize the temperatures.

Long-range meteorologist Jerome Namias of the Scripps Institution of Oceanography says that the peculiarly cold winters in the western U.S. and the warmish winters in the East over the last few years are due to a southward projection of one of these waves, which has now situated itself over the central U.S. Cold air flows down its western boundary, and the return flow warms the East.

Such large waves also establish which places get rain and which don't. Several of Bryson's colleagues at Wisconsin, who detect emerging patterns like those that prevailed during the nineteenth century, predict that one consequence will be a return of heavier rainfall in the western plains and Rocky Mountain states. Many of the forty-niners who made the trek to California recounted that a hazard of crossing the plains was losing sight of the main party amid * * * unusually far south. In turn, the great desert-forming belts of descending air have been pushed farther south into heavily populated regions. The outward rush of air from these high-pressure zones has prevented the moisture-laden summer monsoon winds from penetrating into grazing lands that are dry the rest of the year. So the blocked monsoons ended up dropping their precious rainfall into the oceans or into regions that already have too much rain anyway.

IF DESERTS MOVE SOUTH

Winstanley also noted that some areas to the north, on the Mediterranean coast, had been getting unusually heavy rainfall, while farther north still, in the British Isles, for example, rains had been generally scanty in recent years. He concluded that all these weather peculiarities derived from the same general circumstances: namely, the expanding size and the increasing waviness of the circumpolar vortex. If these weather patterns persist, they will shift entire deserts such as the Sahara southward, and all mankind's efforts to halt such climatological encroachment by, for example, planting windbreaks, or irrigation, will be futile.

By now, many experts agree that the circumpolar vortex is behaving in the peculiar way Winstanley described. Reid Bryson ties this behavior mostly to the global cooling trend and the widening temperature gap between the poles and the equator. In effect, the circumpolar vortex is acting a little as though it were winter all year round, refusing to contract poleward and smooth itself out.

Even though man's increasing production of carbon dioxide has helped to moderate the cooling trend and should continue to do so, Bryson contends that the greenhouse effect may actually be contributing to the troubles in the monsoon belt. Carbon dioxide in the atmosphere warms the earth's surface more than it does the upper air. The effect of a greater ground-to-air temperature differential is to increase the force of the upward movement of air at the equator and therefore the downward rush of air over the deserts.

Some climatologists remain unconvinced by Bryson's theories about the cause of the present cooling trend and the likelihood of its persistence. One of the most prominent of them is J. Murray Mitchell Jr., of the National Oceanic and Atmospheric Administration, who says, "I'm an agnostic. We observe these trends in the Northern Hemisphere, and we've seen they're real. But we can't find the central tendency of the trends or know how long they will last." Mitchell emphasizes that it's impossible to predict volcanic activity, and that climatic change appears to be a random matter. He suspects, though, that the present cooling trend will reverse itself for natural reasons, aided, perhaps, by the greenhouse effect. This would ease the blockage of the monsoons.

Other doubters include astronomer Walter Orr Roberts and M.I.T. meteorologist Hurd Willett, who suspect that climatic change is influenced by variations in the sun itself. They are among a number of meteorologists who have long puzzled over an apparent—though disputed—relationship between weather patterns and the eleven-year sunspot cycle. So far, though, no one has much in the way of an acceptable theory as to just how sunspots, which seem to cause only very small changes in solar energy, could exert any observable effect upon the climate.

BAD ODDS FOR OPTIMISTS

Others emphasize that climatological theory as a whole is still far too primitive to predict what the future holds. One of these is Stephen Schneider, who is attempting to construct a mathematical model of climatological change at the National Center for Atmospheric research in Boulder, Colorado. Schneider believes that there's just as much in the way of physical evidence favoring a future warming trend as there is for continued cooling. Nevertheless, Schneider acknowledges that past experience can at least help to educate guesses about what the future holds: "If you were a gambler looking over the record and saw a temperature peak such as the one we've just been through, you wouldn't gamble that we're going to go back

to *that* again. So Bryson has got his fingers on what is potentially a very serious problem."

A surprising number of respected figures in the field are willing to go along with Bryson's grim scenario—or at least regard it as a plausible outcome, based on present knowledge. Britain's Hubert Lamb, together with colleagues, is completing a study of last year's drought conditions in Africa, Trinidad, and the northern part of South America. Like Bryson and Winstanley, Lamb's group is coming to conclude that the droughts are associated with the cooling trend and particularly with the cooling of the Arctic. "Bryson and I have got an almost identical view of this," says Lamb, "but one must remember that there are quite important fluctuations in a rather short time scale going on all the time, superimposed on this long-term trend, so to speak. Probably 1973 was a particularly bad year."

BANKING FOOD FOR EMERGENCIES

A fervent convert to Bryson's position is Kenneth Hare, of the University of Toronto, former president of Britain's Royal Meteorological Society, and now director general of research on the environment for the Canadian government. "Bryson is the most important figure in climatology today," Hare declares. "I'm naturally a lot more conservative than he is, but I take what he says very seriously indeed." Hare is interested in persuading governments to establish food banks to meet the climatic emergencies that he thinks may come to pass. "I don't believe the world's present population is sustainable if there were more than three years like 1972 in a row," he says.

No one has much idea as to how long the new climatic regime will last or how far it will proceed. At best, though, there's considerable inertia in the climate-generating system in the form of vast depths of ocean water that, once cooled, would take decades, at least, to warm back up again. Lamb's investigations reveal that past cool periods usually lasted for about a century, the minimum being about forty years.

Bryson believes that monsoons will probably not return regularly to regions such as northern India during the remainder of this century. If he is correct, there would seem to be scant prospect that even the present populations of the monsoon belts can be maintained, even if all the arable land in the rest of the world were placed in full production of this purpose.

WHY EMPIRES FELL

Recently, some archaeologists and historians have been revising old theories about the fall of numerous elaborate and powerful civilizations of the past, such as the Indus, the Hittite, the Mycenaean, and the Mali empire in Africa. There is considerable evidence that they may have been undone not by barbarian invaders but by climatic change. Bryn Mawr archaeologist Rhys Carpenter has tied several of these declines to specific global cool periods, major and minor, that affected the global atmospheric circulation and brought wave upon wave of drought to formerly rich agricultural lands.

Refugees from those collapsing civilizations were often able to migrate to better lands. And Bryson speculates that a new rainfall pattern might actually revive agriculture in some once-flourishing regions such as the northern Sahara and the Iranian plateau where Darius's armies fed. But this will be of little comfort to people afflicted by the southward encroachment of the Sahara. The world is too densely inhabited and politically divided now to accommodate mass migrations.

McQuigg at Missouri and several researchers in a food-climate research project under way at Wisconsin's Institute for Environmental Studies are also concerned about the impact of climate change upon the highly specialized crop strains developed in the vaunted green revolution. They suspect that the price that has been paid for the high productivity may be lack of adaptability. The grains have been optimized for the narrow spectrum of temperature and rainfall that has prevailed in recent decades. There's reason to assume, say these researchers, that even though the older strains yield less under optimum conditions, they are more tolerant and likely to yield more under the multiple stresses of climatic change.

Climatologists worry, too, that powerful nations may try to overrule nature through ill-considered engineering projects. In the U.S.S.R., for example, a third of the grain crop comes from the drought-prone virgin lands of Siberia, and there has been talk of diverting some of the great Siberian rivers into vast irrigation projects. These rivers empty into the Arctic Ocean, where the light, fresh water spreads out atop the salt water and permits the arctic seas to freeze over. According to some experiments by a Russian scientist, O. A. Drozdov, and by British meteorologist R. L. Newson, who constructed a mathematical model of winds in the Northern Hemisphere, the paradoxical consequence of preventing the freezing of the Arctic Ocean is likely to be that winters would become colder and drier over many continental areas in middle latitudes. Even some prominent Soviet meteorologists have spoken out against the proposal. But if disastrous, prolonged droughts were to overtake the Siberian wheatlands, Soviet authorities might conclude that there is little to lose in going ahead with the projects.

PLENTY OF MARGIN FOR ERROR

From the anthill perspective of a human lifetime, it is easy to perceive the sand-grain texture of weather but hard to comprehend the rolling topography of climate. Perhaps the most crucial insight to be gained from what the climatologists are learning is not some exact forecast of future climate, but rather that climate is, for calculational purposes, not a constant factor. Rather, it appears to be a wildly fluctuating variable—and a more important problem than others that we know a lot more about. In writing the equations for mankind's survival, we'd better allow plenty of margin for error.

[From the Business Week, Mar. 9, 1974]

REGULATORS: WRINGING DATA OUT OF BUSINESS

Confusion over the energy crisis and the course of the economy in 1974 has ignited a movement to reform the government's data gathering procedures. The aim is to compel business generally—not just oil companies—to give Washington more timely and extensive information on prices, inventories, and production—data that companies now provide largely on a voluntary basis.

What bothers lawmakers and Administration officials is that much of the information the government gets is almost useless. Says Cost of Living Council Director John T. Dunlop: "Most government statistics are great for professors to analyze after the fact but are of little value in making operating decisions. Business learned long ago that it needed a continuous flow of information to make decisions, and government needs the same capability."

Three proposals for reforming statistical reporting have been getting the most attention:

Julius Shiskin, commissioner of the Bureau of Labor Statistics, recently told the Joint Economic Committee that reporting for as many as 10 BLS surveys on prices, wages, and employment should be made mandatory.

Senator Gaylord Nelson (D-Wis.) plans to introduce a natural resources information bill that would establish an agency similar to the Census Bureau to centralize and expand federal data collection for all industrial and agricultural commodities.

Dunlop asked Congress to give the CLC continuing authority to require reports from industry on prices, wages, imports, and exports after the Economic Stabilization Act expires Apr. 30.

The central theme of almost all reform proposals is to make reporting by companies mandatory. At present, almost all quarterly and monthly surveys by nonregulatory government agencies are voluntary. Only some annual surveys, such as those made by the Census Bureau, are required. Thus, the government must rely on the cooperation of companies and households for information in such critical areas as prices, wages, and employment. Says Shiskin: "Cooperation from companies and households is quite good in some areas, but in others it is spotty."

Nelson's sweeping bill is intended to help fill the many information gaps that have led to recent inaccurate forecasts of commodity supplies, especially by the Agriculture Dept. The legislation would set up a monitoring system for all agricultural and industrial commodities that would gather information on prices, reserves, inventories, and production. The new agency would have authority to make reports mandatory and would issue regular reports and forecasts on commodities. "The problem is that information on critical materials is scattered all over the government, and there are gaping holes in the coverage because of inadequate reporting," explains Paula Stern, a legislative aide to Nelson.

GETTING THE DATA

The Administration itself has moved to improve the government's economic data gathering. It is asking Congress to increase spending on statistical programs by 16% to $220 million in fiscal 1975. The money will be spent to develop a general wage index, to revise the consumer price index, to reweigh the wholesale price and industry sector price indexes, to study the timing and impact of government fiscal actions, and to initiate an annual survey of productive capacity.

Says Gary L. Seevers, a member of the Council of Economic Advisers and chairman of an interagency committee on economic statistics. "In my assessment, we are not overinvesting in economic information. In fact, we may well be underinvesting." He points out that the quality of economic statistics is not as high as it should be in some cases. "The CPI is based on a 1961–62 survey of consumer spending patterns," he says. "I think there is a need for an annual review of the CPI."

Proposals for improving government economic statistics are receiving a welcome on Capitol Hill because of the concern and admitted confusion over where the economy is headed. Says Representative Henry S. Reuss (D-Wis.): "There is more interest now in changing the government's data gathering because the problems with the economy have shown how fragile our statistical base is." He believes that Shiskin's proposal for mandatory reporting could help improve policymaking.

PRIVATE OR PUBLIC

Efforts to make reporting mandatory are certain to cause controversy because of a natural corporate reluctance to reveal sensitive information. Says Wayne H. Smithy, director of national affairs for Ford Motor Co.: "Before the government requests mandatory reporting authority, it should demonstrate a clear need for the information, and it should provide protection against duplication of demands from agencies and against public disclosure."

In addition, the companies themselves will have to foot the bill to provide more data. "If agencies are given mandatory authority, the tendency will be to increase the amount of information requested, and this will increase the cost of answering them," says Smithy.

So far the Administration has asked for mandatory reporting only by the oil industry. Says Roye L. Lowry, an officer with the statistical policy division of the Office of Management & Budget, which must clear department requests for legislation: "So far as I know, no one has proposed initiating legislation to make reporting mandatory, and the OMB has not discussed the subject as policy."

Business fears about protecting the confidentiality of information given to the government were heightened this week when the Temporary Court of Appeals for Economic Stabilization ruled that the CLC must make public data submitted to it by business and labor. Most statisticians in and out of government believe that the only way to assuage business fears is to pass legislation guaranteeing confidentiality.

In addition, most economists and statisticians believe that not enough has been done to analyze systematically the costs and benefits of government information collecting. Explains Kenneth Boulding, an economist at the University of Colorado, "The problem is that it is easy to calculate the costs, but very difficult to identify the benefits."

There is also the larger question of whether more information will result in better policymaking. Says one government economist: "You can have all the data in the world and still fall in a hole."

By Mr. GURNEY:

S. 3210. A bill to amend the Emergency Petroleum Allocation Act. Referred to the Committee on Interior and Insular Affairs.

Mr. GURNEY. Mr. President, today I am introducing a bill which would amend the Emergency Allocation Act to enable supplies of motor gasoline to make approvals of requests made by wholesale purchasers who submit an FEO 17 form for an adjustment of their allocation of motor gasoline of any amount up to a 40-percent increase.

Mr. President, presently the law requires that those wholesale purchasers wishing to have an adjustment of their motor gasoline allocation submit an FEO 17 form to their supplier. The supplier, if the request by the wholesale purchaser does not entail an adjustment of 20 percent or more, can approve such a request and make the appropriate adjustment.

However, those requests by the wholesale purchaser that entail a 20 percent or more increase, must first be submitted to the supplier whereupon after a supplier decides whether it can or cannot fulfill that request, then must forward on to the regional office of the Federal Energy Office this request for a final decision.

On February 22, 1974, I met personally with representatives of Florida's petroleum marketers and dealers. At the meeting, it was their unanimous opinion that this process had created mounds of paperwork for the Federal Energy Office at the regional level and resulted in unreasonable delays—sometimes as long as 5 weeks just for a 20-percent adjustment.

It was also the contention of these petroleum marketers and dealers that the oil industry and suppliers are totally familiar with the marketing conditions and demands of each area they service and that Federal Energy Office approval on a request for a 20-percent increase oftentimes results in an unfair and poorly thought-out decision.

Mr. President, the main thrust of this legislation is to free up the gasoline market which is bogged down by the FEO's 17 form. This measure, if enacted, would further decrease Government intervention as it applies to motor gasoline allocations, allowing suppliers to adjust by their own means without going through governmental red tape.

At the same time, I realize the reasons for passing the Emergency Allocation Act and it is for that reason, the Federal Energy Office would still retain the authority to review these adjustments, so as to assure that these allocations would be done on an equitable basis and that no favoritism would be given to a major brand of gasoline station over an independent gasoline station.

Mr. President, I have been informed that the Federal Energy Office is presently considering revision of the regulations governing allocation adjustments, and that the measure I am proposing today is one which is under discussion. Each and every one of us here today realizes that the Federal Energy Office has done an outstanding job in trying to solve the immediate problems of the energy crisis. It is only after this program has been in effect that adjustments to the program, such as the one which I am suggesting today, can be seriously considered. I hope my colleagues will join with me in urging immediate consideration of this proposal and I ask that the text of the bill I am introducing at this time be printed in the RECORD at the conclusion of my remarks.

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

S. 3210

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4(c)(4) of the Emergency Petroleum Allocation Act of 1973 is amended by inserting immediately before the period at the end thereof the following: "In any case involving an adjustment in the allocation of gasoline, any form, application or other request submitted in accordance with the provisions of this Act or regulation issued pursuant thereto for such an adjustment involving less than a 40 per centum increase shall be submitted to the supplier and shall be acted upon by him within seven days following the receipt by him of such form, application, or other request and, in the case of any such form, application, or other request for such an adjustment involving a 40 per centum or more increase, such form, application, or other request shall be submitted to the Administrator of the Federal Energy Office and shall be acted upon by him within seven days following the receipt by him of such form, application, or other request.".

By Mr. GURNEY:

S. 3211. A bill to amend the Emergency Petroleum Allocation Act of 1973, relating to adjustments in the allocation of gasoline. Referred to the Committee on Interior and Insular Affairs.

Mr. GURNEY. Mr. President, today I am introducing an amendment to section 4(c)(4) of the Emergency Petroleum Act of 1973. Basically, my amendment would require that when the Federal Energy Office is making adjustments in the allocation of gasoline established under the regulations, such adjustments will be made for a period of not less than 180 days.

Mr. President, on March 8, Deputy Administrator John Sawhill attended a meeting in my office with members of the Florida petroleum marketers and dealers. During the course of this meeting, several aspects of the mandatory allocation program were discussed, among which was the problem encountered by gasoline owners and operators as it related to their uncertainty of present allotments past a few months period.

In speaking of the posture of concern, I find that in the application of the act in its present state, it has a two-fold effect for which I am certain it was not intended. The current ability of the Federal Energy Office to only grant increased adjustments in the allocation of gasoline for a period of 60 days simply does not provide the individual dealer, coping with all of the other problems attendant to the energy crisis, with a sufficient adjustment upon which to base any reasonable business or operational projection.

I have been advised that Federal Energy Office is not attempting to make adjustments for a 12-month period. However, I have been informed, this is only an experiment which may be scrapped not because the program is unworkable or infeasible, but due to a lack of manpower to operate this program.

Another factor I would like to point out as to the urgency of such an amendment is that in filing of an FEO 17 form, the attendant processing of these applications simply requires so many days of transit and action time that it clearly makes the current 60-day period of the authorized increased allocation adjustment impractical and unrealistic.

Therefore, I submit this amendment as a more practical, urgently needed method of assisting and modifying the basic regulating authority to better serve the needs of the American people Mr. President, I ask unanimous consent that at the conclusion of my remarks the bill I am introducing today be printed in the RECORD.

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

S. 3211

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4(c)(4) of the Emergency Petroleum Allocation Act of 1973 is amended by inserting immediately before the period at the end thereof the following: "Increased adjustments in the allocation of gasoline established under such regulation shall be effective for a period of not less than one hundred and eighty days.".

By Mr. GURNEY:

S. 3212. A bill to amend the Emergency Petroleum Allocation Act of 1973, relating to the mandatory allocation of gasoline. Referred to the Committee on Interior and Insular Affairs.

Mr. GURNEY. Mr. President, today I am introducing legislation which would establish a new formula for the distribution of motor gasoline.

The formula I propose will require the

President in directing the administrator to allocate motor gasoline to use a State's 1972 population census; the gasoline sales tax receipts of each State; the gasoline consumption increases within each State on a quarterly basis; and the 1937 motor vehicle license tag registration within each State, in determining an equitable gasoline allocation.

Mr. President, I do not have to tell my colleagues here in the Senate the problems that their States have been encountering with regard to the gasoline shortage, they hear it every day from their constituents and see the gasoline lines and closed gasoline stations. However, some States experience greater difficulties than others which clearly points out the inadequacies in the allocation program.

An example of the inadequacies of the present allocation formula used by the Federal Energy Office appeared in the March 8 edition of the Washington Post. In an article entitled "State Given Too Much Gas" the State of Connecticut energy officials said that the State's March gasoline allocation was much too high and fuel would be "flowing in the streets." I ask unanimous consent to have this article printed in the RECORD.

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

STATE GIVEN TOO MUCH GAS

HARTFORD, March 8.—Connecticut energy officials today said the state's March gasoline allocation is much too high and fuel will be "flowing in the streets" if the Federal Energy Office fails to correct the error.

The FEO quickly admitted the state was right.

In the midst of bitter complaints from other state officials that their states were shortchanged, Connecticut found it was allocated 21 million gallons over its deserved share.

The FEO announced Thursday that Connecticut would get a March allocation of 128.2 million gallons. Today, FEO officials checked and found that Connecticut should get 107 million gallons—about what state officials calculated was right.

State energy official Kenneth Woods said the apparent error was due to the FEO's computing Connecticut's non-taxable gallonage into the federal allocation formula.

Mr. GURNEY. Using my home State of Florida as an example, the State during the month of February 1972, consumed 323.8 million gallons of gasoline. In the month of February 1973, this had increased to 343.8 million gallons of gasoline, slightly lower than predictions had called for but easily explainable due to the 15-percent decline in tourism which was caused directly by the energy crisis.

According to the Federal Energy Office's estimations, Florida, to meet 85 percent of the State's requirements for the month of February 1974, would need 332 million gallons of gasoline. The allocation given to Florida was only 230 million gallons. I protested this allocation on the grounds that Florida is the fastest-growing largest State in the Nation and that her economy, relies heavily on the tourist industry which I might point out is Florida's number one industry pulling in some $5.5 billion in revenue alone.

Thus, the Federal Energy Office's allocation formula, which is based solely upon a percentage adjustment of gasoline consumption in 1972, and State motor vehicle growth, left Florida short some 63.9 million gallons based on February 1973 consumption.

Realizing the inadequacy of their formula, Administrator Simon, acting under directions by the President, on three separate occasions in February, ordered extra gasoline emergency allocations to some 26 States to provide relief to those areas most affected by the current shortage. These three additional emergency allocations amounted to 28.9 million gallons to Florida.

However, I would like to point out that this was still 35 million gallons short of what was needed just to meet February 1973 consumption, and as of this date some of that 28.9 million gallons of emergency allocation has still not reached Florida.

Mr. President, putting this on a yearly gasoline consumption basis, the State of Florida for fiscal year 1970–71, consumed over 3.3 billion gallons of gasoline; fiscal year 1971–72, over 3.6 billion gallons of gasoline, and during fiscal year 1972–73, some 4 billion gallons of gasoline. It is clearly evident that Florida's demands will be even greater—using a figure of 10 percent demand increase—than the predicted 4.3 billion gallons of gasoline during fiscal year 1973–74. However, using the Federal Energy Office's allocation formula, it will put Florida below its fiscal 1971–72 consumption level.

Mr. President, I fully realize that we must all be willing to tighten our belts during this energy crisis and Floridians are willing to make this sacrifice. However, they do not wish to be the victim of an unfair allocation formula.

We are all hopeful that the recent lifting of the oil embargo will be permanent. However, each one of us here in Congress realizes that this action could be reversed and result in a new embargo and perhaps a longer delay in solving our Nation's energy problems.

It is my intention by offering this new allocation formula to meet this crisis on an equitable basis, one which every State will gladly live with.

Mr. President, I ask unanimous consent that at the conclusion of my remarks, the bill I am introducing today be printed in the RECORD.

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

S. 3212

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following:

"(h) Notwithstanding any other provision of this Act, the President, in providing for the mandatory allocation of gasoline under this Act, shall take such action as may be necessary in order to assure that such allocation shall be determined on the basis of criteria reflecting the 1972 population census of each State, the gasoline sales tax receipts of each State, the gasoline consumption increases within each State on a quarterly basis, and the 1973 motor vehicle license registrations within each State."

By Mr. BROCK (for himself and Mr. STEVENS):

S. 3213. A bill to establish an independent Foreign Economic Policy Board to assist the Congress in the development of policies affecting United States international finance, trade, investment, and aid; and for other purposes. Referred to the Committee on Foreign Relations.

Mr. BROCK. Mr. President, there is no denying that despite the latest upturn in the U.S. balance-of-payments picture, this country is still facing a long-term international financial problem.

In reviewing what has happened since August 1971, we see that the dollar floated for approximately 4 months until the Smithsonian agreement in December of 1971, which devalued the dollar against gold by 7.89 percent. However, the agreement proved not to be durable, and by the summer of 1972, the international monetary system was again in turmoil.

The dollar's weakness led to another devaluation by 10 percent—against gold—in February 1973. In March, the new schedule of exchange rates from February proved just as unstable as the previous one. The remaining major currencies holding fixed relationships with the dollar were then set into a joint float, and the "model" monetary system commenced on a new period of general flexibility.

The Smithsonian agreement and the February devaluation were hailed as successes but neither proved too stabilizing, and they were unable to deal with the root problems. While there has been recently a strengthening of the dollar abroad, the U.S. Government—most notably the Congress—still does not have the necessary organizational structure to deal with the long-term analysis of problems relating to U.S. international economic affairs—affairs upon which we are asked to legislate with authorizations and appropriations.

Even though the Executive now has, by statute, a Council on International Economic Policy, there is an internal struggle going on between that Council and the Office of the Special Representative for Trade Negotiations. Certainly this Congress and the Government need expert, independent aid in looking at the long-term economic issues involved in U.S. Government policies vis-a-vis the outside world. Only with the establishment of a "Council of Experts" to act as an early warning system for long-range problems will the United States Congress be able to maintain the strength of the dollar by taking actions today that will ensure tomorrow's financial stability. It is significant that two of our most distinguished economists, Dr. Her Bert Stein before the American Economic Association and Dr. Wassily Leontieff in the 14th March issue of the New York Times expressed quite similar views.

To maintain the strength of the dollar, to improve our economic structure, and to provide the Congress with authoritative advice on matters affecting the U.S. balance of payments, I am introducing today the International Economic Policy Act of 1973.

Section 1 of this act gives the short title.

Section 2 states that the purpose is to assist in the better coordination and long-range development of all governmental actions and policies affecting the balance of payments, trade, investment, and aid. It provides the Congress with the needed long-term analysis and expert advice in areas relating to the U.S. balance of payments.

Section 3 creates a Foreign Economic Policy Board and dictates that it shall be independent of the Executive Departments, under the control and the direction of a chairman, and responsible to the Congress. It also indicates that the Board shall be composed of five members appointed by the President by and with the advice and consent of the Senate. The Board members must be individuals of professional excellence appointed for 7-year terms with no more than three from the same political party. This would assure the vital elements of continuity and bipartisanship. These experts will be under the direction of the Chairman of the Board, and the Board will be responsible, in the final analysis, to the Congress of the United States.

Section 4 establishes the terms of Board members for 7 years and deals with the removal of Board members as well as the overall operations. A Board member may be removed only by the Congress of the United States by impeachment. The Board is directed in this section to submit its operating budget directly to the Congress of the United States and, as determined by the Chairman, the employees and Board members shall be subject to the Civil Service Retirement Act, with respect to pensions, annuities, and survivorship benefits.

The Chairman of the Board shall receive compensation at the rate prescribed by section 5313 of title 5, United States Code, for positions at level II of the Executive Schedule. Each other member of the Board shall receive compensation at the rate prescribed by section 5314 of such title for positions at level III of the Executive Schedule. This would insure that the highest caliber individuals could be retained as members of the Board.

Section 5 governs the employment of personnel and the specific administrative authority of the Board. It allows the Board to make expenditures for rent and contracts and authorizes the Board to hold public hearings on issues under study. Subsection (7) of this section authorizes the Board to establish advisory committees for consultations on international economic issues. Because some of the international economic issues that the U.S. Government is involved in are of a sensitive nature, this bill would exempt the advisory committees from the requirements related to open meetings, public notice, public participation, and public availability of documents contained in the Federal Advisory Committee Act (Public Law 92-463). For the orderly review of all international economic policies in which the U.S. Government is engaged, it is vitally necessary to have the ability to hold meetings in confidence. However, the Board is required to record and retain minutes of all closed meetings, and make them available to the several committees of the Congress at the official request of a committee.

Section 6 authorizes the Board to assist and advise the Congress in matters dealing with international economic issues. In addition, the Board is authorized to appraise the various programs and activities of the Federal Government with regard to the international economic position of the United States and to recommend to the Congress international economic policies which will foster and promote U.S. international trade and investment. Finally, the Board is authorized to accept assignments from the President if staff and funds permit.

Section 7 requires the Board to file an annual report with the Congress each year concerning its activities during the preceding year. Such a report is required by February 20 of each year. It also requires that any report or study undertaken by the Board must contain administrative and/or legislative recommendations deemed necessary to effectuate the conclusions of the report. This assures that the Congress will receive reports of substance rather than long disclosures on philosophical issues.

Section 7 furthermore requires that reports done by the Board be transmitted to the Congress and referred to the Banking and Currency Committee of the House of Representatives and the Banking, Housing and Urban Affairs Committee of the Senate.

Section 8 concerns the consultation with other groups and agencies and the utilization of Government services, private research agencies, and general access to information. The Board is urged to use all the services, facilities and information, including statistical information, of other Government agencies, in order to eliminate the duplication of effort. The Board is requested to consult with agencies of the Federal Government, including the National Security Council, the Council of Economic Advisers, the Federal Reserve Board, and the Council on International Economic Policy. This will assure a continuing input from these Federal agencies with regard to issues that the Board has under study. The Board is given access to all information of the Federal Government relating in any way to U.S. international economic dealings, including the use of foreign exchange, gold, gold guarantees, or the expenditure of any dollars abroad. Just as is the case with the General Accounting Office, no Federal department or agency may deny the Board access to U.S. international economic information, and if such access is denied, the Board is authorized to request the Comptroller General of the United States to use his powers to obtain any information that is denied. This assures that the bipartisan Board will have the cooperation of the various Executive Departments to study the various background documents and issues with regard to international economic problems on which the Congress may have to legislate.

Section 10 is an open authorization of funds for the Board as well as the authority for the Board to obtain printing services outside of the normal Government machinery. The Board will be able, therefore, to have its reports and studies printed either by the Government Printing Office or by an outside contractor, whichever is deemed to be more efficient and more timely. In addition, the funds appropriated under the act are authorized to be made available for 2 fiscal years with regard to section 601(5) which deals with detailed studies the Board may undertake by contract to outside groups or agencies. This will enable the Board to contract out long-term research projects through universities or other organizations over a time period of more than 1 year, and facilitate the payment of that contract out of the funds for the fiscal year in which the contract was granted.

The purpose of this bill is to move the complicated international economic policy structure of the U.S. Government out of the political arena. The Congress needs an expert, analytical discussion of the problems facing the United States. The Board is established as an arm of the Congress because in these troubled times, the Congress is lacking the machinery necessary to analyze the long-term issues in the international financial arena and to develop legislative remedies where possible.

The bill does authorize the Board to accept assignments from the President when staffing and funding permit. This assures that the President of the United States and/or the executive departments may also benefit and receive the advice and counsel of the Board on long-term policy issues without that advice being tainted with partisan politics.

Mr. President, the idea of having an independent "Council of Experts" to analyze long-range economic problems and suggest solutions is not new to governments. The Federal Republic of Germany has just such a Council of Experts for the Evaluation of the General Economic Development. I am told that the German Council is considered a "think tank" without any political influence. Originally, the Council concerned itself only with the German economy but more recently it has directed its attention to the European community as a whole. The German Council proposes fiscal and monetary policies that should be adopted for the long-range benefit of Germany as well as studying balance-of-payments issues.

Mr. President, you will recall that on August 2, 1971, I introduced similar legislation that would have set up a Foreign Economic Policy Board as an adjunct to the Executive Office of the President. What I said in August of 1971 applies today. That is, that after World War II, we applied the lessons of the past to the challenges of the future by unifying—more or less—our Armed Forces and creating a National Security Council. The bill I am introducing is intended to apply the implications of the future to the organizations of today. Those implications add up to the preponderance of economic issues on the scales of national survival—and indeed, of the survival of

the free world. We must adapt our congressional structure to reflect the reality of today. Mr. President, we cannot write off our responsibilities to the American public for developing a sound, long-range international economic policy because we do not have the expertise to involve ourselves. This bill acts as a natural companion to Senator HUMPHREY's bill introduced on October 30, 1973, and would enable the temporary Joint Committee that that bill establishes to have expert and bipartisan advice.

I ask unanimous consent that the bill be printed in the RECORD at the conclusion of my remarks.

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

S. 3213

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 "International Economic Policy Act of 1973".

STATEMENT OF PURPOSES

SEC. 2. (a) The purposes of this Act are to—

(1) assist the Congress in the development of long-range actions and policies affecting United States international finance, trade, investment, and aid;

(2) assist the Congress in the establishment of priorities in the expenditure of United States foreign exchange or dollars abroad for all purposes; and

(3) provide the Congress with an orderly, long-term analysis and development, on the basis of independent, expert advice, of all Federal policies related to the international economic position of the United States, including, but not limited to, policies relating to finance, trade, foreign aid, United States direct investment abroad, the balance of payments, monetary policy, foreign tax treaties, international tourism and aviation, and international agreements affecting any such policy.

(b) The objectives of such policies should include, but not be limited to—

(1) strengthening the competitive position of the United States in world trade;

(2) balancing the international payment accounts;

(3) increasing exports of goods and services;

(4) protecting and improving the earnings of foreign investments;

(5) achieving the free movement of people, goods, capital, information, and technology on a reciprocal and worldwide basis; and

(6) providing for access at fair prices to essential raw materials and other supplies from foreign sources on a most favored nation basis.

FOREIGN ECONOMIC POLICY BOARD

SEC. 3. (a) There is established a Foreign Economic Policy Board (hereafter in this Act referred to as the "Board"), which shall be independent of the Executive departments and agencies and shall be responsible to the Congress.

(b) The Board shall be composed of five members who shall be appointed by the President, by and with the advice and consent of the Senate, each of whom shall be a person who, as a result of his training, experience, and attainments, is exceptionally qualified to analyze and interpret international economic developments, to appraise programs and activities of the Federal Government related to foreign economic policy, and to formulate and recommend foreign economic policy and long-range planning to strengthen the international financial and economic position of the United States with respect to those purposes enumerated in section 2(a) of this Act. Not more than three members of the Board shall be from the same political party. The President shall designate one of the members to be Chairman of the Board, who, subject to section 4(e), shall serve as Chairman for the duration of his term, and shall designate one of the members to be Vice Chairman of the Board to act in the absence of the Chairman.

REMOVAL OF BOARD MEMBERS; TERMS OF MEMBERS; BOARD OPERATION

SEC. 4. (a) Any Board member may be removed at any time by joint resolution of the Congress after notice and hearing, when, in the judgment of the Congress, such member has become permanently incapacitated or has been inefficient or guilty of neglect of duty, or of malfeasance in office, or of and felony or conduct involving moral turpitude, and for no other cause and in no other manner except by impeachment.

(b) The members of the Board first appointed under section 3 shall be appointed for terms as follows:

(1) one for a term of two years;
(2) one for a term of three years;
(3) one for a term of four years;
(4) one for a term of six years; and
(5) one for a term of seven years.

Each member thereafter appointed shall be appointed for a term of seven years commencing on the day after the expiration of the preceding term, except that a member appointed to an unexpired term shall be appointed for the remainder of that term.

(c) The Board shall meet at the call and under the direction of the Chairman.

(d) A quorum of the Board shall consist of three members. A vacancy shall not affect the power of the Board and shall be filled in the manner provided by section 3.

(e) The Chairman of the Board may resign his chairmanship without jeopardy to his position as a member of the Board. When any Chairman so resigns, the President shall designate another member of the Board as Chairman, who shall serve as Chairman for the duration of his term, subject to the provision of this subsection.

(f) The Chairman of the Board shall receive compensation at the rate prescribed by section 5313 of title 5, United States Code, for positions at level II of the Executive Schedule. Each other member of the Board shall receive compensation at the rate prescribed by section 5314 of such title for positions at level III of the Executive Schedule.

(g) The Board shall not be subject to the provisions of chapter 35 of title 44, United States Code (relating to coordination of Federal reporting services).

(h) The Board shall submit its requests for appropriations directly to the Congress and shall not be subject to, or under the control of, the Office of Management and Budget or any successor agency.

(i) Any report or study issued by the Board under section 6 shall be approved by a majority vote. Dissenting views may be appended to any such report or study by those members taking a minority position.

POWERS

SEC. 5. The Board is authorized—

(1) to appoint, remove, and fix the compensation of such specialists and other experts as may be necessary to assist the Board in carrying out its functions under this Act, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapters III and VI of chapter 53 of such title relating to classification and General Schedule pay rates, except that no rate of compensation may exceed the rate of basic pay received by an individual paid under level IV of the Executive Schedule contained in section 5315 of such title;

(2) to appoint, remove, and fix the compensation of such other personnel, including attorneys, as may be necessary to assist the Board in carrying out its functions under this Act, subject to title 5 of the United States Code governing appointments in the competitive service;

(3) to make expenditures for rent, printing, and binding (without regard to chapter 5 of title 44, United States Code), telegrams, telephone service, law books, economic books and studies, books of reference, periodicals, stationery, furniture, office equipment, other supplies, and necessary expenses of the board including travel for its operation, within the appropriations made therefor;

(4) to enter into contracts for research and study of international economic issues and other contracts necessary for the Board to carry out its function as set forth in this Act, including sole source contracts. The rules and regulations under which all contracts are to be awarded shall be established with the consultation and approval of the Comptroller General of the United States;

(5) to hold public hearings on issues before the Board and to pay the necessary expenses of such hearings. A transcript shall be made of all such hearings; and

(6) to establish advisory committees for consultations on international economic issues pending before the Board.

The provisions of subsections (a) and (b) of sction 10 of the Federal Advisory Committee Act (P.L. 92-463, relating to open meetings, public notice, public participation, and public availability of documents) shall not apply to meetings of advisory committees established under paragraph (6) whenever, and to the extent, determined by the Chairman that such meetings will be concerned with matters the disclosure of which would seriously compromise the Government's international economic relations. Minutes of all such meetings shall be made and retained, and shall be available to the committees of the Congress at the official request of any such committee and subject to the safeguard of confidential and secret information.

DUTIES AND FUNCTIONS

SEC. 6. It shall be the duty and function of the Board—

(1) to assist and advise the Congress in matters dealing with international economic issues;

(2) to gather timely and authoritative infomation concerning international economic developments and international economic trends, both current and prospective; to analyze and interpret such information for the purpose of determining whether such developments and trends are interfering, or are likely to interfere, with the United States foreign trade, travel, and investments, and other policies and objectives enumerated in section 2 of this Act; and to compile and submit to the President and the Congress studies relating to such developments and trends;

(3) to establish priorities on the use of United States foreign exchange earnings consistent with a policy to maintain the strength of the dollar by increasing such earnings through recommended actions, and to assess the balance of payments impact of present and future United States natural resource requirements;

(4) to appraise the various programs and activities of the Federal Government for the purpose of determining the extent to which such programs and activities are contributing, and the extent to which they are not contributing, to the achievement of the objectives set forth in section 2(b) of this Act, and to make recommendations (including legislative recommendations) to the Congress with respect thereto;

(5) to develop and recommend to the Congress international economic policies to fos-

ter and promote United States international trade and investment; to further the purposes of the International Travel Act of 1961; to maintain the strength of the dollar through positive actions which will increase the United States foreign exchange earnings; and to further the objectives set forth in section 2(b) of this Act; and

(6) to make and furnish such studies, reports, and recommendations with respect to matters of Federal international economic policy and legislation as the President or the Congress may request consistent with the availability of staff and funds.

ANNUAL REPORT

SEC. 7. (a) The Board shall make an annual report to the Congress by February 20 of each year concerning its activities during the preceding year.

(b) Each annual report submitted under subsection (a), and each report and study issued under section 6, shall contain recommendations for legislation or administrative action, or both, deemed necessary by the Board to effectuate the conclusions set forth in the report or study.

(c) Each annual report submitted under subsection (a), and each report made to the Congress under section 6, shall be referred to the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on Banking and Currency of the House of Representatives. Each committee may, at its discretion, file a report with its House on the action recommended (legislative or otherwise) in any report so referred to it.

CONSULTATION WITH OTHER GROUPS AND AGENCIES; UTILIZATION OF GOVERNMENT SERVICES, PRIVATE RESEARCH AGENCIES; ACCESS TO INFORMATION

SEC. 8. (a) In addition to consultations with advisory committees established under section 5 (6), the Board may consult with such representatives of industry, agriculture, labor, consumers, associations, State and local governments, and other groups, as it deems advisable.

(b) The Board shall, to the fullest extent possible, utilize the services, facilities, and information (including statistical information) of other Government agencies as well as of private research agencies, in order that duplication of effort and expense may be avoided.

(c) The Board shall have access to all information of the Federal agencies related to United States foreign trade and investment and national employment related thereto, and to all information relating to the expenditure of foreign exchange or expenditure abroad of dollars by the Federal Government including defense expenditures defense expenditures abroad.

(d) The Board shall consult with all agencies of the Federal Government and any other individual or organization it deems necessary in the consideration of its recommendations.

(e) The Board shall consult regularly with the National Security Council, the Council of Economic Advisers, the Federal Reserve Board, and the Council on International Economic Policy.

(f) The Board shall have access to all information of the Federal Government relating to the international monetary position of the United States including actions of the exchange stabilization fund and any information relating to any obligations of the Federal Government which involves guarantees or repayments in gold, foreign exchange, or the expenditure of dollars abroad.

(g) No Government department or agency may deny the Board access to United States international economic information when officially requested by the Chairman. At the written request of the Chairman, the Comptroller General of the United States is authorized to use any powers available to him to obtain for the Board any information denied to the Chairman.

SAFEGUARDING OFFICIAL INFORMATION

SEC. 9. The Board shall take all appropriate steps to safeguard confidential information as outlined in Executive Order 10501 (Nov. 5, 1953, 18 F.R. 7049), as amended, or as may from time to time be provided by the President, when such information is obtained from or supplied by any Government department or agency.

AUTHORIZATION OF FUNDS

SEC. 10. To enable the Board to exercise its powers and functions under this Act, there are hereby authorized to be appropriated such sums as may be necessary. Funds appropriated under this section for contracts authorized by section 5(4) are authorized to be made available for two fiscal years.

By Mr. BELLMON:

S. 3214. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs. Referred to the Committee on Finance.

Mr. BELLMON. Mr. President, today I am introducing legislation which would repeal section 249(f) of Public Law 92–603, enacted by Congress on October 30, 1972.

The Senate is familiar with the legislative history of the Social Security Amendments of 1972. During Senate deliberations on H.R. 1, section 249(f) creating a "Professional Standards Review Organization" was added to the bill. This section required the establishment of PSRO to review the utilization of medical services provided under the medicare and medicaid programs. The legislative intent of section 249(f) was to guarantee that Federal payments would be made only when medically necessary and to insure that medicare and medicaid payments were made in the most economically appropriate manner. Although the stated objective of this legislation is sound, for numerous reasons the implementation of section 249(f) by the Secretary of HEW will in my judgment greatly impede the efficient operation and delivery of medical and surgical care. When one examines carefully the provisions establishing PSRO, one logically concludes it will have a severe impact on the practice of high quality medicine. The American Medical Association reported on January 24, 1974, the following:

The considered opinion of this House of Delegates is that the best interests of the America people, our patients, will be served by the repeal of the present PSRO legislation.

Mr. President, repeal of section 249(f) is absolutely essential if we are to preserve the high quality patient care which presently exists in this country. Many objections have been registered by the medical community to this legislation. Let us examine these objections carefully to determine the urgency of repealing this section of Public Law 92–603.

The first objection to PSRO is the establishment of medical "norms" to guide the doctor's conduct when treating medicare and medicaid patients. PSRO's are required to apply norms of care, diagnosis, and treatment based upon typical patterns of practice in their respective regions. The precise nature of the "norms" to be established by this legislation is ambiguous and subject to varied interpretations. This will, in the judgment of Dr. Riley Strong, president of the Oklahoma Medical Association, result in "cookbook medicine." In his opinion, these federally designed "standards of care" will predictably drive up the utilization of health care services. He argues that laboratory and many other diagnostic tests may be listed as necessary to high quality care. The physician would then be put in a defensive position and would be required to order the recommended necessary tests even though he feels such tests are not essential to the patient's welfare. In this manner, the judgment of the individual practitioner may eventually be replaced by the "norms" established by the PSRO in his area. The reason for this result is simple to understand. To deviate from these "norms" could invite investigation by PSRO and may even expose a physician to civil liability. Mr. President, I ask unanimous consent that the letter from Dr. Strong be made part of the RECORD.

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

THE OKLAHOMA STATE
MEDICAL ASSOCIATION,
OKLAHOMA CITY, OKLA., *March 15, 1974.*

Hon. HENRY BELLMON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BELLMON: I am writing to express the concern of all Oklahoma physicians about the federalized medical peer review program mandated by Section 249F of Public Law 92–603 (known as "PSRO"—Professional Standards Review Organizations) and to seek your counsel on the prospective repeal of a program which seems designed for failure.

The PSRO law would require that all Medicare and Medicaid claims would have to be screened prior to payment by a PSRO group of physicians working under federal contract; each and every claim would have to be manually and computer checked against federally approved standards to determine: (1) The medical necessity of the services rendered; (2) The quality of the health services provided; and (3) The propriety of the situs of care (most economical . . . office, nursing home or hospital). Physicans serving in positions of PSRO authority in the various jurisdictions would be required to report their colleagues for various forms of punishment, including admonishment or censure, fines up to $5,000, and disenfranchisement from participation in these federally funded programs (including public disclosure of the names of physicians dropped from the program).

PSRO is an aborted version of sophisticated peer review programs invented by physicians and operated by them on a voluntary basis in various parts of the country. The twisted application of this concept has apparently been borrowed by the Senate Finance Committee—and placed into law through an amendment to H.R. 1 for the purpose of restricting benefits to Medicare and Medicaid beneficiaries. It is also anticipated that the initial phase of this program (Medicare and Medicaid) will be a proving ground for cost containment under some form of National Health Insurance.

The Oklahoma State Medical Association is in favor of the concept of peer review. We have operated a peer review program voluntarily, without compensation, since

1965. While our program has not been perfect, due to lack of financial assistance from either the government or private insurance companies, it has been reasonably effective. At least half of our hospitals in the state have voluntarily established effective utilization review programs to assure optimum use of hospital care, and most other smaller hospitals (and the physicians working in them) have judiciously protected public and private health programs from abuse. Peer review was not invented by the Senate Finance Committee . . . it has been an important part of medical practice for at least twenty years.

In our opinion, the Congressional effort at cost containment embodied in PSRO is misdirected. In the following paragraphs, I will detail some of our concerns:

1. PSRO will cost more than it will save. Nationally, it is estimated to cost $500,000,000 initially (inpatient care only) and one or two billion dollars when all phases have been started (outpatient services will be reviewed eventually). In Oklahoma, start-up costs will be at least $300,000, and first-year operating costs will be $2,000,000 (this will be at least doubled when outpatient services are added to the review process). There is simply no way that cost savings can offset administrative expenses of this magnitude!

2. PSRO provides that all M.D.'s and D.O.'s will participate in PSRO administrative activities on a rotational basis. This will greatly compound our doctor supply problems . . . countless thousands of man-hours will be diverted from patient care to paper work!

3. Federally designed "standards of care" will predictably drive up the utilization of health services. Laboratory and other diagnostic tests will be listed as "necessary" to high quality of care. Physicians will be in a defensive position . . . they will order the recommended "necessary" tests even though they feel such tests are unnecessary. "Cookbook" medicine will be substituted for seasoned clinical judgment, and costs will rise accordingly. To deviate from the federal "standards" would invite investigation by PSRO and could well expose a physician to civil liability (plaintiff's attorneys have already recognized PSRO as a malpractice windfall).

4. PSRO is also misdirected because its alleged cost-saving concept is aimed at shortening the length-of-stay in the hospital. Actually, since Medicare and Medicaid were started in 1965, the average length-of-stay has been a stable or decreasing factor. Inflation has hit the daily cost of hospital care very heavily, however, so the real problem of costs (the unit costs of services which have risen sharply as a result of inflation) will not be affected by PSRO (except to increase inflation).

5. PSRO will compromise the privacy of the traditional privileged relationship between the physician and his patient. Patient records will be subject to various inspections under the terms of the law. In December, the Los Angeles Times editorialized against PSRO from the viewpoint that the last vestige of privacy remaining in America was soon to be lost.

6. PSRO would close many of the small hospitals in Oklahoma . . . those with marginal occupancy rates. The aim of PSRO is to cut the hospitalization of Medicare and Medicaid patients by 20% . . . a figure sufficient to force bankruptcy in at least 20% of our hospitals.

Physicians recognize, of course, that the government can rightfully expect some reasonable cost controls in any purchase of goods or services. However, sick humans are not the same as Jeeps or airplanes or atomic missiles. The same disease manifests itself in a unique way in each individual. Social factors govern the length-of-stay and the ability to recover from illness just as much or more than adequacy of professional care.

PSRO is an attempt to standardize patient care as one would a manufactured product. While there is a legitimate concern of government over the costs involved, we must be on guard that a rigid, heavily bureaucratic formula for cost containment does not result in a deterioration in the quality of the care of sick Americans who have been promised health benefits by the U.S. Congress.

PSRO will cost more than it will save . . . PSRO will violate privileged information . . . PSRO will foster "Cookbook" medicine . . . PSRO will stifle innovations in treatment . . . PSRO will discourage bright young people from choosing medicine as a career . . . PSRO will amount to federal licensure of physicians and hospitals . . . PSRO will diminish the already-strained supply of physicians by diverting too much of their time away from patient care.

In short, the PSRO law should be repealed in favor of developing a more reasonable concept with the assistance of practicing physicians and hospital administrators. We could probably support a low-budget financial assistance program whereby state medical associations could afford to improve existing peer review programs. Perhaps funds could be allocated on the basis of the Medicare and Medicaid populations in each state . . . objectives could be stated . . . and general accounting procedures could be defined. Medical associations would act responsibly, and we believe that much could be done at relatively small cost to improve the existing systems to effect optimum cost containment and promote quality of care . . . all without creating another gigantic federal bureaucracy and expecting physicians to become a part of it.

We have not been totally negative with respect to PSRO. In fact our "Oklahoma Foundation for Peer Review", created expressly for PSRO a year before it became law, is presently investigating a sophisticated peer review concept for the state. We have invested $5,000 in this study to date.

However, our association's House of Delegates will meet on April 6th to formulate policy as to our future involvement in PSRO . . . very likely our association will seek repeal of the existing law for the reasons mentioned above . . . while our Foundation will continue to work on the contingency that some form of improved peer review system can and should be developed.

Regarding the viability of repeal of the existink law, we would appreciate your completion and return of the enclosed questionnaire by April 4th in order that we may have a complete report for our House of Delegates on April 6th.

Cordially,

C. RILEY STRONG, M.D.,
President.

Mr. BELLMON. PSRO represents in my judgment an arbitrary and unwarranted interference by the Federal Government in the private practice of medicine. Private physicians could easily be made dependent on federally approved guidelines which in the long run could replace the medical judgment of a private practitioner

There is the additional problem that the "norms" could open the floodgates to malpractice suits. When considered outside of the context of PSRO legislation, as for example, evidence in malpractice litigation, they could be most misleading and harmful. Judges and juries unfamiliar with the Social Security Act might consider a "course of care" consistent with the norms to be a "due care" course of treatment. Accordingly, through a practical necessity to meet the norms, length of stay, and other PSRO requirements could eventually be extended as the norms became the minimum. Inversely, a "course of care" which was delivered without negligence but did not exhaust the PSRO norms might mistakenly be deemed to subject the physician to a charge of negligent conduct.

Many physicians who initially opposed medicare and medicaid programs argued that such programs could eventually result in Government control over the practice of medicine. In my opinion, the establishment of PSRO to monitor medicare and medicaid payments may represent the first step toward this control. Beginning shortly, a new Federal bureaucracy will be established with one basic goal: to control the medical care of all who receive Federal funds. The average citizen receiving medicare or medicaid payments would much rather be treated by a physician exercising his own discretion and independent judgment rather than following the arbitrary criteria and norms approved by the Federal Government.

In a society that has developed the most sophisticated medical practice known to man, the Federal Government now wishes to supplant the decision of an individual physician with the whims of a Federal bureaucracy. Local PSRO's will have the responsibility to see that doctors practice according to norms which, although formulated by local groups, will be subject to the National Council. This Council will include representatives of consumer groups and other nonphysicians unfamilar with the practice of medicine. A PSRO examiner, who may not be a medical doctor, will be able to challenge a doctor's professional judgment. The net result will be that a doctor may be penalized for making what the examiner considers to be unnecessary treatment by denying payment for the services rendered. The PSRO will in effect have the power to order the doctor who is treating a medicare or medicaid patient not to perform an operation that he feels is necessary, not to hospitalize a particular patient; or to change any medicines he has prescribed. If the doctor fails to abide or deviates substantially from the statistical norms, stiff penalties will be imposed. Willadean Vance, writing in the National Health Federation Bulletin, made the following observation:

The PSRO provides for the standardization of treatment of every disease. One of the responsibilities of each regional PSRO is to prepare a schedule of "norms" covering the care, diagnosis, and treatment based upon typical patterns of practice in its region, including typical length of stays for institutional care by age and diagnosis. For example, if you were suffering from a cold, you may be permitted to see the doctor only once or perhaps twice. The drugs he may use must be selected from the approved list. The doctor possibly will not be permitted to X-ray your chest unless he is prepared to furnish justifiable evidence of why he suspects you may be developing a complication such as bronchial pneumonia; and a schedule of norms may limit your professional care to a period not to exceed five days.

Opposition to the implementation of PSRO is gaining momentum. Dr. John P. Hurd, Decatur, Ga., and president of the

county medical society, urges the repeal of PSRO legislation. He states:

First it is bad law by anyone's standards. . . . The truth about PSRO is becoming known. Our patients, even the few unhappy ones, do not want bureaucrats, even M.D. bureaucrats, telling their doctor when his patients can enter a hospital, how they will be treated, and when they must go home. Nor do they want to be taxed for having him told. Ask them—I have—and my patients are astonished to learn that such a law has been passed.

In addition, C. Riley Strong, M.D., president of the Oklahoma Medical Association, on March 14, 1974, stated the following:

PSRO costs more than it will save. PSRO will violate privileged information. PSRO will foster cookbook medicine. PSRO will stifle innovations in treatment. PSRO will discourage bright young people from choosing medicine as a career. PSRO will amount to federal licensure of patients in hospitals. PSRO will diminish the already strained supply of physicians by diverting too much of their time for patient care. In short, the PSRO should be repealed in favor of developing a more reasonable concept.

The Association of American Physicians and Surgeons has stated:

PSRO will destroy the freedom of physicians to exercise independent judgement in caring for medicare and medicaid patients by forcing them to conform to government-imposed norms of diagnosis and treatment.

Unquestionably, the best interests of the American people would be served by repeal of this law. In discussing the PSRO program, columnist James J. Kilpatrick noted the following on January 2, 1974, in the Washington Star News:

These organizations, for all practical purposes, are to be agencies of the Federal bureaucracy—they will be funded by Federal funds and they will be staffed by Federal civil servants.

Mr. Kilpatrick concludes:

My own observation persuades me that the PSRO plan is a wasting disease, insidious and destructive, demeaning and degrading. And sad to say, the bureaucratic disease is easy enough to diagnose, but almost impossible to cure.

Additional arguments against the PSRO program can be made. It has been argued that the doctor who gets involved with PSRO will find himself bogged down in paperwork. As the Wall Street Journal has observed:

The doctor who submits to this smothering regulation will have little time left for his patients. The temptation, in any doubtful case, will be to abide by the omnipresent 'norm', to steer clear of innovation, to go strictly by the books.

Countless thousands of man-hours will be diverted from patient care to paperwork. With the national shortage of doctors, the implementation of PSRO would only work to compound this problem. Although PSRO was enacted to eliminate waste in the medicare and medicaid programs, it has been estimated by the president of the Oklahoma Medical Association that to implement PSRO for inpatient care solely will result in a cost of $500 million. In Oklahoma it is estimated that the startup cost will be at least $300,000 and that first year operating costs will be $2 million. Once outpatient services are added to the program, the costs will go even higher. Will the cost savings through these additional peer review groups offset the administrative costs involved? Since medicare and medicaid were established in 1965, the average length of stay for hospital treatment has been either stabilized or has decreased. The problem of medical costs has been the result of real inflation, which will not be affected or halted by the implementation of PSRO.

Medical associations have pointed out that by establishing PSRO, the confidentiality of the doctor-patient relationship may be seriously jeopardized. The doctor will be frequently forced to reveal his records to PSRO inspectors. If the physician is to receive payment for the services provided medicare and medicaid patients, he will have to abide by HEW guidelines. Even patients who will not receive Federal funds for medical services will be subject to having their records examined in order to establish the "norms" of medical care for that region. The net effect will be drastic weakening of the doctor-patient relationship.

Doctors may be terminated or suspended from participation in the medicare and medicaid program for failing in a substantial number of cases to comply with "norms" established by the law. The Secretary of Health, Education, and Welfare may impose a reimbursement obligation in the nature of a financial penalty for the value of services provided found to be improper or unnecessary up to $5,000. Each PSRO determination that a doctor has violated obligations specified in the law relating to necessity, quality, and appropriateness of care is required to be reported by the PSRO to the statewide council, which in turn must forward the report to the Secretary. This approach would, in the opinion of the American Medical Association "discourage or penalize valid innovation." This threat of suspension from practice and fines up to $5,000 has caused the medical community great alarm. Many doctors will refuse to be subjected to this type of treatment, because they feel they can no longer practice good medicine and give the patients the type of care that they deserve when the Government even indirectly dictates the type of treatment to be rendered, the laboratory procedures which must be done and the length of hospital stays. Few doctors will desire to practice their profession with a PSRO bureaucrat looking over their shoulders at every medical decision.

There is no need for this legislation. Most hospitals presently provide for one or more voluntary peer review committees. Peer review committees on a voluntary basis, whether within the individual hospitals or within a local medical society, have served well and have undoubtedly enhanced the quality of medical care available. The major distinction between these peer review committees and PSRO is that they are voluntary and private and have been developed within the profession. In my opinion, a more reasonable alternative to PSRO can and must be developed. Greater reliance should be placed upon the medical community.

According to Dr. Strong, president of the Oklahoma Medical Association:

In short, the PSRO should be repealed in favor of developing a more reasonable concept with the assistance of practicing physicians and hospital administrators. We could probably support a low-budget financial assistance program, whereby state medical associations could afford to improve existing peer review programs. Perhaps funds could be allocated on the basis of the Medicare and Medicaid populations in each state. Objectives could be stated, and general accounting procedures could be defined. Medical associations would act responsibly, and we believe that much could be done at relatively small cost, to improve the existing systems to effect optimum cost containment and promote quality of care . . . all without creating another gigantic federal bureaucracy and expecting physicians to become a part of it.

I call upon the Senate to reexamine its position; to repeal section 249–F of Public Law 92–603 and to enact a new provision which would place full reliance upon State medical societies to develop their own systems of peer review through voluntary compliance.

By Mr. BROCK:

S. 3215. A bill to authorize the Secretary of Commerce to enhance and validate certain export expansion activities. Referred to the Committee on Commerce.

Mr. BROCK. Mr. President, in earlier years diplomacy was our most potent action force in international affairs. During the first half of this century, with changing power patterns, ideologies, and technology, the emphasis shifted to the use of military force. More recently without realizing it, we have been thrust into a complex and unfriendly international economic conflict. One of the many intriguing aspects of this new and strange development is that many of our military allies have become our economic competitors. Another phenomenon is that the foes we conquered militarily, and who were quick to rebuild economically, most with U.S. help, are now among our leading economic adversaries.

The similarities with earlier conflicts can be extended: In this era of economic struggles—as before in war—we are almost totally unprepared and unmobilized. While our economic adversaries are relentless and aggressive, there is yet no sense of national commitment to cope with the threat to U.S. industry. This is because the threat is ill defined in the minds of the average American and the impact on the domestic economy is diverse and unevenly felt in selected industries and various regions throughout the country.

But with all of their diversity, the effects are real and several target areas have been seriously affected. These include the textile industry in the South; the shoe industry in the Northeast and South, the consumer electronic manufacturing industry throughout the country, the automobile industry, the steel industry, the fur industry, the flat glass

industry, china earthenware, pianos, marble, and others. Even our giants in the high technology industries like computers and aircraft have felt the impact of foreign economic aggression.

All of this has had a hard impact on our balance of payments, by way of an adverse balance of trade, a significant economic barometer of domestic economic success. In 1971, for the first time since 1893, our trade surplus disappeared and we wound up $2 billion in the red. In 1972 the trade deficit was $6.9 billion. The active trade balance of $0.8 billion in 1973 unfortunately cannot be interpreted as an indicator of continued recovery. The oil crisis teaches us otherwise.

The Federal Government, recognizing the need for a concentrated and unified export expansion program has stepped up its efforts to promote the export activities of American firms. That there is ample room for improvement can be seen from the fact that only 6 percent of the 300,000 U.S. manufacturing firms do any exporting at all and only about 200 firms do more than half of what is done.

Federal export promotion is primarily the responsibility of the Department of Commerce whose 43 field offices are generally doing a commendable job, but they are hampered by a number of administrative and logistical obstacles which my bill is trying to remove. First, the area of responsibility of the field offices should be rearranged to coincide with State boundaries so that parallel efforts of State agencies and private institutions can be dovetailed with those of the Federal Government. Second, the small staffs of the field offices should enlist the support of experienced export executives to be "borrowed" from private industry. Third—and most important—the outdated export reporting system of the U.S. Bureau of Census should be brought up to today's requirements. It is not possible to expect effective export promotion if the most recent available export data are at best 3 years old. My bill, if enacted, would enable the U.S. Bureau of the Census, with little additional expense, to provide up-to-date monthly export data to the field offices of the Department of Commerce.

In view of our dire predicaments in the area of foreign trade I am hoping for an early enactment of this bill.

ADDITIONAL COSPONSORS OF BILLS

S. 1541

At the request of Mr. ERVIN, the Senator from Oregon (Mr. PACKWOOD) was added as a cosponsor of S. 1541, to provide for the reform of congressional procedures with respect to the enactment of fiscal measures; to provide ceilings on Federal expenditures and the national debt; to create a budget committee in each House; to create a congressional office of the budget; and for other purposes.

At the request of Mr. MUSKIE, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of Senate bill 1541, supra.

S. 2510

Mr. CHILES. Mr. President, due to the rapid progress made by S. 2510, to create an Office of Federal Procurement Policy, in being passed by the Senate on March 1, a Senator who wished to support the legislation did not have the opportunity to be added as a cosponsor.

I ask unanimous consent that the Seantor from Kentucky (Mr. COOK) be added as a cosponsor of S. 2510, a bill to create an Office of Federal Procurement Policy in the Executive Office of the President, and for other purposes, and that the permanent record be corrected to add this name at the appropriate place.

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

S. 2868

At the request of Mr. CHURCH, the Senators from Arkansas (Mr. FULBRIGHT), Missouri (Mr. EAGLETON), North Dakota (Mr. BURDICK), Ohio (Mr. METZENBAUM), California (Mr. CRANSTON), Utah (Mr. Moss), Washington (Mr. JACKSON), Wisconsin (Mr. NELSON), Washington (Mr. MAGNUSON), Pennsylvania (Mr. HUGH SCOTT), New Jersey (Mr. CASE), Indiana (Mr. HARTKE), Massachusetts (Mr. BROOKE), Kentucky (Mr. HUDDLESTON), Vermont (Mr. STAFFORD), South Carolina (Mr. HOLLINGS), and New York (Mr. JAVITS), and Pennsylvania (Mr. SCHWEIKER) be added as cosponsors of S. 2868, a bill to provide for tax counseling to the elderly in the preparation of their Federal income tax returns.

S. 3036

At the request of Mr. ABOUREZK, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of S. 3036, to protect the public health and welfare by providing for the inspection of imported dairy products and by requiring that such products comply with certain minimum standards for quality and wholesomeness and that the dairy farms on which milk is produced and the plants in which products are produced meet certain minimum standards of sanitation.

S. 3064

At the request of Mr. ABOUREZK, the Senator from South Dakota (Mr. MCGOVERN), the Senator from Montana (Mr. METCALF), the Senator from Pennsylvania (Mr. SCOTT), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), and the Senator from Kentucky (Mr. COOK) were added as cosponsors of S. 3064; a bill to amend section 111 of title 38, United States Code, pertaining to the payment of travel expenses for persons traveling to and from Veterans' Administration facilities.

S. 3163

At the request of Mr. MCGOVERN, the Senator from Delaware (Mr. BIDEN), the Senator from Tennessee (Mr. BROCK), the Senator from Kentucky (Mr. COOK), the Senator from Wyoming (Mr. HANSEN), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Rhode Island (Mr. PASTORE) be added as cosponsors of S. 3163, to amend the General Education Act.

S. 3167, S. 3168, S. 3169, AND S. 3170

At the request of Mr. TOWER, the Senator from Pennsylvania (Mr. SCOTT), the Senator from Kansas (Mr. DOLE), and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 3167, to amend title II of the Social Security Act to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits, so that benefits for husbands and widowers will be payable on the same basis as benefits for wives and widows; S. 3168, to amend title II of the Social Security Act to permit the payment of benefits to a married couple on their combined earnings record; S. 3169, to amend title II of the Social Security Act to provide that an insured individual otherwise qualified may retire and receive full old-age insurance benefits, at any time after attaining age 60, if he has been forced to retire at that age by a Federal law, regulation or order; and S. 3170, to amend title II of the Social Security Act to provide that any individual who has 40 quarters of coverage, whenever acquired, will be insured for disability benefits thereunder.

ADDITIONAL COSPONSORS OF CONCURRENT RESOLUTIONS

SENATE CONCURRENT RESOLUTION 74

At the request of Mr. MCGOVERN, the Senator from Delaware (Mr. BIDEN), the Senator from Tennessee (Mr. BROCK), the Senator from Kentucky (Mr. COOK), the Senator from Wyoming (Mr. HANSEN), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Rhode Island (Mr. PASTORE) were added as cosponors of Senate Concurrent Resolution 74, to express the sense of the Congress that advance funding of educational programs should be implemented.

SENATE CONCURRENT RESOLUTION 76

At the request of Mr. KENNEDY, the Senator from South Dakota (Mr. MCGOVERN) was added as a cosponsor of Senate Concurrent Resolution 76, expressing the sense of Congress that negotiations be sought with the Union of Soviet Socialist Republics relative to naval and military strength in the Indian Ocean and littoral states.

ADDITIONAL COSPONSORS OF RESOLUTION

SENATE RESOLUTION 257

At the request of Mr. PASTORE, the Senator from Tennessee (Mr. BROCK), and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of Senate Resolution 257, to amend the Standing Rules of the Senate to establish a procedure for requiring amendments to bills and resolutions to be germane.

AMENDMENT OF FEDERAL ELECTION CAMPAIGN ACT OF 1971—AMENDMENT

AMENDMENT NO. 1052

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

Mr. ALLEN submitted an amendment, intended to be proposed by him, to the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provision of law relating to the financing and conduct of such campaigns.

REGULATION AND PROTECTION OF CONSUMERS FROM ADULTERATED FOOD—AMENDMENT

AMENDMENT NO. 1053

(Ordered to be printed, and referred to the Committee on Commerce.)

Mr. HOLLINGS submitted an amendment, intended to be proposed by him, to the bill (S. 2373) to regulate and protect consumers from adulterated food by requiring the establishment of surveillance regulations for the detection and prevention of adulterated food, and for other purposes.

PARTICIPATION BY THE UNITED STATES IN THE INTERNATIONAL DEVELOPMENT ASSOCIATION (S. 2653)—AMENDMENT

AMENDMENT NO. 1054

(Ordered to be printed, and referred to the Committee on Foreign Relations.)

Mr. JAVITS. Mr. President, this morning the Foreign Relations Committee held the first of 2 days of hearings on the International Development Association, the arm of the World Bank designed to aid the world's poorest countries. Secretary Shultz testified on the essentiality of continued U.S. support for a multilateral effort to assist economic development around the globe. Secretary Shultz stressed particularly the interrelationship between the U.S. commitment to IDA and our international economic policies in trade, investment, and access to resources, in which the United States has the keenest interest. He also stressed continued U.S. support as a means of persuading the wealthy oil producing countries to fulfill their responsibilities toward the poorest developing countries.

In connection with U.S. participation in the fourth IDA replenishment, I wish to submit an amendment for greater precision. It is submitted on behalf of myself and Senators HUMPHREY, MCGEE, and PERCY. The amendment clarifies the nature of the U.S. contribution, which permits the United States to spread its payments over a 4-year period instead of the 3-year period traditionally agreed to by the other developed country contributors to IDA, and also should assure our colleagues that the U.S. contribution will not exceed $375,000,000 per year. I understand that this is fully consistent with the agreements reached in Nairobi last year. Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD along with an explanation of IDA and the fourth replenishment.

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

AMENDMENT NO. 1054

On page 1, line 8, strike out "$1,500,000,000" and insert in lieu thereof "four annual installments of $375,000,000 each"; and

On page 2, line 3, strike out "$1,500,000,000" and insert in lieu thereof "four annual installments of $375,000,000 each".

INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA) FOURTH REPLENISHMENT OF RESOURCES

Twenty-four member nations and Switzerland have recommended a $4.5 billion increase in the resources of the World Bank affiliate, the International Development Association (IDA).

Subject to Congressional approval, the United States has agreed to provide $1.5 billion to this 4th Replenishment. Twice that amount will be supplied by other donors, including 20 Part I countries (high-income) and three Part II countries (low income)—Israel, Spain and Yugoslavia.

While the U.S. share will decrease from 40% to 33% when compared with the $2.4 billion Third Replenishment, substantial increases are expected from Japan (5.9% to 11%) and the Federal Republic of Germany (9.6% to 11.4%). Among other major contributors are Great Britain, France and Canada.

ORIGIN

In the late 1950s it was generally recognized that a number of developing countries had approached the limit of their capacity to service "hard debt" and that others—particularly the newer ones in Africa—needed outright grants or interest-free loans to help get their economies going and to provide an acceptable minimum standard of living for their people.

Largely as a result of an initiative taken in the United States Congress, the World Bank drew up the Articles of Agreement of an institution, to be known as the International Development Association, that could provide development finance and technical assistance on terms more lenient and bearing less heavily on the balance of payments of developing countries than the Bank's own loans. IDA came into being as an affiliate of the Bank in September 1960, and by June 30, 1973 its membership totaled 112 countries.

MEMBERSHIP AND SUBSCRIPTION

IDA's membership is divided into two categories: "Part I" countries—the relatively developed or high income members—and "Part II" countries, comprising the poorer or less developed members.

Each Part I country pays its entire subscription in convertible currency, all of which may be used by IDA for its lending. Each Part II country pays only one-tenth of its initial subscription in convertible funds; the remainder of its contributions are paid in the members' own currency. To date, over $84 million has been contributed by Part II countries in subscriptions and replenishment contributions. Almost $20 million is expected this time.

TERMS OF IDA CREDITS

IDA's development credits are for a term of 50 years and bear no interest. After a 10-year period of grace, 1% of the credit is repaid annually for 10 years, while in the remaining 30 years 3% is repaid annually. IDA makes an annual service charge of ¾ of 1% on the disbursed portion of each credit, to cover its administrative costs.

OPERATIONS

IDA has the same staff and operating methods as the World Bank. IDA reimburses the Bank through a management fee for administrative expenses incurred on its behalf. The fee was established at $30.8 million by the Board of Directors for the fiscal year ending June 30, 1973.

Bank and IDA projects are identified, appraised and supervised in the same way. IDA projects have to satisfy the same strict economic criteria and the same high technical and managerial standards traditionally required of projects financed by the Bank.

A country's economic status determines the kind of money that will be made available to it, assuming that the project and the country's policies are considered sound. Thus some developing countries qualify only for Bank loans. Others qualify only for IDA funds. A few are eligible for a blend of the two, which has the effect of reducing their burden of interest payments when compared to Bank lending.

Up to June 30, 1973, IDA had lent a total of $5.7 billion to 66 developing countries for a wide range of projects in the fields of agriculture, education, industry, electric power, telecommunications, transportation, water supply, tourism and general development. More than half IDA lending of recent years has been for agriculture and education. IDA's portfolio of projects thus increasingly reflects the prioritiess and constraints in the poorer countries.

RESOURCES

IDA's funds for loans have been obtained from five sources: members' initial subscriptions; periodic replenishments provided by its richer members; special contributions made by some members; transfers of funds from the World Bank's net earnings; and IDA's own accumulated net income.

REPLENISHMENTS

Initial capital subscriptions were never envisaged as the sole sources of IDA's lending funds. From the beginning it was expected that IDA would have to obtain further funds from governments at various intervals, to enable it to continue operations. In 1964, agreement was reached on the first general replenishment by Part I countries of IDA's resources. This totaled the equivalent of about $750 million paid in over a three-year period.

A second replenishment came into effect in 1969, under which about $1,200 million was added to IDA's resources by the Part I countries and Switzerland, which is not a member.

Agreement was reached in 1971 for a third replenishment. This provides for contributions totaling somewhat over $800 million annually for three years. Three Part II countries—Ireland, Spain and Yugoslavia—took part in this replenishment, together with Part I countries and two non-members, Switzerland and New Zealand.

The United States agreed to contribute $960 million to the Third Replenishment. This sum was authorized by Congress in 1972. Congress is currently considering appropriating a second installment of $320 million, one year behind the original schedule.

WORLD BANK CONTRIBUTIONS

Funds contributed to IDA by the World Bank between fiscal years 1964–1972 have amounted to $705 million. In September 1973, the Board of Governors approved an additional $110 million transferral from the Bank's 1973 net income.

NEED FOR MORE FUNDS

By June 30, 1973, funds available for IDA's operations from all sources, subscriptions, special contributions, three replenishments, Bank transferrals and its own net earnings had amounted to $7.3 billion.

It is expected that this will be fully committed by June 30, 1974. Therefore, if IDA's

lending program is to continue, approval of a Fourth Replenishment is essential.

IDA credits by regions through fiscal year 1973

[U.S. dollars in millions]

Eastern Africa	$726.1
Western Africa	381.7
Asia	3,899.3
Europe, Middle East, and North Africa	520.7
Latin America and the Caribbean	235.6
Total	5,763.4

IDA credits by purpose through fiscal year 1973

[U.S. dollars in millions]

Agriculture, forestry, and fishing	$1,612.9
Education	380.3
Industry	280.7
Industrial imports	1,000.0
Population	39.2
Power	481.6
Technical assistance	14.0
Telecommunications	320.4
Tourism	14.2
Transportation	1,428.3
Urbanization	30.3
Water supply and sewerage	161.5
Total	5,763.4

COMPARATIVE INDICATORS FOR IDA CONTRIBUTING COUNTRIES

[Dollar amount in millions of U.S. dollars equivalent]

Donor nations	4th replenishment contribution: Amount	4th replenishment contribution: Percent of total	3d replenishment contribution: Amount	3d replenishment contribution: Percent of total	Percent of combined GNP of contributing countries	Official development assistance as percent GNP in 1972	Population (millions)
Pt. I countries:							
Australia	$90.0	2.0	$48.0	2.0	1.72	0.61	12.3
Austria	30.6	0.7	16.3	.7	.77	.09	7.4
Belgium	76.5	1.7	40.8	1.7	1.34	.55	9.6
Canada	274.5	6.1	150.0	6.1	3.93	.47	21.1
Denmark	54.0	1.2	26.4	1.1	.78	.45	4.9
Finland	25.2	.5	12.2	.5	.49	(1)	4.7
France	253.5	5.6	150.0	6.1	7.51	.67	50.3
Germany	514.5	11.4	234.0	9.6	9.77	.31	60.8
Iceland	1.3	.03			.03	(1)	(2)
Ireland	7.5	.2	3.9	.2	.20	(1)	2.7
Italy	181.3	4.0	96.7	4.0	4.37	.09	53.2
Japan	495.0	11.0	144.0	5.9	11.27	.21	102.3
Kuwait	27.0	.6	10.8	.4	.13	(1)	0.6
Luxembourg	2.2	.05	1.2	.05	.05	(1)	0.3
Netherlands	132.7	2.9	67.5	2.8	1.71	.67	12.9
New Zealand	11.7	.26	3.3	[3].25	.31	(1)	2.8
Norway	49.5	1.1	24.0	1.0	.58	.41	3.9
South Africa	9.0	.2	3.0	.1	.72	(1)	20.2
Sweden	180.0	4.0	102.0	4.2	1.52	.48	8.0
United Kingdom	499.5	11.1	311.0	12.7	5.75	.40	55.5
United States	1,500.0	33.3	960.0	40.0	43.36	.29	203.2
Pt. II Countries:							
Israel	1.0	.02			.26	(1)	2.9
Spain	13.3	.30	2.5	.1	1.73	(1)	22.5
Yugoslavia	5.0	.11	4.0	.2	.58	(1)	20.5
Switzerland (nonmember)	66.1	1.50	30.0	1.2	1.14	.21	6.2
Total	4,500.0	100.00	2,442.0	100.0			

[1] Not members of the Development Assistance Committee (DAC).
[2] Less than 1,000,000.
[3] Nonmember for 3d replenishment.

CONGRESSIONAL BUDGET ACT OF 1974—AMENDMENTS

AMENDMENT NO. 1055

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

Mr. ROTH (for himself, Mr. BARTLETT, and Mr. DOMENICI) submitted amendments, intended to be proposed by them, jointly, to the bill (S. 1541) to provide for the reform of congressional procedures with respect to the enactment of fiscal measures; to provide ceilings on Federal expenditures and the national debt; to create a budget committee in each House; to create a Congessional Office of the Budget, and for other purposes.

AMENDMENT NO. 1056

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

Mr. CHILES (for himself, Mr. JAVITS, Mr. MUSKIE, Mr. JOHNSTON, and Mr. Moss) submitted amendments, intended to be proposed by them, jointly, to Senate bill 1541, supra.

AMENDMENT NO. 1057

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

Mr. JAVITS (for himself, Mr. HUMPHREY, Mr. CHILES, Mr. MUSKIE, Mr. MONDALE, Mr. JOHNSTON, Mr. Moss, and Mr. PERCY) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 1541, supra.

ADDITIONAL COSPONSOR OF AMENDMENT

AMENDMENT NO. 1051

At the request of Mr. BARTLETT, his name was added as a cosponsor of amendment No. 1051, to the bill (S. 1541) to provide for the reform of congressional procedures with respect to the enactment of fiscal measures; to provide ceilings on Federal expenditures and the national debt; to create a budget committee in each House; to create a Congressional Office of the Budget, and for other purposes.

NOTICE OF HEARINGS ON THE COMPREHENSIVE DRUG ABUSE PREVENTION AND CONTROL ACT OF 1970 AND ITS RELATIONSHIP TO THE PHARMACIST

Mr. BAYH. Mr. President, the problems of drug related crime, drug traffic and drug abuse, especially that involving young people, are among the most serious issues confronting the Nation. In 1969, after conducting extensive hearings on the adequacy of Federal drug control legislation, the Subcommittee to Investigate Juvenile Delinquency developed legislation which is an amended form became the Comprehensive Drug Abuse Prevention and Control Act of 1970 (Public Law 91–513).

Since 1970, the subcommittee has conducted extensive hearings on the implementation of the 1970 act and sought vigorously to assure that the Federal agencies responsible for enforcing the law acted consistent with congressional intent. In order to assess these accomplishments as well as the act's shortcomings, and to develop necessary clarification and improvements in the law to meet the ever-changing and increasingly complex patterns of drug traffic and abuse, the Subcommittee has scheduled several days of hearings this spring.

Mr. President, I wish to announce that the subcommittee will hold the first in this series of oversight hearings on March 28, 1974, at 10:30 a.m., in room 4232, Dirksen Senate Office Building. This hearing will focus on the Federal drug control legislation and its relationship to the pharmacist. Representatives from organizations who played a vital role in developing the 1970 act, such as the American Pharmaceutical Association; the American Association of Colleges of Pharmacy, the National Association of Chain Drug Stores, Inc., the National Association of Boards of Pharmacy, the National Association of Retail Druggists and the National Retired Teachers Association-American Association of Retired Persons, have been invited to testify.

Any person wishing to submit a state-

ment for the record should notify John M. Rector, staff director and chief counsel of the subcommittee at 225–2951 or 302 Senate Annex, Washington, D.C. 20510.

NOTICE OF HEARINGS ON S. 2070 AND S. 3202

Mr. NELSON. Mr. President, I wish to announce that the Subcommittee on Employment, Poverty, and Migratory Labor of the Labor and Public Welfare Committee will hold hearings in Washington, April 8 and April 9, 1974, on my bills S. 2070 and S. 3202 to amend the Federal Farm Labor Contractor Registration Act of 1963. I ask unanimous consent that bill S. 3202 be printed in its entirety in today's RECORD.

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

S. 3202

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

(a) this Act may be cited as the "Farm Labor Contractor Registration Act Amendments of 1974".

(b) Unless the context otherwise requires, whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision the reference shall be considered to be made to a section or other provision of the Farm Labor Contractor Registration Act of 1963.

SEC. 2. The second sentence of section 3(b) is amended to read as follows: "Such term shall not include—

"(1) any charitable, educational institution, or any full-time or regular employee thereof, or any State or political subdivision to the extent that the activity is within the definition of farm labor contractor and is within the scope of duties set forth in Section 6(b) of this Act, and occurs between such State or political subdivision thereof and another State or political subdivision thereof, except that in a case where a State or political subdivision thereof directly recruits, hires, or transports 10 or more migrant workers from another State, territory or foreign nation at any one time in any calendar year the exception provided herein shall not apply;

"(2) any farmer, processor, canner, ginner, packing shed operator or nursery man (A) who personally engages in any such activity for the purpose of supplying migrant workers solely for his own operation or (B) who indirectly engages in any such activity through an agent or by contract, where he first observes in the immediate possession of the person so engaged a certificate from the Secretary that is in full force and effect at the time he contracts with such persons so engaged;

"(3) any person who engages in any such activity for the purpose of obtaining migrant workers of any foreign nation for employment in the United States if the employment is subject to—

"(A) an agreement between the United States and such foreign nation, or

"(B) an arrangement with the government of any foreign nation under which written contracts for the employment of such workers are provided for and the enforcement thereof is provided for through the United States by an instrumentality of such foreign nation; or

"(4) any full-time or regular employee of any person holding a certificate of registration under this Act."

SEC. 3. Section 3(d) of the Act is amended to read as follows:

"(d) The term 'interstate agricultural employment' means employment in any service or activity included within the provisions of section 3(f) of the Fair Labor Standards Act of 1938 (29 U.S.C. § 203(f)), or section 3121 (g) of the Internal Revenue Code of 1954 (26 U.S.C. § 3121(g))."

SEC. 4. Section 5(a) is amended by—

(1) striking the word "and" after paragraph (2),

(2) striking the period at the end thereof and inserting in lieu thereof a semicolon, and

(3) adding the following new paragraphs:

"(4) has posted a bond with the Secretary in such manner and in such amount (but not less than the sum of $5,000), as the Secretary may from time to time prescribe, which bond shall provide security against liability in such farm labor contractor to any third person, including any employer, employee, or person recruited, solicited, or transported by him while engaging in activities as a farm labor contractor;

"(5) has filed, under such terms as the Secretary may prescribe, a statement identifying each vehicle to be used by the applicant for the transportation of migrant workers, and all real property to be used by the applicant for the housing of migrant workers, during the period for which registration is sought, along with proof that every such vehicle and all such housing currently conform to all applicable Federal and State safety standards; and

"(6) has consented to designation of the Secretary as the agent available to accept service of summons in any action against such farm labor contractor at any and all times during which such farm labor contractor has departed from the jurisdiction in which such action is commenced or otherwise has become unavailable to accept service, under such terms and conditions as are set by the Court in which such action has been commenced."

SEC. 5. (a) Section 5(a) (2) is amended by striking out "$5,000" each time it appears and inserting in lieu thereof "$50,000".

(b) Section 5(a) (2) is further amended by striking out "$20,000" and inserting in lieu thereof "$750,000".

SEC. 6. Section 5(b) is amended by—

(1) striking "or" at the end of paragraph (9);

(2) striking the period at the end of paragraph (10) and inserting in lieu thereof "; or"; and

(3) adding after paragraph (10) the following new paragraph:

"(11) is not in fact the real party in interest in any such application or certificate of registration and that the real party in interest is a person, firm, partnership, association, or corporation who previously has been denied a certificate, or has had a certificate revoked or suspended."

SEC. 7. Section 5 is amended by adding at the end thereof the folowing new subsection:

"(d) Persons issued a certificate of registration under this section shall provide to the Secretary a notice of each and every address change within 10 days after such change. The Secretary shall maintain a public central registry of all persons issued certificates of registration under this section."

SEC. 8. Section 6(a) is amended by inserting immediately before the semicolon at the end thereof the following: "and shall be denied the facilities and services authorized by the Act of June 6, 1933 (29 U.S.C. 49), upon refusal or failure to exhibit the same."

SEC. 9. (a) Section 6(b) is amended by inserting the words "in writing" immediately after the word "disclose", by striking the word "and" before clause (5), and by inserting before the semicolon at the end thereof the following: ", and the minimum period of employment;"

(b) Section 6(b) is further amended by inserting after clause (2) the following: "(3) the existence of a strike or other concerted stoppage, slowdown, or interruption of operations by employees at a place of employment which he knows or would discover in the exercise of reasonable diligence, or which has been so certified by an authorized agency of Federal or State government, (4) the existence of any arrangements with any owner, proprietor, or agent of any commercial or retail establishment in the area of employment under which he is to receive a commission or any other benefit resulting from any sales provided to such commercial or retail establishment from the migrant workers whom he recruits."

(c) Clauses (3), (4), and (5) of such section are redesignated as clauses (5), (6), and (7), respectively.

SEC. 10. Section 6 is amended by—

(1) striking "and" after paragraph (d),

(2) striking the period at the end of paragraph (e) and inserting in lieu thereof a semicolon, and,

(3) adding at the end thereof the following new paragraphs:

"(f) refrain from recruiting, employing, or utilizing the services of any person whom he knows or should know to be in violation of the provisions of the Immigration and Nationality laws of the United States; and

"(g) refrain from recruitment of workers for employment which is the subject of a strike, slowdown or labor-management dispute where the effect of such recruitment is to interfere with such strike, slowdown or labor-management dispute on behalf of the employer."

SEC. 11. Section 7 is amended by adding at the end thereof the following: "The Secretary or his delegate may issue subpenas requiring the attendance and testimony of witnesses or the production of any evidence in connection with such investigations. The Secretary, or his delegate, may administer oaths and affirmations, examine witnesses, and receive evidence. In case of contumacy or refusal to obey a subpena, any district court of the United States within the jurisdiction of which the inquiry is carried on or within the jurisdiction of which said person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the Secretary or his delegate, shall have jurisdiction to issue to such person an order requiring such person to appear before the Secretary or his delegate, to produce evidence if so ordered, to give testimony touching the matter under investigation or in question, any failure to obey such order of the court may be punished as a contempt. The Secretary shall conduct investigations in a manner which protects the confidentiality of any complainant or other party who provides information to the Secretary with respect to which the Secretary commences an investigation. The Secretary shall continually monitor and investigate activities of farm labor contractors in such manner as is necessary to enforce the provisions of this Act."

SEC. 12. Section 9 of the Act is amended by inserting the letter "(a)" at the beginning thereof and by adding at the end thereof the following: ", sentenced to a prison term not to exceed one year, or both, and upon conviction for each subsequent violation of this chapter, shall be punishable by a fine not to exceed $10,000 or a prison term not to exceed three years, or both. Every violation of any provision of any section of the chapter shall be considered a subsequent offense for the purposes of this section if the person convicted shall previously have been convicted of a violation of any provision of any section of this chapter. Prosecution for the violation of any section of this Act shall not bar prosecution for a violation of any other section of this Act, or of any law, statute, or ordinance proceeding from any action of the offender."

"(b) any farmer, processor, canner, ginner, packing shed operator, or nursery man who indirectly engages in activity as a farm labor contractor either through an agent or by contract, who fails to satisfy the requirements of section 3(b)(2)(B) of this Act shall be liable for any damages arising from the acts or omissions of anyone engaging on his behalf in activities as a farmer labor contractor without a certificate of registration as required herein, in any action brought under the Act, regardless of whether the farm labor contractor is an independent contractor or an agent of such person;

"(c) If, upon inspection or investigation, the Secretary or his authorized representative believes that a person has violated a requirement of this chapter or of any rule or regulation prescribed pursuant to this chapter, he shall issue a citation to the violator or refer all evidence of such violation to the United States Department of Justice. Each citation so issued shall be in writing and shall describe with particularity the nature of the violation, including a reference to the provision of the chapter, rule or regulation alleged to have been violated. Such citation shall be deemed to charge an offense triable before a United States Magistrate, or otherwise, as defined in title 18 U.S.C. §§ 1(3) and 3401; and

"(d) Where the Secretary or his authorized representative be in possession of prima facie evidence of a violation of subsections (b)(1) through (b)(6) of section 5 or subsections (e), (f), or (g) of section 6 of this Act, or of any rule or regulation promulgated pursuant to said subsections, the Secretary shall take such action as is reasonably necessary to carry out the enforcement of this Act which, at a minimum, shall include the suspension of the registration of the farm labor contractor against whom such evidence is discovered."

SEC. 13. (a) The Farm Labor Contractor Registration Act of 1963 is amended by inserting after section 11 the following:

"CIVIL RELIEF

"SEC. 12. (a) Any person claiming to be aggrieved by the violation of any provision of this Act or any regulation prescribed hereunder may file suit in any district court of the United States having jurisdiction of the parties without respect to the amount in controversy or without regard to the citizenship of the parties.

"(b) Upon application by the complainant and in such circumstances as the court may deem just, the court may appoint an attorney for such complainant and may authorize the commencement of the action without the payment of fees, costs, or security. If the court finds that the respondent has violated any provision of this Act or any regulation prescribed hereunder, it may award damages up to and including $500 for each and every violation. The court, in its discretion, may allow the prevailing party a reasonable attorney's fee as part of the costs. Any civil action brought under this section shall be subject to appeal as provided in sections 1291 and 1292 of Title 28, United States Code.

"(c) The Secretary, or his delegate, may petition any district court of the United States within which violations of this Act are alleged to have occurred for appropriate temporary or permanent injunctive relief.

"PROHIBITED ACTIONS

"SEC. 13. (a) It shall be unlawful for any person to terminate, suspend, demote, transfer or take adverse action against any employee in retaliation for the exercise, by such employee, of any rights secured under this Act.

"(b) A presumption that an action is retaliatory shall arise from any action described in subsection (a) of this section which occurs within a period of 180 days following an action by an employee which constitutes an exercise of a right secured to such employee under this Act.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 14. There are authorized to be appropriated to carry out the purposes of this Act $5,000,000 for the fiscal year ending June 30, 1975, and a like amount for each fiscal year thereafter."

(b) Sections 12, 13, 14, and 15, are redesignated as sections 15, 16, 17, and 18 respectively.

SEC. 14. The Act is amended by addition at the end thereof the following new section:

"NONWAIVER PROVISIONS

"SEC. 19. Any agreement by an employee purporting to waive or to modify his rights hereunder shall be void as contrary to public policy, except a waiver or modification of rights or obligations hereunder in favor of the Secretary or his duly authorized agent shall be valid for purposes of enforcement of the provisions of the Act.

ANNOUNCEMENT OF MARKUP OF S. 2744

Mr. RIBICOFF. Mr. President, I wish to announce that the Subcommittee on Reorganization, Research, and International Organizations, having completed 7 days of hearings on S. 2744, a bill to establish an Energy Research and Development Administration, ERDA, and a Nuclear Energy Commission, NEC, will begin marking up the bill on April 9. It is my hope that the bill will be reported to the full Government Operations Committee before the start of the Easter recess.

ADDITIONAL STATEMENTS

INAUGURAL ADDRESS BY VENEZUELAN PRESIDENT

Mr. KENNEDY. Mr. President, I placed in the RECORD yesterday news articles commenting on the inaugural address of Venezuelan President Carlos Andres Perez.

I stated then that the new Venezuelan leader had spoken not only to his countrymen but to all nations in the Western Hemisphere. It was an eloquent affirmation of democratic principles and a firm statement of the hopes of the new President.

Therefore, today, I ask unanimous consent that the full text of the inaugural address by Venezuelan President Carlos Andres Perez be printed in the RECORD.

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

PRESIDENT CARLOS ANDRES PEREZ' INAUGURAL ADDRESS

Mr. President of the Congress of the republic, Mr. Vice President of the Congress, Mr. President of the Supreme Court of Justice, Your Eminence Jose Humberto Cardinal Quinteo, the archbishop of Caracas, Mr. President of the Supreme Electoral Council, Mr. President of the Judiciary Council, former constitutional President Romulo Betancourt, former president of the governing junta Edgard Sanabria, citizen members of the Executive Cabinet, most excellent gentlemen, heads of special missions, messrs comptroller and attorney general of the republic, gentlemen members of the high military command, presidents of the municipal councils of the federal and sucre districts, messrs rector, vice rector and secretary of the Central University of Venezuela, auxiliary bishops of Caracas, messrs presidents and other members of the political parties, special guests, ladies, gentlemen, senators, deputies:

The Venezuelan nation shares this moment with me. For the fourth time since 13 February 1959 in a democratic transfer of the command of the republic, the president elected by the sovereign will of the people swears his oath in this very place to begin a new constitutional period. Democracy is irrevocably [words indistinct] the future of Venezuela. [words indistinct] This is the historic moment to say so, with the strengthening of the system in the minds of the people, the period in which I will lead as chief of state should be the beginning of an age of genuine popular achievements that will make possible a social and economic democracy as an expression of the most cherished hope of the men and women of Venezuela.

I have the wholehearted support of the people, and I can count on the strong backing of the armed forces, which are capable and well disposed toward the defense of sovereignty and the maintenance of internal order and are fully willing to contribute to all toward all the national tasks of development and to make my government strong in promoting the cause of the weak and those excluded from social progress.

We have gathered the necessary strength for this enterprise, which requires the creative energy of all the inhabitants of our country. The nation's historic foundations are firm and this endeavour can be achieved. I see that I am surrounded by the expectations of the nation, and I will live up to them. We will open new horizons in the land of Venezuela.

The great speed with which the world moves and which effects drastic changes in every aspect of life, obliges us to take great strides. Now, for the first time in our developing world, there is a marshalling of forces that enables the hopes born in the dreams that fired the vision of our liberators to be fulfilled.

We are experiencing a process of Latin American maturity. Our geopolitical location in the universe is the Third World. All the people who are exploited through their raw materials and are underpaid for their labor, and whose economic sovereignty is abused desire a peace that is not a prize of the privileged, but coexistence in wellbeing so that international economic development will not be limited to the growth of the large nations.

This promising picture of the world realities, of affirmation of the Latin American conscious and nationalism will be a touchstone in our efforts at outlining a new scheme for development that will not deepen further—and to the contrary, will reduce—the economic inequalities between the different sectors of the nation's population.

I utter these words and pledge the actions of my administration in this year of 1974, the 150th anniversary of the Battle of Ayacucho, which sealed the independence of South America, and also the 150th anniversary of the calling of the Amphictyonic Congress of Panama.

On 7 December 1824, the liberator foresaw an end to the American wars of political independence, which were decided 2 days afterward by Venezuelan Marshall Antonio Jose de Sucre on the Peruvian fields of Ayacucho, and went ahead to call the congress of the previously Spanish republics which were in fact already confederated in the Isthmus of Panama.

His genius prevailed and therein lies the destiny of greatness of Latin America. If the other republics do not decide immediately, I foresee delays and immense losses at a time when everything in the world is accelerating rapidly and could also be accelerating to our disadvantage. [President Perez is apparently quoting Simon Bolivar here]

[These are] prophetic words . . . here 150 years later we find ourselves on the threshold of this road. Fortunately, we are ready to walk down it with determination and without hesitation, with Peru, with Panama, with Colombia, Ecuador and Bolivia, and with all 150th anniversary of the Panama congress and the battle of Ayacucho as an affirmation of the Latin American community. We will reach out for firm bonds which will contribute to Latin American integration, the starting point of the new Ayacucho, which is the economic liberation of Latin America.

In 9 months we will commemorate these great events. All the heroes of Latin American independence believed in the unity and solidarity of their people. The doors of history are wide open for the continuing and crowning of the endeavour. As Andres Bello would have said, the fate of this Latin American republic will depend upon our determination. Our future, the kind of nation we are going to build, depends on us and our actions.

This decade of the 1970's will be one of great achievement for Venezuela and Latin America. Here, in this congress hall the flame of our just demands concerning petroleum was lit in 1970. We recovered control of the prices of our main resource. Venezuela now has the opportunity to offer Latin America, through petroleum, effective cooperation to carry forward the common struggle for independent development, fair prices for raw materials, a just participation of the economic balance in world trade.

The world political order that came after World War II is showing itself to be insufficient in the face of the new reality and for this reason different ideologies have taken on new meanings. The bipolar world has given way to the multipolar world. The monetary system is adrift, lacking a wheel to guide it in accordance with the new truths of the new world. The energy crisis caught the confident big nations by surprise. Many confrontations have taken place, and it is yet too soon to have definite solutions regarding the institutional arrangements which must be based on the recognition of the economic rights of the developing nations.

Not until that time will the new monetary balances be agreed upon. This is a moment of great change and dynamism. However, it is possible to reach some conclusions.

One conclusion is the desire for integrating countries, markets, regions and subregions. Venezuela is part of an integration process in the Latin American area which not only will be fruitful because of the need for economic and political agreements, but because, as we have said already, it is also a mandate of our history.

My government will work fulltime so that the agreements reached will be consolidated and perfected in practice, and will also seek [word indistinct] every point of possible understanding with Latin American nations. This attitude will always be extended to the other nations that suffer together with us the injustice of the present international division of labor, but will not stop us from simultaneously approaching other areas of world exchange. We hope to develop fruitful relations with all nations regardless of their political, social and economic systems. We want our voice to be heard and the words accompanying our action to be respected, because we do not want to be a dependent, subordinate or subjected nation but fully and proudly sovereign. [applause]

Different facts limit the independence of modern nations. One of these is technology. I state with full conviction that without technological development and without developing the intelligence and aptitudes of the human resources of the nation, no nationalism is viable. Our nationalism will have to be wise enough to know that it must be carried out within the framework of multinational interdependence, but without losing its own image and its vote for the interest and sovereignty of the nation.

Other circumstances have arisen which interfere with our independent development. These are personified by the corporations which have their own interests, but are at the same time the means of spreading technology. I refer to the multinational enterprises. The Venezuelan state should seek practical ways of acting. The state's interests will rarely coincide with that of these enterprises, but it will be intelligent and convenient for both these and us to seek agreements and areas of understanding. Today's nationalism is not a matter of rhetoric, but a manner in which to obtain and to realize a policy for the nation and the Venezuelans within the common context of Latin American interests.

We are going to realize our people's old aspiration for oil to be Venezuelan. [applause] Various legal instruments exist that guarantee the reversion of oil. However, today we can see the advantage of speeding up this process to immediately establish a new national and nationalist oil policy. We must discuss and approve this before the country, and the national Congress will have the final word. But it will not be by the simple exercise of sovereignty or by a congressional majority [that this will be accomplished], but in the name of and by the decision of the entire nation. More than a new law, we need agreement between Venezuelans on what we can and should do to fulfill this unique mandate which history has given us.

No dogmatism will bind the oil policy of the government which begins today. I realize, that the nationalization of oil is not an exercise in rhetoric, but a plan of action. The clearer the tone of the words we use, the better we will be able to hear and understand ourselves. If we scream, we will run the risk of giving our words a different sound, which may cause us to deviate from, or confuse, the goals we seek.

I am going to appoint a commission of individuals representative of the nation to advise the government in its study of the alternatives we are going to consider and submit to Congress.

Thus, I would like to obtain the participation of all Venezuelans in the search for the greatest possible national consensus for the important decisions we will have to make. It is most urgent to determine the nation's energy policy. Within the framework of this policy we will be able to plan for the nation's use of energy, hydroelectric, petroleum and gas resources and we will be able to set aside reserves of conventional petroleum and gas for national development, and define—in accordance with the objectives of this long-range oil policy—our treatment of the new petroleum reserves and the national conditions and requirements for the future exploitation and exploration of the Orinoco strip.

Our destiny as an oil producing country is linked to a basic action; if we want oil to be ours it is not enough to nationalize it. The achievement is closely tied to the training of enough Venezuelan personnel to insure future development. We will have to develop, from school days forward, a solid awareness not only of the value, but also of the use of oil resources. The administration of oil is part of a broader concept of the disposition and utilization of resources for the benefit of all Venezuelans and not just a privileged circle.

The price of oil has provided a productive source of monetary resources, which are not the product of Venezuelan effort. We have both a powerful [treasury] bolivar and a productive but devalued bolivar shriveled like a nut in a shell. As president, I propose to assess this matter clearly. Fiscal affluence may continue to lead us—even more forcefully—toward excessive spending, and this will in turn lead to the loss of the bolivar's domestic value.

I have stated that during my administration I will do everything necessary to balance the purchasing power of the bolivar. We will not let ourselves be influenced by the illusion of easy money policies that consent to import squandering in line with our mining country mentality, nor by apparent solutions to the imbalances caused by world inflation in the import prices of our raw materials and foodstuffs. We will [develop] our monetary policy with the knowledge that we can trust in our creative capacity and our capability to prepare a new development scheme that will give our currency internal strength and enable us to export the products of our nationally produced wealth.

Fiscal affluence compels us to be prudent. A surplus of assets will have a harmful effect on the economic system as a whole. We will have to carefully manage our investments so that the wealth which has so suddenly dropped into our hands will not be spent unproductively. A special diversified investment fund within and without Venezuela will consume the major portion of the new income and direct it toward solid, specific goals, as far removed as possible from greedy, fleeting consumption.

I would like to refer especially to the severe threat of inflation which is already a Venezuelan reality and has a serious impact on all the cities of the nation. The dramatic price increases of raw materials, manufactured goods and basic foodstuffs have not been caused by world inflation alone. Basically, our development scheme is also to blame—the lack of foresight and the improvised methods with which we have traditionally run the country. It would be illusory to believe that we are going to resolve the supply crisis in a short time without any serious difficulties.

A governing principle will guide our policies against scarcity and inflation and in defense of the consumers' purchasing power. This principle will protect the less-favored sectors. The government will soon announce the specific steps it is going to take, among them a salary increase under conditions which will be established in due time.

Prosperity is not the cold facts of financial statements. Neither is it reflected in a trend toward growth in the material production of goods and services. Prosperity is social well-being. It is the quality of the lives of all Venezuelans. The most obvious conclusion from this interpretation of development is that it would be inexplicable and illogical to have high levels of real and financial wealth without adequate income distribution.

The social and economic democracy to which my government will be committed requires constant vigilance so that the nation's riches may be extended to all social levels. Income from petroleum concentrated in the hands of a few would be opulence without democracy. We are obliged therefore to choose a new scheme of development. The historic era now beginning requires adjustments and rectifications. This is not the time to discuss the successes or failures of the past, but rather a time to make current decisions on what must be done from now on. [applause]

A long-term social and economic plan must be created that is more equitable than the current one. The physical equipping and organization of the territory must be thought of as one of the strategies to be formed in order to reach the prospective model within a reasonable time. In this regard the realization of public works is not an objective in itself, but rather a means toward the ultimate achievement of man's welfare.

Reorientation of that policy must also take into account the following criteria: analysis of the needs that have been satisfied in former constitutional periods; and consideration

of the equilibrium produced among the different sectors and regions of the country, in which the gap between rural and urban environments is emphasized.

Because restructuring of agriculture and strengthening of the agrarian reform—without the hindrances of corruption and errors—is one of the government's primary objectives, special importance will be given to completing projects in these fields: to increase production and productivity and to facilitate the distribution and marketing of agricultural produce. With this in mind, very ambitious projects are being planned for water exploitation and rural highways. Special emphasis will be given to projects to improve agricultural lands that are subject to flooding and have poor drainage systems, all of this in accordance with the stipulation of the national plan for the exploitation of hydraulic resources.

In addition to the decisive role which agriculture will play within national development, projects in this field will serve to ease the exaggerated process of urbanization and will try to equalize the standard of living of Venezuelans in rural and urban areas, thus producing effects that will influence future urban development and housing programs, that will produce more favorable living conditions in rural areas, and that will also create very important social and economic benefits for the urban population by stimulating the expansion of craftmanship, of small and medium industry, while also guaranteeing better quality foods at prices within the reach of the people.

Urbanization in the more developed countries is a manifestation of progress because it is due to accelerated expansion of employment in cities which have become industrialized and to the simultaneous increase in agricultural productivity, which requires that more be produced. In countries like Venezuela, this phenomenon does not occur, and a large percentage of those who have deserted the countryside in order to achieve a higher standard of living have ended up merely existing on the fringes of the city.

The policy of fiscal and credit incentives, agricultural regionalization and [word indistinct], technical assistance, the supply of fertilizers, the guarantee of rural property and security, trade and transportation—all will be instruments to effect this transformation. And we will not hesitate to apply a rational policy of subsidies for the modernization of agriculture that is directed toward increased productivity. It is also necessary to begin with firmness and boldness to improve agricultural credits.

The agricultural debt, which is strangling the entire Venezuelan agricultural economy with strong and long tentacles, is the most negative and regressive circumstances in that sector. It is hindering—and will become even stronger—the modernization of national agriculture.

The new Venezuelan development plan will be based on the premise that agriculture is the starting point for other types of development and that any industry which is not rationally nurtured by it will be left in a vacuum and exposed to very severe risks.

The model of development will inspire my government is closely linked with the policy of full employment. The intensive use of capital and technology will be directed toward areas in which high productivity is required in order to enter enthusiastically the field of exporting nontraditional products. It will be up to the state, the businessman and the union organizations in cooperation to draw up a new employment policy that will adjust industrial techniques to the mechanization required if we are to use the unemployed labor force.

Siderurgical and petrochemical development are two great challenges facing Venezuela. The siderurgical and petrochemical industry, the industralization processes for petroleum and iron offer very important and obvious prospects. Intelligent and practical nationalistic criteria, which are flexible and versatile, must direct the decisions we make in this field.

Many joint plans and new ways of doing things may be combined in industrial negotiations, so that Venezuela can sell less petroleum and more products which use it as a raw material or as an industrial element of energy production and not export (raw materials), but rather steel, manufactured goods and machinery. Venezuela will not be able to comply with the minimum requirements of the challenge it faces without reforming the state and the administration. It can be said without exaggeration that the structure of the state is sometimes inefficient, and sometimes distorted or frankly anachronistic and useless.

The levels of efficiency in public administration are frankly unacceptable. There is a great gap between the state and the citizen, who is unable to get public services or reach administration officials for an answer or a proper solution to his demands. In a modern country, public officials should be responsible for the services they render to the state. A public post is not a privilege, it is a service. Therefore, paternalism, arrogance and irresponsibility are unacceptable. Legislation on this administrative problem is urgent and is an essential instrument for the functioning of a legal state.

The state must be under democratic control. I believe we have new opportunities. As president, I will always be happy when the branch institutionalizes the means of control fundamental to the balance of power.

The Venezuelan state cannot sponsor any particular interests of sectors or influential groups. Neither can it stand by with indifference while a few get rich on the wealth of the people. I want to be president of all Venezuelans! [applause]

Antimonopoly laws and laws to protect the consumer should be rapidly approved by the legislative branch. We will submit bills and we hope that they will be discussed calmly and that their objectives will be understood fully. For the past 13 years our legal and political system has been regulated by the 1961 Constitution. This shows the stability of our political regime. It had been customary to have constant, capricious changes of constitutions. Only the one from 1830 has managed to [words indistinct] the spirit of the last constitution was to have a stability so that this nation, which has had so many constitutions, would not succumb to the temptation of making amendments or revisions simply for transitory or circumstantial reasons.

I think the time has come to present some ideas in connection with this important matter. In a special message to Congress I will suggest amendments to the constitution, since it is Congress' and the legislative assemblies' exclusive privilege to take the initiative on this matter. We have discovered through experience and the force of political activities that all provisions of the 1961 Constitution are not adaptable to Venezuelan realities and needs today. Our political changes have been continuous, and I do not exaggerate when I say we have accumulated valuable experiences. I am not overlooking the fact that a constitutional amendment or revision requires a significant national consensus so that the provisions adopted are not considered accidental or transitory, but rather the result of urgent demands.

I want to ask the political parties and the various ideological sectors and groups to think about this. The state's structural reform is part of a modernization policy which affects the entire political, economic and social system. I want the people to think about this. I am inviting all sectors to give their opinion so that we can make a clear, quick and effective decision.

I want to insist on the everyday effort to get the most out of public administration. State inefficiency is a discredit to democratic systems, and there is no reason to think that a regime of freedom is incompatible with the most demanding targets such as the administration's social deficiencies. As promised, I plan to make an evaluation of all state institutions, a national audit of the autonomous institutions and state's enterprises. We must make a clear and objective report on the state of public assets as handed over to us, so that when we end our mandate we can report on the real accomplishments of our administration. [applause]

I will also conduct a serious, all-encompassing and complete administrative reform regarding structural, functional, selective, personnel wage and management control. I will appoint a committee composed of capable persons, most of whom are not part of this administration, but with proven experience and knowledge in public and private areas, to carry out this urgent requirement.

An analysis of what is causing administrative inefficiency and of modern solutions to overcome it can hardly be carried out successfully by persons who have full-time jobs with the administration. This requires constant external pressure to overcome the natural inertia in every bureaucratic body. The national Congress should actively participate in the study. It is the legislative branch that will have to approve the necessary changes in the law and other needed areas for a reformed administration. I personally will ask the committee to exchange views regularly with the respective congressional committees so that the bills submitted to Congress are the efforts of a sincere partnership.

Public services are precarious in Venezuela. This is proof of a nation run inefficiently. One service which is in a deplorable state is mandatory social security, the structure and operation of which will be subjected to a profound revision.

A list of administrative deficiencies in Venezuela would be unending. I want only to make general reference to a subject that affects most citizens: a citizen is a consumer of services. A democratic country should have all its services up to date, effective and efficient. [Applause]

Special attention should be given to health. I regret to say that in the health field, the level generally used to appraise the state of public health; are stagnant and, in some respects, there has been a definite decline. This situation coincides with the deterioration, which already has become a public complant, in the institutions that run these services. For these reasons, special emphasis will be given to developing needed human resources. Great attention will be given to training personnel locally and abroad. Incentives will be established to encourage them to give them all. Measures will be taken to promote that spirit which used to characterize health workers. Legal foundations will be established to effect changes in the administrative organization and make them more functional in areas of sanitary control as required by the present state of health in Venezuela. They will be directed to create a national health service. Right now there is only agreement about its need and about what it should be called, but its establishment cannot be hastened.

It is quite evident that the country is facing serious difficulties in mental health. The frequent riots over trivia, the large number of brawls and homicides, the alarming number of traffic accidents without apparent reason—all are a clear demonstration of the aggressiveness or irresponsibility of certain sectors of our population.

In welfare we have an expensive, awkward situation created by the proliferation of medical services and of organized employees

by the various ministries, autonomous institutions and state enterprises. I estimate that we are investing over 300 million bolivars a year in these services and yet they render incomplete, often deficient service. We will proceed to unify them so as to provide full ambulatory and hospital medical care not just for public employees, but for their families as well.

The deterioration of facilities and of medical equipment is alarming and has already created a critical situation which must be solved soon. It will be up to the health sector to take the lead in a decisive program of family planning which should take into consideration those sociocultural factors causing the problem. The program must be based on educational activities to orient families.

The Health and Social Assistance Ministry, traditionally directed by doctors, despite its great experience has neglected its responsibility for the second half of its title, that is, social assistance. Needed programs such as welfare, development and social assistance have been neglected. For this reason we will proceed as soon as possible to carry out studies to evaluate how to improve those sectors and perhaps unify them with social security in one organization.

The mother and her child will come under the state's protection and attention. Responsible fatherhood, defense of the rights of women workers, pediatric services and free milk for babies among the immense legion of castoffs are other measures and urgent duties the national constitution demands of the state.

We have reached a satisfactory level in political democracy. It is time to organize the system of participation. Participation is not improved simply because the citizen votes for his leaders. To participate in the political destiny of the state and of society is a broader, more dynamic process. There must be permanent communication between the citizen and the state. Through the institution of local and municipal action and also regional organizations a profound message should be carried to the government as the result of a confluence and continuous adjustment of ideas, feelings, thoughts and interests.

My government will know how to listen. I will make every effort to listen to the anguished voices of those who, having hidden in their hovels with anxiety and distrust, through my election campaign have regained the confidence that they will be listened to in the street and in the village. [applause]

The battle against poverty will be one of my administration's main concerns. Poverty is incompatible with democracy growing and taking root. Development is not merely the accumulation of impersonal statistics on economic graphs. Wealth must be social wealth or it will never be productive.

In our cities, as in other nations of Latin America and of the so-called Third World, urbanization has been characterized by its reasonableness. Unemployment—largely eliminated by the farming crisis—has had an influence in the formation of a mass of difficulties and barriers to the creation of an acceptable degree of well-being and happiness. The poverty-fighting programs run the risk of being reduced to mere rhetoric unless the instruments of action are implemented. The policy of full employment, the revamping of agriculture, the programs of small and medium industry, of reforestation and of training of human resources will be essential mechanisms in the crusade against poverty.

Greater political participation goes hand-in-hand with greater participation in enjoying the benefits of society. When I was declared president-elect, I also announced the interest my government will have in cooperating with other Latin American countries in continental plans against poverty. The shaping of men calls for an overall revision of the educational system. We must educate in order to produce, to grow and to live harmoniously in equilibrium with life and with nature. The educational system must be linked more directly to production plans so that we may have the human material necessary for modern farming, for efficient industry, and for rendering services. I emphasized my concern over these things. In my travels through the nation, especially during my last tour as president-elect, I became aware of the enormous deficiencies of the educational system, which is not only related to the demands on the economic and social systems, but also to the dynamic population growth.

I am in a position to declare that an agreement with the educational sector and with the youth in order to plan the future destiny of human resources will be a vital and sacred commitment for my government. I have faith in Venezuelan youth; I know it well. I will be proud to fulfill its ambitions. We will make it more understanding, uniting it with the society of which it is a part, putting adequate education within its reach so that it will not feel deceived and will heighten its awareness of a certain and sure destiny. Therefore, we will create the youth ministry according to the bill we will soon submit to Congress. [applause]

My willingness to understand the nation as a whole and as a coordination point of a variety of productive activities leads me to the special consideration of science, culture, art and technology.

I understand that intelligence is the basic infrastructure of development and that national culture is the basic infrastructure of nationalism. The intellectual, the artist, the scientist, the professional and the technician must feel protected, respected, heard and considered by the national community. My government offers the intellectual, scientific or artistic creator the deepest respect—regardless of his political position, his manner of thought or feeling—because in a pluralist and democratic society, dissidence is also a part of the nation's collective destiny. [applause]

Democratic planning is fundamental, not only in the development but in the very functioning of a pluralist community. The government should try to develop as many areas of agreement and understanding as possible. Plannnig is an instrument of pluralist agreement and that is why the National Planning Council will be a specific factor in reaching that goal.

The nation's plan will be an essential document for the state and for society. It is necessary to recall that not all the tasks the nation has ahead will be the work of the government. Private industry will have my confidence and support for its plans and activities. But by the same token, I ask for its cooperation with the goals of the government so that its contribution will be increasingly dynamic, effective and without collusion or confusion with regard to the areas of action of the public private sectors.

Democratic planning will lead us to a policy on public expenditures based on austerity and rationality. Venezuela cannot become engaged in uncontrolled consumption and the squandering of energy or resources. Democratic planning must also fix public expenditures within limits so that investment will grow beyond occasional or temporary levels.

Democratic regimes are identified with a state of legality, and the latter always has at hand the possibilities of renewal, of change and of adjusting to new realities. Democratic renewal is a building process without end, because it is the result of improvement, of days and of years. Many institutions are about to be modified and require immediate changes. Numerous bills are pending, waiting to be drafted or awaiting debate or approval. The constitutional system cannot be developed unless there are laws and regulations to complement it.

The legislative chambers which are beginning their activities must tackle essential tasks and responsibilities. I offer my most complete cooperation in this regard. [applause]

The cooperation among government branches and the interaction of their functions is not only a modern principle of constitutional science, but an unavoidable necessity. Just as a legislative effort is necessary, it will also be necessary to provide the judicial branch and all activities flowing from the administration of justice with resources and regulations to protect its action. We will provide the judicial branch with appropriate quarters which befit the state magistracy and with salaries commensurate with their mission and position. The system of selection of judges must be revised. Justice is not only a principle of state and a goal of society, but a service demanded by the citizenry. Its efficiency and proper functioning are indispensable for the atmosphere of trust in which our social and political life must unfold. We will relentlessly fight wrongdoing and crime. We will guarantee the security of individuals and property rights. [applause]

It is important not to confuse the repression of crime with actions against dissenting social behavior. I request the cooperation of political parties, of economic and labor organizations, social and cultural institutions, youth, student and feminine sectors—in a nutshell, of all Venezuelan society—so that government action in this field will be as effective as possible. Specific plans will be developed immediately as part of a systematic, permanent, continuous and forceful campaign against crime and criminals. Democracy and development must be backed by a policy of security for citizens, which is an obligation of the state and a principle consecrated in constitutional, democratic order.

My government will pay attention to all public and private institutions. I will concern myself with strengthening ties and relations with them. The Catholic Church, as well as other religious organizations, will receive my consideration and respect. Freedom of religion is a historical fact and a constitutional principle which stems from freedom of conscience.

The development of trade unionism is a solid conquest of Venezuelan democracry. The strength of labor unions enhances social and political stability and is a balancing element within the regime of pluralist democracy. We must strengthen unions by providing them with adequate legislation to defend their interests as well as by revamping the official institutions which supervise collective contracts and insure compliance with constitutional provisions to promote workers rights.

The Venezuelan people will help out—during my 5-year mandate—in this extraordinary commitment with history. We will gather in our hands all the necessary instruments to decide our future. This will depend on our determination. It will be the grandeur destiny has in store for us. The coming generation will make us accountable for today's actions. If we succeed, we will have a place of honor in history.

The task ahead is not only to effect an earlier reversion of oil concessions, which we will carry out as an inevitable responsibility which cannot be deferred, but we must also learn how to manage our science, industry and agriculture to incorporate the country into a modern economy to allow us to insure democratic development and to achieve real liberation from dependence and servitude. We must become mature society in order to face this challenge. I believe we Venezuelans are prepared to implement the promise of uniting around these great objectives which

involve no ideology. Let us not look at partial realities, or ameliorate or diminish risks or sacrifices. I will endeavor to make the country face its realities. In our era, the state, the government, administration and development are the result of impersonal rationalization and scientific and strict planning of strategies. When I express my confidence in the possibility of achieving our hopes, I have in mind the fact that our task is not that of creating a magic idea of power. I am trying to offer a good administration based on the collective will and not an unattainable miracle or the actions of a single man, a single party, or of the government alone.

It is imperative to eliminate the old metropolitan concept of the country as well as the remnants of paternalism, which have accumulated through a process influenced by thinking habits and patterns of behavior of the old, rural country. The patriarchal state is incompatible with the objectives of modernization and social justice which we are proposing to the country.

We have plentiful material resources, but we are in a backward state because of our human deficiencies. This is the crisis we must face.

We see around us millions of men plagued by poverty and ignorance who seek to better themselves, yet they lay in waste. We also see those tasks which these lives and hands demand that we successfully complete.

Fiscal wealth does not make Venezuela richer or more balanced. It alone will not solve the country's problems. We will face difficulties, recognizing them and pointing them out, as I am doing now before my fellow citizens. Confronting and overcoming them with decisiveness and energy is a commitment I undertake before my fellow citizens. Hard years lie ahead of us. The country faces a crisis in education and justice. We must look within ourselves in order to solve them. Let each one search his conscience. Fiscal wealth, if we follow the current development plan, will remain important [words indistinct].

The abundant government resources have been an illusion and have helped to deceive us regarding the reality of Venezuelan society. This is why I repeat: My government will administer this abundance as if a shortage existed, that is, efficiently, equitably and with just distribution.

The optimism with which Venzuelans view my inauguration is a force and an instrument to promote the task we have outlined. It is a moral asset that I will not waste, but we must all understand that our problems can be solved only with work, with constant dedication and with daily efforts. We will conclude what has been left unfinished and will keep and maintain what has been achieved. We will not reject any positive achievements and unhesitatingly advance toward the future.

I am not promising an easy or unhampered administration. We shall find many problems that are difficult to solve. We will have to make sacrifices. In order to be equal to our task, I need the cooperation of our people to fulfill the commitment of energetic democracy, which is today a mandate for my government.

The easily obtained wealth and the psychology of an oil-producing country is a temptation for preferring material goods to dignity and man spiritual well-being. The temptation of wealth might increasingly promote administrative corruption or bring to the core of government vice in its different phases, some of which are not provided for in current law.

I believe that the government, the political parties and society as a whole have the fundamental responsibility to uplift national ethics. Let the conquest of illegal wealth—through influence peddling and other forms of aggression against state ethics—not be a certificate of glory, triumph or personal achievement. This is, of course, a government responsibility which I assume: adequate legislation [applause] adequate legislature, and control and vigilance so that the administration can achieve a high degree of efficiency and honesty. Nevertheless, corruption is not a closed circle which affects only the government. The growth of a society is also associated with the expansion of its morality and bonds of solidarity.

There is also a development ethic. Public and private institutions and the private sector of the economy are also directly responsible for the creation of a collective morality. Corruption in government is not necessarily an isolated case; it often feeds on negative values in society. A continuous, solid and decisive effort will have to be made to achieve—together with economic development and political and social progress—an increasingly high level of morality and high spiritual decorum. A nation's moral diginity is an essential part of its destiny.

Citizens senators, citizen deputies, in my first message to the nation, I sincerely wish to send to the friendly nations, through the chiefs of missions accredited to the inauguration and present here, as well as to their countrymen who reside in Venezuela, solidarity and cordial greetings, and the assurance that my government will try its best to develop the broadest international cooperation. I want all the nations of the world, even those not represented here, to know that our doors are open to communication and understanding. We do not want any nation to live in isolation.

If Venezuela cannot be a friend to all countries, at least it does not want to have enemies. That will be the irrevocable position of my government's international policy. [applause]

I express the most sincere national feelings when I say this great Venezuelan nation wants peace among men and nations. Venezuela has never waged war out of hatred or ambition. Its sword has been unsheathed only for America's freedom.

The unresolved border disputes with our neighbors and the problem of maritime sovereignty will receive from my government only a friendly and direct dialog until a formula is found that will allow a satisfactory forthright solution. I will dedicate my energy, patriotism and devotion to the attainment of this goal.

We are commited to Latin America. Today its offer for a dialog with the United States has received optimistic attention. A few days before the Mexico meeting the United States showed signs of a new Latin American policy favorable to prospects opened with regard to the Panama Canal, which is a problem not of a single country but of all free nations of the world. It would be a great tribute to the leaders of Latin American independence if this expected revendication were to take place on 7 December, when the Panamanian Congress celebrates its 150th anniversary.

Latin America is our fatherhood, and our oil too must contribute to the drafting of a Latin American international policy, to the economy of the sister nations and to our common efforts for the progress and welfare of our peoples. From our excess oil resources we will create in the Inter-American Development Bank [IDP] a trust fund without humiliating vetoes, the only condition being that the loan will be used to promote those economic activities that cannot find institutional financing today, because they fall within the spheres of interest of the multinational companies, which use their influence to paralyze the lines of credit to Latin America. [applause]

We will consult with the countries of the region regarding a conference on raw materials—without concern for criteria and policies—and with the developing countries of other continents, especially with the OPEC countries. It will be a great world debate and it will be linked with the great Latin American movements that have been crushed by the economic totalitarianism of the developed nations.

I warmly greet the new sister nations: the new Caribbean nations with which we are united geographically and historically. Today we have the obligation of good neighbors to contribute to their strengthening as free countries, to the development of their economies and the welfare of their peoples and to mutual commercial exchanges through treaties and agreements we may sign for our common progress.

Citizen senators, citizen deputies, let us create a great and feasible Venezuela. To achieve this we must reorganize institutions, modify plans, reorient anachronistic thought and behavior patterns, and be willing to develop the country and its rejuvenating forces. The Venezuelan nature has been abused for many years and we must adopt a different stand toward abuse. We must give priority to the struggle against air pollution, conservation policies for oceans, rivers, lakes, the environment, the savannahs, the forest, the river basins and the watersheds. Throughout most of our history we have forgotten that our country is located near the sea and that that proximity produces an ecological relationship.

Air, land and man exist in a systematic relationship and we canot adopt a policy for man without simultaneously adopting a strategy toward nature. I have just said that Venezuela is near the sea, but we have lived with our backs to the sea, wasting its numerous resources and the world trade routes that its countless paths open to our national flag.

We will develop a bold maritime policy. Fishing will become a source of wealth for the coastal regions, for the poor and exploited fishermen, and will be a cheap source of protein for the Venezuelan people. Shipyards located in the center, eastern and western parts of the country will build our own fleet. The study of our resources, their evaluation and their equilibrium demand new methods. We have a limited time for all the tasks and commitments that the present generations have ahead. This means that action is needed; the work must be done now without delay.

I have offered a broad-minded government that will seek consensus. I will use everyone who might be useful, and there will be no old quarrels separating me from the rest of the Venezuelan people. [applause] I urge us to work for the future and not to live in the past. And I say to the women and the young men of Venezuela that, as president of the republic, I will favor dialogs between the generations, and that I will not close my mind to what they want to say, but will receive their contribution to the integral Venezuelan effort. I shall continue the program of the outgoing government which today with clean hands is turned over to us by that illustrious Venezuelan Rafael Caldera. [applause]

No egotism or narrowmindedness will prevent the continuation of all that can be useful and necessary. All Venezuelans, regardless of their way of thinking or feeling, will have the consideration and respect of the government.

I feel that our Venezuelan woman will be present in this endeavor; I shall incorporate her into the great national effort. We shall soon appoint a women's commission to advise the presidency and to insure equal opportunities for women in national life. I hope to be the chief of state of a country whose citizens are proud of their political system and of their socioeconomic well-being.

I call for vigorous yet happy, hopeful activity that will affirm Venezuelan's destiny!

Citizen senators, citizen deputies, Venezuelan men and women, I have sworn before God and my countrymen the oath to fulfill my duties as chief of state. I want to add to this sacred promise that I shall dedicate

my life to the purposes of this oath. A great Venezeula is a feasible reality it awaits us and we are going to attain it! Let's get to work! [applause]

NEW CABINET TAKES OATH OF OFFICE
12 MARCH

Caracas, 12 Mar—The ministers who will form part of new Venezuelan President Carlos Andres Perez' cabinet will take the oath of office at 1330 (1730 GMT) today in a ceremony at the Miraflores Palace. The list of confirmed members is as follows:

Interior, Luis Pinerua Ordaz.
Foreign Affairs, Efrain Schacht Aristeguieta.
Finance, Hector Hurtado.
National Defense, Gen Homero Leal Torres.
Public Works, Arnoldo Gabaldon, Jr.
Information, Simon Alberto Consalvi.
Development, Carmelo Lauria.
Education, Luis Manuel Penalver.
Health & social assistance, Blas Bruni Celli.
Agriculture and livestock, Froilan Alvarez Yepez.
Labor, Antonio Leidenz.
Communications, Armando Sanchez Bueno.
Justice, Otto Marin Gomez.

GREEK INDEPENDENCE DAY

Mr. PERCY. Mr. President, when Theodore Kolokotronis, Petrompes Mavromichalis, and other Greek patriots captured the town of Kalames and began the Greek revolution 153 years ago, on March 25, 1821, they won the minds and hearts of leading Americans of that time.

The greatest American statesmen of the day—Thomas Jefferson, James Monroe, John Quincy Adams, and Daniel Webster—spoke on behalf of Greek independence and used their considerable influence to enlist the support of the European powers for the Greek cause. In an effort unprecedented at that time, U.S. citizens provided the Greek patriots with nearly $100,000 for military and humanitarian supplies. Finally, many Americans gave their lives for this cause of liberty and justice.

Let us remember that day in 1821, when a group of proud and courageous Greeks began the struggle to restore to Athens the type of democratic government which their predecessors had introduced to the world more than 2,000 years ago. We in the United States, whose forefathers fought for a similar cause nearly 200 years ago, should once again express our support for the ideals which have long motivated both Greeks and Americans, and extend our congratulations to the distinguished and patriotic Greek community of the United States on the anniversary of Greek independence.

S. 821, THE JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974—SUMMARY

Mr. BAYH. Mr. President, the Juvenile Justice and Delinquency Prevention Act is the product of a 3-year, bipartisan effort to improve the quality of juvenile justice in the United States and to provide a comprehensive expanded Federal approach to the problems of juvenile delinquency.

I was joined by my distinguished colleague from Kentucky, Senator MARLOW W. COOK, the ranking minority member of the subcommittee in introducing S. 821 on February 8, 1973. S. 821, as reported unanimously by the Senate Subcommittee To Investigate Juvenile Delinquency is substantially similar to the bill we introduced. We are gratified by the cosponsorship of this bill by 23 distinguished colleagues: Senators ABOUREZK, BIBLE, BROCK, BURDICK, CASE, CHURCH, CRANSTON, GRAVEL, HART, HUMPHREY, INOUYE, KENNEDY, MATHIAS, MCGEE, MCGOVERN, MONDALE, MONTOYA, MOSS, PASTORE, RANDOLPH, RIBICOFF, TUNNEY, and WILLIAMS.

The subcommittee held 10 days of hearings and heard 80 witnesses on S. 821 and S. 3148, a similar bill which I introduced in the 92d Congress. These hearings demonstrated the need for a comprehensive overhaul of Federal juvenile delinquency programs combined with assistance to States and local governments, and private agencies to prevent delinquency and to provide community-based alternatives to juvenile detention and correctional facilities. The bill has been endorsed by the National Council on Crime and Delinquency, the National Council of Juvenile Court Judges, the American Parents Committee, the Boys Clubs of America, the Girls Clubs of America, the American Federation of State, County and Municipal Employees, the National Congress of Parents and Teachers, the National Executive Committee of the American Legion, the National Legal Aid and Defender Association, the National Council of Jewish Women, the National Association of State Juvenile Delinquency Program Administrators, the National Association of Social Workers, the Family Service Association of America, the National Governors Conference, the National League of Cities and U.S. Conference of Mayors, and many other concerned organizations.

The Juvenile Justice and Delinquency Prevention Act represents a commitment to our Nation's future. I urge my colleagues in the Congress to support the bill and hope that they will act expeditiously to provide the Federal leadership and resources so desperately needed to deal with juvenile delinquency. By enacting S. 821 we will contribute significantly to the safety and well-being of all our citizens, particularly our youth.

Mr. President, I ask unanimous consent that a summary of S. 821 as presented be printed in the RECORD.

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

SUMMARY—S. 821, AS AMENDED

TITLE I—FINDINGS, DECLARATION, AND DEFINITIONS

This title summarizes the adverse impact of juvenile delinquency on our society and the need for a comprehensive, expanded Federal approach to the problems of juvenile delinquency.

The objectives of the Act include: establishment of a new Juvenile Justice and Delinquency Prevention Administration in the Department of Health, Education and Welfare to provide direction, coordination and review of Federally assisted juvenile delinquency programs; authorization of additional resources increasing the capacity of state and local governments and public and private agencies to develop and implement effective programs to prevent delinquency, divert juveniles from the juvenile justice system and create community-based alternatives to traditional juvenile correctional facilities; creation of centralized research, information clearinghouse, training, technical assistance, and evaluation activities; development of national guidelines for the administration of juvenile justice, including conditions of confinement; and finally, adoption of basic procedural protections for juveniles under Federal jurisdiction.

TITLE II—AMENDMENTS TO THE FEDERAL JUVENILE DELINQUENCY ACT

This title sets forth a series of specific amendments to the Federal Juvenile Delinquency Act (Secs. 5031–5037 of Title 18) designed to modernize procedures for handling juveniles under the jurisdiction of the Federal court and to grant juveniles substantially the same rights as adults.

In cases involving juveniles, Federal courts would be required to defer to state courts unless the Attorney General certified that the state does not have jurisdiction or does not have available adequate rehabilitative programs for juveniles. This provision recognizes that the Federal courts and the Federal correctional system have never been properly equipped to handle juveniles with the result that Federal juvenile delinquency are frequently transferred away from their home communities for treatment.

If Federal cases, a juvenile alleged to have committed a crime shall be proceeded against as a juvenile delinquent unless he or she is 16 years or older. Where a juvenile, age 16 and older, alleged to have committed a serious felonious act could be prosecuted either as a juvenile or as an adult, a Federal District judge would be required to conduct a hearing and find that "there are no reasonable prospects for rehabilitation" before a juvenile could be prosecuted as an adult criminal. Under the present law, the Attorney General has sole discretion to make this determination.

This title also provides that no juvenile under Federal jurisdiction may be detained or confined with adults. It also specifically provides that whenever possible, the juvenile must be confined in a foster home or community-based facility located in or near his or her home community.

TITLE III—JUVENILE JUSTICE AND DELINQUENCY PREVENTION ADMINISTRATION

This title establishes a Juvenile Justice and Delinquency Prevention Administration in the Department of HEW, headed by a Director, who will be an Assistant Secretary appointed by the President with the advice and consent of the Senate.

This bill recognizes that there is a need for a centralized Federal response to the spiralling rate of juvenile crime. There needs to be one place in the Federal government where citizens can find solutions to the problems raised at the state and local level by juvenile delinquency.

The Administration will provide overall planning and policy and establish objectives and priorities for all Federal juvenile delinquency programs and activities relating to prevention, diversion, training, treatment, rehabilitation, evaluation, research and programs to improve the juvenile justice system. The Secretary would have broad supervisory review over the operation of programs in other agencies, and would be responsible for reporting on their effectiveness and for making budgetary and programmatic recommendations to the President.

Interdepartmental Council: This title establishes the Interdepartmental Council on Juvenile Delinquency, composed of the Attorney General, the Secretary of HEW, the Secretary of Labor, the Director of the Special Action Office for Drug Abuse Prevention, the Secretary of Housing and Urban Development, or their respective designees, and such representatives of other agencies as the President designates. The Council is to coordinate all Federal juvenile delinquency programs

and to meet six times a year. The Secretary shall serve as Chairman of the Council, and appoint such staff as are necessary.

National Advisory Council: A National Advisory Council for Juvenile Delinquency Prevention of 21 members and members of the Interdepartmental Council ex officio will advise the Director with respect to the planning, operations and management of Federal juvenile delinquency programs. A subcommittee of five members will serve as an Advisory Committee on the overall policy and operations of the National Institute of Juvenile Justice. Another subcommittee of five members will serve as an Advisory Committee on Standards for the Administration of Juvenile Justice.

The National Advisory Council will bring citizen participation and cooperation to the work of the Administration. The bill recognizes that we will only be able to do something meaningful about juvenile delinquency with the help and support of the public.

TITLE IV—FEDERAL ASSISTANCE FOR STATE AND LOCAL PROGRAMS

In addition to exercising supervisory power over existing Federal efforts, the Secretary is authorized to make grants and enter into contracts to carry out the purposes of the Act.

State and Local Formula Grants: Funds appropriated under this part will be allocated for grants to states, based on relative population under 18, which develop a plan containing the following fundamental requirements:

(a) designate a single state agency supervised by a Board appointed by a Governor consisting of persons, a majority of whom are not governmental employees including youth and former delinquency and who are representatives of local government, juvenile, justice agencies, social service agencies, and who are representatives of private agencies concerned with delinquency prevention, neglect, juvenile justice, education or social services, volunteers and employees organizations;

(b) provide for expenditure of at least 50 percent of the state's funds through local government programs;

(c) provide that the chief executive officer of the local government shall assign responsibility for the administration of the local government's part of the state plan to a single local agency supervised by a Board similar to the State Board;

(d) provide for expenditure of three-quarters of the funds a state receives on the development and use of advanced techniques designed to prevent juvenile delinquency, to divert juveniles from the juvenile justice system, to established probation subsidy programs, and to provide community-based alternatives to traditional detention and correctional institutions. The advanced techniques include community-based prevention, diversion and rehabilitation efforts through development of foster-care and shelter care facilities, group homes, halfway houses, and youth service bureaus; expanding use of probation; funding of probation subsidy programs; training of probation personnel, other professionals and paraprofessionals to work with youth; and comprehensive drug abuse prevention and education programs and treatment and rehabilitation programs for drug addicted and dependent youth. Such techniques also include community-based services to work with parents to retain the juvenile at home and educational or supportive services designed to keep the juvenile in school or alternative learning situations and to provide work and recreational opportunities for delinquents or youth in danger of becoming delinquent;

(e) provide for consultation with local governments and private agencies in the development of the plan and provide for maximum coordination and utilization of existing juvenile delinquency programs within the state;

(f) provide that, within two years after the submission of the plan, juveniles who are not charged with or have not committed substantive, criminal offenses shall not be placed in juvenile correctional facilities, but must be placed in shelter facilities;

(g) provide that juveniles will not be kept in any institution in which they have regular contact with adult criminals or alleged criminals;

(h) provide assurances that assistance will be available on an equitable basis to deal with all disadvantaged youth and that procedures will be established to assure the rights of recipients of services;

(i) provide that fair and equitable arrangements are made to protect the interests of employees affected by assistance under this Act; and,

(j) provide for prudent fiscal control and accounting procedures.

In the event that a state fails to submit a plan or have one approved after notice and hearing, the Secretary shall make the state's allotment available to public and private agencies in that state for special emphasis prevention and treatment programs.

Special Emphasis Prevention and Treatment Programs: Funds under this part will be used for direct Federal grants or contracts with public or private agencies and individuals to develop and implement new juvenile delinquency programs; to develop and maintain community-based alternatives to the institutionalization; to develop and implement means of diverting juveniles from the traditional juvenile justice and correctional system; to improve the capability of public and private agencies to provide services for delinquents and youth in danger of becoming delinquent; and to facilitate the adoption of recommendations of the Advisory Committee on Standards for Juvenile Justice.

This direct funding authority will provide additional overall resources particularly to utilize the experience and capability of private agencies on how to handle youth in trouble and maintain the funding flexibility required to develop innovative approaches to the problems of delinquency.

TITLE V—NATIONAL INSTITUTE FOR JUVENILE JUSTICE

This title establishes a National Institute for Juvenile Justice which will be the research, training and information arm of the Administration under the direction of an Assistant Director of the Administration. The Institute is expected to be closely tied to the operation of the Administration. This title also provides that records of the identity of juveniles which were gathered for research purposes may not be disclosed to any public or private individual or agency.

The Institute will serve as an information clearinghouse, collecting data related to juvenile delinquency, including statistics, research results and availability of resources and disseminating it throughout the country.

Research, demonstration and evaluation will be central functions of the Institute, conducted by Institute personnel and by outside agencies, institutions, or individuals. The Institute is expected to provide for the evaluation of full programs funded under this Act and any other delinquency programs at the request of the Secretary. Those which prove effective can then be adapted for use on a broad scale in various parts of the country.

The Institute is also responsible for conducting training programs (directly or by contract) throughout the country for persons working in the juvenile justice and delinquency field including professional, paraprofessional and volunteer personnel who work with young people to prevent and treat juvenile delinquency.

Standards for Juvenile Justice: The Institute, under the supervision of the Advisory Committee on Standards for Juvenile Justice, is also responsible for reviewing existing studies and independently studying, if necessary, all aspects of the juvenile justice system in the United States. Not later than one year after the passage of the Act, the Committee will submit to the President and Congress a final report which—based on recommended standards for the administration of juvenile justice at the Federal, state and local level—(1) recommends Federal administrative budgetary and legislative action to facilitate the adoption of the standards; and (2) recommends state and local action to facilitate the adoption of these standards at the state and local level.

TITLE VI—AUTHORIZATION OF APPROPRIATION

This title authorizes the following appropriations: $100 million for fiscal year 1974; $200 million for fiscal year 1975; $300 million for fiscal year 1976; and $400 million for fiscal year 1977.

SENATE CONCURRENT RESOLUTION 76—RELATING TO ARMS CONTROL IN THE INDIAN OCEAN

Mr. KENNEDY. Mr. President, yesterday, I introduced Senate Concurrent Resolution 76, calling for direct negotiations between the United States and the Soviet Union to try preventing an arms race in the Indian Ocean. The distinguished Senator from Rhode Island (Mr. PELL) joined me here in introducing that concurrent resolution.

I would like to announce that this concurrent resolution is also being cosponsored by the distinguished Senators from Idaho (Mr. CHURCH), Iowa (Mr. CLARK), California (Mr. CRANSTON), Minnesota (Mr. HUMPHREY), South Dakota (Mr. MCGOVERN), Illinois (Mr. STEVENSON), and California (Mr. TUNNEY). Senator PELL and I both welcome their support.

DEPARTMENT OF DEFENSE AND THE MILITARY BUDGET

Mr. STAFFORD. Mr. President, I am very pleased to ask unanimous consent that a speech delivered by Senator WILLIAM V. ROTH, JR., before the Milford Chamber of Commerce on March 18 be printed in the RECORD.

Senator ROTH's speech deals with some of the major problems involving the Department of Defense and the military budget. I place his speech in the RECORD because I believe that his penetrating analysis of our problems in this field will be of marked assistance to our colleagues in the Senate.

Mr. President, I ask unanimous consent that the speech be printed in the RECORD.

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

STATEMENT OF WILLIAM V. ROTH, JR., U.S.S.

Ladies and gentlemen of the Chamber of Commerce, it is a great pleasure for me to be here in Milford. I am not sure how many of you may have heard me when I was at the Rotary Club in early February, but those of you who did may recall that on that occasion I discussed the energy crisis. Our State and Nation's energy problems, of course, are still very much with us and continue to occupy the majority of my time in Washington. Many of us believe that we would not be in such bad straits today if we

had exercised more foresight a few years ago. I recall that in 1970 a number of experts testified in Congressional hearings that our country could be faced with very serious energy shortages in a few years. In response to this testimony, I had introduced a bill to establish a Commission on Fuels and Energy to provide a complete assessment of the problem and make recommendations on how an energy crisis should be avoided. Unfortunately, as so often happens, no action was taken until the crisis was already upon us.

I mention this incident because I believe it illustrates the importance of taking a long range view of our problems and seeking intelligent approaches before they become crises. Today I want to apply the lesson that we should have learned from the energy crisis by discussing another area of public policy where I believe a critical and careful examination of the future is vitally needed. This is the area of our national defense. I have no doubt that we will recover from the energy crisis, but America cannot afford to have a "security crisis" a few years down the road.

Defense, of course, is already one of the country's most controversial subjects. It disturbs me, however, that much of the current debate is cast in very superficial terms. On one hand, there are those who contend that our defense effort should be greatly reduced because of the detente policy with the Soviet Union or because of other budgetary priorities. On the other hand, there are those who argue that Congress should approve all new military spending programs.

What is too often lost in the loose talk about too much defense or too little defense is that a sound defense policy, like most other major public policies, involves a careful and delicate balancing of competing considerations. Internationally, we must find a proper balance between the need for an effective free world defense on the one side and the risk on the other side that if we build up too much we might give new impetus to a costly and dangerous arms race. Domestically, we must have a strong defense, but we must also guard against prodigal defense and other Federal spending that is one of the root causes of inflation.

Let us look first at the international context of our defense policies. There is a substantial element in the country today who believe that the United States can retreat without harm from its commitments in Europe and Japan. This argument is often buttressed by one or the other of two premises—that the Soviet Union has so reformed that it would not attempt to exploit an American withdrawal to pursue its own interests around the world or that even if she did, it would not harm America's vital national interests. I believe both premises are fallacious.

The nature of the communist ideology, the nature of the Soviet domestic system, and the evidence of recent Soviet behavior—both in Czechoslovakia and in the Middle East—demonstrate that the USSR is neither ready to give up its sphere of domination in Eastern Europe nor willing to abandon its policy of attempting to fill the vacuums of power that may develop around its borders. We must remember that while there are now many competing centers of political influence in the world, there are still only two military superpowers. If the United States retreats prior to having established a sound basis of relations with the Soviet Union, vacuums will be created that only the Soviet Union can fill.

We cannot, however, relax our efforts to achieve a sound basis of relations with the Soviet Union. I strongly support a continued search for common areas of interest in limiting arms. Arms limitations agreements must provide equal benefits for both sides; they must be verifiable so that we can be sure that the other side is living up to its bargain; and, they must be subject to Congressional approval and continued Congressional oversight. Even with these safeguards, arms limitations agreements may entail an element of risk. We do not live in a world free from risk.

It is necessary to take some risks for peace because there are much greater risks in unchecked arms races. Unabated arms races may result in more defense, but they mean less security. I hope that both countries will recognize their common interests—both political and economic—in arms limitations.

This brings me to the domestic context of our defense policy. While we need a strong defense, we must also practice economy in the defense area. As an advocate of a balanced budget and fiscal responsibility and a foe of inflation, I deplore the attitude of some in the military who think that the normal strictures against waste and careless use of the taxpayers' money does not apply to them. No one should believe that the mere invocation of the words "national security" guarantee free and unlimited access to the United States Treasury. Defense is not an end in itself; it is a burden forced upon us by the nature of the world we live in. It is a burden we must bear, but there is no point in making it heavier than it has to be. To guard against inflation, all government programs—including defense programs—must be carefully examined and strictly justified according to need.

Let's take a careful look at the defense budget. It is true, of course, that defense spending has gone up. But, it is also a fact that the defense budget has gone up less than most sectors of the budget. During the past decade, total Federal outlays have increased by 157%. Defense spending during this same period increased 84%, about half as much. As a proportion of the Federal budget, defense now takes 27¢ of your tax dollar, whereas in 1964—the year before our military involvement in Vietnam began—it took 42¢, or nearly half. As a percentage of our budget and gross National product, defense is now lower than at any time since before the Korean War.

The gross figures, however, tell only a very minor part of the story. Within the defense budget, we are spending much greater amounts on operations and maintenance, on per unit manpower costs, and retirement costs. Our spending for procurement and research and development are becoming a smaller and smaller part of the budget.

Inflation and the increasing sophistication of weapons has meant that the average defense dollar buys a good deal less than it used to. The money that is required to build a thousand of the latest F–14 fighters today would have bought more than a hundred thousand fighter aircraft in World War II. A nuclear submarine cost $81 million in 1964; today one costs $181 million; a jeep which cost $3,300 in 1964 today costs $4,200.

At the same time procurement costs have been doubling, our expenditure on procurement has increased only about 25%, from $15 billion in 1964 to $18.7 billion in fiscal year 1974. Accounting for inflation we are spending less today on procurement than we were ten years ago. We are buying less and our overall defense capability is weakened.

The story in the research and development budget is very similar. Ten years ago we spent $7 billion on research and development; this year we are spending $8 billion. Again, if we account for inflation, we are spending about $2 billion less in terms of buying power than we did in 1964. We are not sure what the Soviet Union is spending because such budget figures are a deep, dark secret there, but the estimates start at $10 billion and go up to $20 billion.

In the contemporary world, research and development is a very key aspect of the overall strategic balance. A technological breakthrough by one side may be converted into a permanent military and political advantage. It may very well be necessary in the near future to devote a greater proportion of our defense budget to research and development in order to prevent the Soviet Union from achieving a technological advantage over the United States.

If we are going to have to spend more in the areas of procurement and research and development, we will need to look for more effective ways of saving money in other areas of the defense budget. The largest increases, in recent years, have come in military salaries and retirement pay. Twenty years ago manpower costs were about a third of the defense budget. With pay increases and the advent of the volunteer army, manpower costs have risen to take 56 cents of each defense dollar. Despite large reductions in personnel, manpower remains an extremely expensive defense item.

Last year Congress established a Defense Manpower Commission to examine manpower issues. Certainly, imaginative solutions are in order if we are going to prevent salaries from pricing us out of a good defense.

One approach to the manpower problem may be to place more emphasis on National Guard and reserve units. One unfortunate by-product of recent Pentagon doctrine has been to emphasize use of the active forces for all military missions and to require the Guard and Reserves to bear the brunt of budget cuts. Yet, according to some specialists, there are a number of lower priority missions which Guardsmen and Reservists could perform at a fraction of the cost of using active-duty personnel. One such mission is the defense of the continental United States against bomber attack. This has a low priority status because the Soviets have never concentrated on developing long-range bomber forces and the likelihood of a bomber attack is generally believed to be pretty remote. The surest way to increase the likelihood, however, would be to relax our guard. Here then is a necessary mission which could probably be handled as effectively, but with less expense, by our Guard and Reserves.

I would hope that the Defense Manpower Commission and the appropriate military authorities would give this suggestion careful consideration and would try to identify other opportunities to save active-duty manpower by better use of the National Guard and Reserves.

At the same time, there are a host of other problems that require urgent consideration. The United States has the world's highest ratio of support to combat personnel. There is too much staffing at headquarters. One of the worst examples is the Southern Command in the Panama Canal Zone which has little more than 10,000 military personnel, but also has 10 generals, 2 admirals, and 4 headquarters. Incidentally, the naval "fleet" assigned to the Southern Command consists of two 45-foot fishing boats which are used by the brass.

We have a huge one million man civilian payroll—there are almost half as many civilians in our military establishment as there are active military personnel. There is the problem of grade creep—the tendency of the armed services to have higher and higher proportions of top-ranking officers, further compounding manpower costs. Finally, we have a very serious problem of escalating costs of retirement.

Underlying each of these problems is the need for a new basic orientation in the way the Pentagon views manpower. It used to be that manpower was seen as relatively inexpensive. Now manpower is in short-supply; it is expensive; and the military will have to make the very best use of each man.

I have covered only some of the problems that we are going to have to resolve if we are going to have a strong national defense. Adequate research and development funds, careful procurement policies, and the wise use of manpower, however, are not in themselves a guarantee of a strong national defense. It

also requires careful and continued cultivation of the best traditions of the American military—thorough training, attention to duty, discipline, and subordination to civilian authority.

I emphasize particularly the last—subordination to civilian authority—because while our civilian leadership is democratically controlled through the electoral process, the military is and must be autocratic. If the military is not controlled by the civilian authorities then we will not have a strong national defense because the military itself could be a threat to those very freedoms and rights we seek to defend. For this reason, whenever there has been a question of civilian control—as in the famous McArthur case or more recently in the case of General Lavelle—the dictates of our civilian leadership—the President—must prevail, because he and he alone, is accountable to the electorate for the actions of the military.

I am sure that you remember that two years ago it came to light that one of our Air Force generals, General Lavelle, had reinterpreted the rules of engagement to intensify bombing of North Vietnam without submitting the matter to higher authorities. In doing so, he violated two traditions of the American military—submission to civilian authority and obedience to military supervisors.

Recently, the Air Force asked that two of General Lavelle's subordinates, Brig. Gen. Charles A. Gabriel and Major General Alton D. Slay, be promoted, and these promotions are currently before the Senate Armed Services Committee. Both men testified before the Committee almost two years ago that they knew of the unauthorized bombing raids and of the falsification of reports in order to keep them secret. Neither questioned the propriety of what was happening although both had served more than twenty years in the military.

Because of the importance of the principles of civilian control and military discipline, I very much doubt that either general should be rewarded with promotion. I am not a member of the Armed Services Committee, but I will be very interested in the vote the Committee will take on these promotions. Should the matter be referred to the full Senate for action on the Floor, there would have to be very persuasive evidence presented in favor of promotion before I could support it.

Let me close by saying a word about America's role in the world. I think we can be justly proud of our place in contemporary international history. The United States has lived side by side in peace with its much smaller neighbors on this continent for more than a century. We acted in a manner entirely new to world history at the end of the last world war when, although we had the military and economic power to dominate the world, we chose instead to pursue the path of peace. We made special sacrifices over the past quarter century to maintain stability in the world and to restore war torn regions to prosperity. We took on the awful burdens of limited war in Korea and Vietnam, and historians may long debate, just as we have debated, whether we were wrong or whether we were right. But, I am confident that history will applaud our overall efforts in the difficult postwar period.

Now we have arrived at a juncture when a real measure of international detente and peace seems within our reach. We also show signs of weariness from the past frustrations of reaching this goal. It is not the time to give up. I think we all—in Milford and around this country—should recognize that we still live in very difficult and complex times and that our country still has an important and active role to play in the world around us. I hope that we will approach our problems with maturity, recognizing that our role imposes on us certain sacrifices. The way to peace requires a strong defense for America and her allies; it requires an involved America: and it requires that we have a generous spirit, ready to defend our own vital interests, but alert to new opportunities to promote international peace.

THE DEFENSE OF THE UNITED STATES

Mr. BUCKLEY. Mr. President, the discussion of the fiscal year 1975 defense budget has renewed the discussion of the appropriate strategy for the defense of the United States. Any strategy necessarily represents the results of policy preferences, the state of available technology, and the character of the threat to be met. The analysis of the details supporting a particular strategic choice is often forbiddingly complex for the layman. I was therefore pleased to receive a letter from Dr. Donald R. Westervelt, a specialist in military technology at the Los Alamos Scientific Laboratory in Los Alamos, N. Mex.

Dr. Westervelt has provided a very useful characterization of the recent history of U.S. strategy with respect to nuclear weapons, and a rationale for the need to change to a strategy along the lines suggested by Secretary of Defense Schlesinger.

I ask unanimous consent that Dr. Westervelt's letter be printed in the RECORD.

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

FEBRUARY 4, 1974.

DEAR SENATOR BUCKLEY: In his January 27 *New York Times* editorial "Is Another Variety of Missile War Desirable?" Mr. John Finney fails to recognize the real significance of Defense Secretary Schlesinger's announcement of a change in strategic doctrine. It is not the "birth of the counterforce strategy" that has major implications for future national security, but rather the demise of countervalue strategy as the single option available to the President.

While it is clear that countervalue force application remains an option available to both the U.S. and the Soviet Union, there exist overwhelming disincentives for its use; a massive urban/industrial exchange would eliminate both sides and much of the northern hemisphere as viable 20th century societies. But since the mid-60s the doctrine of "mutual assured destruction" has been the cornerstone of announced U.S. strategic policy. It has been assumed that the threat of massive population destruction was adequate to deter all threats of war, and that to deter war was to prevent it.

It has not always been so; Mr. Finney himself observed that counterforce targeting has been around for some time. It will, of course, be remembered that in 1962 Secretary McNamara announced a concept of force application not unlike that implied by the present Secretary of Defense: military targets were to be struck first in the event of war and cities avoided; with a reserve withheld for urban-industrial (U/I) targets should the Soviets initiate attacks against similar targets in this country.

This concept was possible for two reasons: the Soviet military target system was soft, therefore our weapons could effectively attack it; and our forces were large enough so that no conceivable Soviet action could deny us the ability to bring the U/I reserve to bear if required. But it was no longer considered essential, as assumed under the earlier "massive retaliation" doctrine, to destroy populations at the outset of any nuclear exchange except as a collateral effect of counterforce actions.

This strategic policy lasted only a few years, simply because the Soviet military target system became hardened so that significant portions of it no longer could be attacked effectively by our forces. Specifically, we lacked the capability to attack the most important of such targets, the missiles in silos that were aimed at targets in the U.S. Since we had no option of attacking the forces potentially most damaging to us, the only alternative was to threaten an attack against the Soviet populace.

Thus was born "assured destruction", but even so most of our weapons must have continued in a counterforce role; in 1967 Mr. McNamara made it clear that only ten percent of our forces delivered on Soviet cities was sufficient to execute the assured destruction mission. It was the fraction of the force structure devoted to countervalue targeting, however, that became the principal deterrent.

What, then, has changed to suggest reversion to a policy based on the hope of avoiding massive city attacks? The most obvious change is the vast increase in Soviet force levels, which assures that we would suffer no less than they in any countervalue exchange. But it also is implied by Dr. Schlesinger's remarks that evolutionary changes in our forces, particularly the land-based ICBMs, are bridging the gap between target hardness and missile capabilities, this in spite of the Senate's defeat of Senator Buckley's amendments relating to development of "silo killers". In addition, both sides now have sufficient forces invulnerable to preemptive attack to assure, as was possible in the early 60s, that reserves for countervalue attack will remain under any conditions. That is why Secretary Schlesinger can argue that a first-strike capability is impossible on both sides; that also is why limited counterforce capability—limited in the sense that only a fraction of the forces on either side can be placed in jeopardy—is not inherently destablizing. It is, on the contrary, clearly stabilizing, because it makes credible a limited response to a limited attack and thus broadens deterrence. If one believes that the Soviet Union maintains forces for their political value as well as for assured destruction, it is entirely possible to imagine attempts at coercion based on a threat of limited attack; such attempts cannot be effectively deterred if the only possible response is an attack against cities which in turn places our own in jeopardy.

Mr. Finney concludes his editorial with two questions: why a nation would think it could conduct a counterforce strike and not have its cities destroyed in retaliation, and whether the past strategy of mutual destruction does not continue to make any form of nuclear war unthinkable. He answers the first himself: "The President might (sic) be reluctant to retaliate against Soviet cities, knowing that the Soviet Union still had sufficient weapons to destroy all American cities." The second is more complex; I believe that the best brief answer is that the past strategy of mutual destruction alone is less effective in making nuclear war unthinkable than a balanced strategy based on significant counterforce as well as countervalue capability. Moreover, forces limited to attack on countervalue targets—the kind of forces supported by those who defeated the Buckley amendments—are inherently escalatory and guarantee the most disastrous possible outcome if war occurs, while at the same time providing a totally inadequate assurance that it will not.

Finally, it is a cheap shot to accuse the military analysts of "casting about for a rationale that would make nuclear war thinkable and in the process find a mission for surplus nuclear weapons". Critics of the assured destruction doctrine invariably are described by its supporters as critics of de-

terrence, but nothing could be farther from the truth. Their goal is to make nuclear war—at all levels—less thinkable by extending deterrence, but they recognize that deterrence does not make war impossible and that plans for force application in war should admit its possibility. It is clear that conventional wisdom, as reflected in Mr. Finney's remarks, is no longer adequate. In 1968 the Senate held hearings on the States of U.S. Strategic Power. Perhaps the time has come for those hearings to be repeated.

DONALD R. WESTERVELT.

GOVERNMENT PAY STRUCTURE

Mr. McGEE. Mr. President, again I ask my colleagues to heed the views of a senior career civil servant, a GS–18 employee, regarding the present state of the Government's pay system for career executives and political appointees alike.

The letter I call to the attention of the Senate was written a month ago and is addressed to a resolution disapproving the President's pay proposal then pending in the House of Representatives. As events transpired, of course, it was the Senate which acted to deny the pay raises due, after 5 long years, not just to Members of Congress, but to many others in positions of high trust and responsibility including career civil servants whose salaries are frozen by the law.

Mr. President, I have edited my correspondent's letter so as to remove from it information which would identify him. I would point out, however, that he is a man of high competence whose ability has been steadily recognized by his climb through the merit service to his present position. I ask unanimous consent that the letter to which I have referred be printed in the RECORD.

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

FEBRUARY 20, 1974.

GENTLEMEN: I have written many letters to the Congress and to congressmen in my official capacity. This is the first in an unofficial capacity and it is prompted by the news reports that I have read regarding Congressman Gross' bill which would reject the proposed 7½ percent increase in salaries for the members of Congress, judges and Federal executives.

I would not presume to pass judgment on the salaries of members of Congress; but, as a citizen, I would willingly grant to a congressman a salary that would (1) provide a comfortable standard of living; and (2) avoid the need for undue reliance on outside sources of income which either place inordinate demands on his time or create interests incompatible with the proper discharge of his public duty.

My real concern, however, is much more personal.

Since 1970, my real income has, of course, decreased at an annual rate of 5–7 percent because of inflation. Consequently, I find that, after seven years of hard work in the Department (I regularly spend 11–12 hours per day in the office), I am earning the same salary as a senior GS–15 and rapidly working my way down to what will become a GS–14 salary.

I am not a unique career executive in any sense of the word. The senior officials in this Department, whether career employees or political appointees, are working long hours and giving their best efforts in attempting to solve some very difficult problems. I know that many of the political appointees took substantial reductions in salaries when they accepted an offer of Government service. For that group, an annual erosion of 5–7 percent is probably not terribly significant. There are, however, many other political appointees who accepted Government service at salaries equivalent to the salaries they were earning in private industry. For that group, as for the career executives, the erosion in their standard of living is of great concern.

It is the stated policy of the Congress that, in fixing the pay of Federal employees, "there be equal pay for substantially equal work". (5 U.S.C. 5301) It is fair to say that this policy has been ignored by the Congress insofar as supergrade and executive level positions are concerned. In choosing to ignore the policy, the Congress is also choosing to ignore the considerations that underlie the policy which are, essentially, considerations of equity and incentive.

Like "beauty", I suppose "equity" is in the eyes of the beholder; however, you may be assured that most of several thousand top executives in the Federal Government are seriously concerned with a salary inequity that should be apparent to the most myopic beholder. In the short run, this inequity simply creates a sense of quiet rage in the executive who is spending a great deal of time supervising the work, and sharing the problems, of subordinates who are receiving as much compensation as he is.

In the long run, this inequity is going to be reflected in a lack of incentive and drive out all of those executives who are, in fact, worth more than their subordinates. It will also drive out the most able of the middle managers who, in spite of a dedication to public service, must consider their own long-run economic welfare.

If the Congress chooses to depart from the wage policy set forth in 5 U.S.C. 5301, it ought at least debate openly the consequences. In simple fairness, it ought also to revise the policy to conform with the practice it actually intends to follow. Present and would-be Federal executives would then be put on clear notice and could make reasoned decisions whether to accept short-term political appointments or, in the case of careerists, whether to continue in the Civil Service.

In short, there is more at stake in Congressman Gross' bill than how much salary a congressman needs or can risk voting for. The Congress is responsible for establishing a salary system for the Federal Government. That "system" is in a pretty sorry state today. Even with a 7½ percent increase at the top, it will continue to be grossly distorted. If the Congress really believes that the executive level salary scale established in 1969 is still appropriate, it ought to be logically consistent and roll back all Federal salaries to the 1969 level. At the very least, the Congress has an obligation to do more than duck a tough issue.

Sincerely,

———— ————.

THE EXPORT PRIORITIES ACT

Mr. JAVITS. Mr. President, last September I introduced the Export Priorities Act, which would help stabilize the price of food products for the American consumer by providing an orderly export licensing system to govern the export sale of U.S. raw agricultural commodities. Clearly, a crucial element in the highly inflationary cost of food has been the rising foreign demand for our agricultural products, which has forced the American consumer into world-wide competition for his food. The effect of this competition, the most obivous example being the Russian wheat deal, has been the diminution of America's food surpluses, which have long guaranteed the privileged position of the United States in regard to agricultural output and low food prices.

Douglas Kneeland of the New York Times wrote an excellent article that appeared on March 11, 1974, detailing the impact of rising world demand on the U.S. consumer. This article provides a strong factual background for the legislation I have proposed.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

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

CONSUMERS IN THE UNITED STATES FACE COMPETITION FOR NATION'S FOOD—AGRICULTURAL EXPORT VALUE RISES 150 PERCENT IN 2 YEARS TO MEET WORLD DEMAND

(By Douglas E. Kneeland)

When Americans push shopping carts through their supermarkets, not many of them are aware that they are now competing for much of the food they buy with people in Japan, Western Europe, the Soviet Union, China and most of the rest of the world. But they are.

Agricultural and economics experts agreed in interviews over the last three weeks that a major reason for some of the sharp increases in food prices in recent years had been the sudden and vast expansion of agricultural exports from the United States.

In the fiscal year ending June 30, 1972, the total value of American agricultural exports was $8-billion. For the year ending this June 30, the Government is estimating total agricultural sales abroad of $20-billion, 2½ times as much.

"We had a hellish big increase in quantity, but a lot of it was in price," said Kennard O. Stephens, deputy assistant sales manager in the Department of Agriculture's foreign agriculture service. "Maybe 50 per cent of this was price."

END NOT IN SIGHT

That is what happens when a lot of people are bidding for the existing products on an international market.

Discussions across the country with representatives of the food industry, officials of the Department of Agriculture, exporters, consulting agricultural economists and farmers themselves provided a consensus that the end of the expansion in foreign agricultural trade is not in sight.

Most Americans are familiar with the Soviet purchases of 350 million bushels of wheat in the late summer of 1972. That marked the beginning of the end of the huge surpluses that had occurred for decades in the United States. But most of those interviewed during the last few weeks agreed that the Soviet grain deal was only the tip of the iceberg.

RISING EXPECTATIONS

The law of supply and demand is at work, they emphasize, but it is no longer limited to the domestic level. It is the demand of a hungry world, whose ever-increasing population has rising expectations and somewhat more affluence, for food supplies that are having trouble keeping up.

For most of their lifetimes, Americans have been accustomed to relatively cheap basic foodstuffs made possible by an agriculture that regularly produced vast surpluses. The government, in turn, has spent billions to buy and store the leftovers and to pay farmers to hold acreages out of production.

Now, the upsurge in American exports has produced a whole new set of influences on the domestic market.

For instance, Japan has an insatiable appetite for soybeans, of which the United States is the world's biggest exporter. The demand may keep the price at a level that, in a side effect, adds considerably to the expense of

feeding soybean products to poultry in this county and eventually to the cost of chickens to consumers. Likewise, a developing desire for more meat abroad may lead to a drastic increase in exports of American corn and other feed grains, pushing up their prices in making the cost of beef and pork much higher in the United States.

ANCHOVIES AND SALESMANSHIP

The change was spurred by a number of things, such as the easing of restrictions on trade with Communist countries, disappointing grain crops in many parts of the world, a poor catch of anchovies (used for protein in feed) off Peru two years ago, rising world demand for wheat and meat, rice crop failures in Asia and aggressive salesmanship over the last few years by many American growers' associations and export companies.

But it has come about so fast, rapidly draining off the traditional surpluses in this country, that it has caught many by surprise.

Little public notice was paid to the shifting situation until the American Bakers Association recently began badgering the Department of Agriculture to slow the record exports of wheat. The bakers sought the imposition of some sort of licensing controls, in effect, an embargo on new sales, lest the United States run out of wheat by the June 30 end of the crop year.

The bakers have insisted that the country could run so low on wheat that prices would soar and a family-size loaf of bread might cost $1.

The department, which has welcomed and encouraged an upward trend in sales, has resisted any type of embargo. The United States ended the last calendar year $9.3-billion ahead in agricultural exports over imports and $1.7-billion in the black in total balance of payments.

Secretary of Agriculture Earl L. Butz and his assistants are convinced that the credibility of the United States as a world trading partner was severely damaged in the summer of 1973 by a temporary embargo on soybean exports.

They insist that despite the bakers' predictions, the country will have a carryover of about 150 million bushels of wheat on July 1.

PUBLIC UNPREPARED

Most of those questioned were convinced that the bakers—like much of the American public—had become so used to prices dictated by surpluses that they were unprepared when wheat broke the historic $3-a-bushel barrier and rose to as much as $6 a bushel.

But the philosophy of Dr. Butz and many in the grain industry is that if Americans are to trade in a free world market they must pay the going price for products, even those that are raised in great surplus at home. In the case of wheat, the United States consumes only about a third of its annual crop there are some obvious political risks in telling the people at home in a time of rising prices that they must bid against the rest of the world for their own grain.

Ray Davis, president of the National Association of Wheat Growers, does not believe the country is going to run out of wheat, but he enthusiastically embraces the new philosophy that American consumers are going to have to pay the world price if they want their share.

Cargill, Inc., in Minneapolis, is generally acknowledged as one of the largest, if not the leading, processor and handler of United States farm products. Men like Walter B. Saunders, vice president for the company's marketing and transportation group, and Melvin H. Middents, vice president for the commodity marketing division, are dealing with the new world situation with relish. It's their business and it's booming.

IN 38 COUNTRIES

Cargill, which has annual sales in the billions, buys and sells grain (it accounts for more than 22 per cent of United States wheat exports). It also processes soybeans and other Minnetonka, "is to get grain from surplus products, produces feeds and raises poultry, leases a fleet of 1,500 hopper cars, owns barges, towboats and ships, makes chemical products and operates salt mines and fishing fleets. It has more than 300 plants and offices in 38 countries.

But Mr. Saunders and Mr. Middents, dressed in conservative gray suits and rep ties, make it all sound simpler than that.

"Our economic function, really two functions," Mr. Saunders said in company headquarters in a secluded brick chalet at Lake areas to deficit areas. That can be from Kansas City to Buffalo or to the U.S.S.R. The other is to take grain when it is in surplus and then distribute it when it is no longer in surplus. That's the grain business."

Mr. Saunders, slender, with dark wavy hair and horn-rimmed glasses, paused to smile across the table at Mr. Middents, a broad-faced friendly man.

"We store grain for other people," he went on. "Since World War II our biggest customer has been Uncle Sam, but we don't do much of that any more."

Both agreed that the world grain stocks were tight, but insisted that the United States would not run out of wheat.

"It's really been a shock to us," Mr. Saunders said. "Mel and I have been with Cargill a number of years and nobody paid any attention to our business. Now we've been on radio and television and people complain to us at cocktail parties, 'You're the guys who sold all that wheat to the Russians.' "

"That Russian grain deal is the most misunderstood thing," said Mr. Middents, "but it was just the timing more than anything. Nobody predicted the dramatic turnaround."

"We thought it would happen," Mr. Saunders interjected, "but we thought it would be gradual. Nobody expected the explosive nature of it."

"One of the things, as with energy," Mr. Middents said, "I think we'll still have reasonably priced food. But we can't take either energy or food for granted as something we'll have extremely cheaply."

NUTRITION FOR THE ELDERLY

Mr. KENNEDY. Mr. President, I want to express my appreciation at the House approval Tuesday by an overwhelming vote of a 3-year extension of nutrition for the elderly programs, title VII of the Older Americans Act, which I originally sponsored in the Senate.

The action by the House, led once more by Congressmen CLAUDE PEPPER and JOHN BRADEMAS, represents a recognition of the vital need of elderly Americans for adequate nutrition and particularly for the other services provided under this legislation.

Although the implementation of the title VII program was delayed by vetoes of appropriation measures, the response of the various States has been overwhelmingly enthusiastic since funds have been made available.

The extension of this program, which otherwise would expire on June 30, is not only vital to provide for a full evaluation, but to provide sorely needed assistance to the Nation's elderly at a time when inflation is seriously affecting their economic security.

Hearings have been scheduled on this matter in the Senate, and I am hopeful that the bill, S. 2488, which I introduced with Senator PERCY and which is the companion bill to the House measure, will be adopted shortly. The bill now has 26 cosponsors. I am hopeful that appropriations equivalent to the House measure of $150 million for fiscal year 1975, $200 million for fiscal year 1976, and $250 million for fiscal year 1977, will be approved.

STRIP MINING

Mr. FANNIN. Mr. President, the end of the Arab oil boycott does not mean the end of the energy crisis. Our basic problem remains: How shall we meet the growing and vital need of the United States for energy? We have during the past 6 months seen the elimination of one possible answer to this question. We obviously cannot depend upon foreign sources to meet this need.

The most abundant natural resource currently available to meet our energy need is coal. It is unfortunate that in attempting to obtain the laudable goals of a cleaner environment and safer working conditions for miners, the Congress has managed to hamstring the coal industry. We have erected barriers which prevent us from putting this resource quickly to work for the good of the Nation. Equally serious is the fact that the attitude of Congress and agencies created by Congress have resulted in confusion and uncertainty that inhibits development of our coal reserves.

Mr. President, one of Washington's outstanding journalists, Shirley Scheibla, has written a very informative two-part article for Barron's on the situation in the coal industry. At this time when we still are in the process of working on important legislation in this area, I believe it would be advisable for everyone in the Congress to consider what she has written, and I therefore ask unanimous consent that it be printed in the RECORD.

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

CURTAINS FOR STRIPPERS? PENDING LEGISLATION COULD DO IN SURFACE COAL MINES

(By Shirley Scheibla)

WASHINGTON.—Low-sulfur Western coal reserves today loom as one of the nation's best hopes for providing an adequate domestic supply of environmentally acceptable fuel. Yet 85% of the reserves, an estimated 37.5 billion tons, is owned by the federal government, which has leased none for over three years. The Interior Department has held up such leasing because of indecision over what to do about strip mining.

Congress is suffering from similar uncertainty. Although the Senate passed a strict bill last October, pre-oil crisis, the House Interior Committee expects a donny-brook later this month when it is scheduled to weigh strip-mining legislation. Its difficulties partly reflect the energy shortage, partly the persistent inability of politicians and so-called experts to agree on what kind of reclamation is acceptable and how much strip mining should be allowed.

WHO FOOTS THE BILL?

Should all scarred areas be reclaimed, or only those stripped from now on? Should the land be restored to its original contour? What about arid and semi-arid Western lands? What will various types of restrictions cost? Who will foot the bill? How will restrictions affect overall coal production? How should federal standards be enforced?

These are a few of the major issues in-

volved in the legislation now before Congress. Answers are important, because strip mining provides half of the nation's supply of much needed coal and 60% of the fuel for utilities. From an extraction standpoint, stripping is a much more efficient method, capable of obtaining 90% of deposits, compared with 50% through underground mining. It's also quicker and cheaper.

Yet measures passed by the Senate—and reported by two subcommittees of the House Interior Committee—would severely curtail, if not eliminate, stripping and impose multi-billion-dollar additional costs on coal mining. Hence Sidney L. McFarland, House Interior Committee Staff Director, expects a flood of amendments. "The energy crisis has slowed down action on the bill. It is not beyond the realm of possibility for it to be tabled in committee," he declared. Rep. Craig Hosmer (R., Calif.), ranking minority member of the Committee, told Barron's that he detects a growing realization within the House that HR 11500 won't dig the necessary coal. He plans to introduce a much less stringent bill.

MORE THAN ONE VOICE

Like Congress, the Administration fails to speak with one voice. In particular, the Environmental Protection Agency is seeking stricter controls than the Federal Energy Office. Meanwhile, the coal industry is being called upon to make long-term investments in new production without knowing what the future rules will be. If Congress makes strip mining significantly more costly, it could drastically affect the future of coal gasification.

Basically, the House and Senate bills follow the precedent of the Clean Air Act, the constitutionality of which has not yet been put to the test. In what some consider a violation of states' rights, the strip-mining bills call for states to come up with their own regulatory programs. But if Washington doesn't like them, it can impose its own.

The Senate and House bills also require the states to have systems for designating areas unsuitable for surface mining, and both are broad enough to prevent all such mining. According to Senator Paul J. Fannin (R., Ariz.), S. 425 allows such a designation for "areas of critical environmental concern," whatever that means, and thus could preclude strip mining even if the area could be reclaimed. To Senator Byrd of Virginia, it is tantamount to federal zoning on state land.

CLOSE TO SURFACE

The Mansfield amendment to S. 425 would end all indecision concerning what to do about federally-owned coal lands by simply banning strip mining on them where the surface is privately owned. At the turn of the century, there were so many protests over mineral rights on homesteads that the federal government decided it would retain such rights.

Much coal, particularly in the West, lies so close to the surface that underground mining is not feasible. The Interior Department estimates that roughly 14.2 billion tons of coal would be sealed off by the Mansfield amendment; the National Coal Association says 37.5 billion. An analysis by Douglas L. McCullough, coal expert for the Federal Energy Office, concludes that the Coal Association estimate "may be closer to the correct figure and could even be conservative."

In any event, he points out that Interior's estimate is equivalent to 1¼ times current proven U.S. reserves of natural gas, or 30 years' production of about 5.4 million barrels of crude oil per day, about equal to current imports. The Coal Association's estimate is equivalent to total present U.S. oil consumption of about 17 million barrels per day. Mr. McCullough concluded that S. 425 "would undermine the current emergency efforts to substitute low sulfur coal for oil and gas and further aggravate the energy crisis by requiring a greater reliance on oil and gas."

BASIC THRUST

Interior points out that Western coal costs only half of the national average for deep-mined coal. "The amendment will seriously alter the economics of coal gasification, adding about 17 cents per million British thermal units for synthetic natural gas and increasing plant investment for a 250 million standard cubic feet plant by over $20 million. Many of the potential coal gasification sites would be affected."

The basic thrust of both the House and Senate bills is to discourage strip mining. For several years, Rep. Ken Hechler (D., W. Va.) has been pushing for an outright ban on all stripping. He contends that underground mines closed in favor of stripping can be reopened to meet the energy crisis.

There is considerable debate regarding the amount of coal which can be obtained solely by surface methods. Russel Train, administrator of the Environmental Protection Agency, says strippable reserves constitute only 3% of the total. However, Carl E. Bagge, head of the National Coal Association, says Mr. Train miscalculated by dividing the 1.5 trillion tons of all coal known to exist by an estimated 45 billion tons of coal economically strippable at 1970 prices. Mr. Bagge argues that Mr. Train should have compared the total of strippable coal at any price, 141 billion tons, with the 413 billion tons of total reserves mineable by present technology.

While underground mining can produce plenty of coal, costs would be heavy. The Federal Energy Office already has asked 19 utilities to convert 26 power plants from oil to coal and plans to ask more to do so. According to William E. Simon, head of FEO, "an additional mining cost for coal at this time would run counter to this effort." Mr. Bagge says that replacing present strip mining with underground mining would require 276 new deep mines of one million tons' annual capability each, at a total capital cost of $3–$5 billion.

SHORTAGE OF SKILLED WORKERS

Senator Jennings Randolph (D., W.Va.) explains that the coal industry already is short of skilled workers to operate underground. He's also concerned over the high death rate underground. Last year 99 men were killed in underground coal mines, compared with 17 in strip and auger mines.

During the debate on S. 425, Senator Clifford Hansen (R., Wyo.) told the Senate that more underground mining would "mean training a whole new army of men who, first of all, must be willing to work underground. That brings up the question of black lung and other diseases. . . . I cheered and applauded when we could get them (the miners) above ground so they could see the sunrise and the sunset and they could feel the differences in temperatures when spring, summer, autumn and winter arrived, an experience they did not have . . . underground."

Nevertheless, EPA Administrator Train has declared, "The sooner we can make underground (mining) more economically attractive, more technologically feasible and more socially acceptable as a way of life, way of employment, the better off we're going to be."

Last November, Mr. Bagge told the annual meeting of the Geological Society of America: "The theory behind the Mansfield amendment is that the strippable coal it freezes in place could be replaced by coal from underground mines . . . (but) 85% of the federal government and most of the leases granted are for strippable coal. To acquire deep coal reserves would entail new leases. . . . Even if the freeze on leasing were ended today, and supposing that a coal company had some geological geniuses who could locate suitable reserves of deep coal by tomorrow morning, it takes three or four years to develop a deep mine. That would still leave some power plants waiting a long time for coal to arrive."

Meantime, little Western mining can be done because of a checkerboard pattern of ownership divided among private, state and federal, which makes it difficult to mine one property without the others.

Even if it decides what to do about strip mining, however, Interior won't be able to resume leasing until completion of an environmental impact statement, which it doesn't expect to complete until the end of the summer.

MORE RED TAPE

Ironically, Congress inspired much of the increase in strip mining by passage of the Federal Coal Mine Health & Safety Act in 1968. Then only 38% of the coal mined was obtained by stripping, compared with 50% today. According to Senator Howard Baker (R., Tenn.), "The measure, while it was certainly directed at a laudable goal, seriously exacerbated the competitive disadvantage of deep mining by vastly increasing red tape, by setting arbitrary safety standards, by requiring excessive monitoring and by setting excessive and unnecessarily expensive equipment standards."

The most controversial part of the House bill is the amendment by Rep. John Seiberling (D., Ohio) calling for a reclamation fee of $2.50 a ton for all stripmined coal. This would be used to help restore land scarred in the past and to help equalize strip and underground mining costs. Earlier this month, however, Under-Secretary of the Interior, John C. Whitaker wrote House Interior Committee Chairman James A. Haley (D., Fla.) that the amendment "will unreasonably raise current coal costs and penalize current coal consumers for damages caused by other operations." Mr. Whitaker also urged reappraisal of the legislation in the light of current fuel shortages. He said that the mining and reclamation criteria are too rigid and could result in substantial losses in coal production.

Howard C. Elmore, chairman of the Western Systems Coordinating Council, painted a grim picture in his testimony before the two House subcommittees. "The WSCC utilities may raise over half a billion dollars in the money market for a coal-fired generating station and related facilities which are dependent upon coal fuel from a single surface mining operation. The utility and the investment community rely on the ability of the facility to operate and utilize its fuel source in order to pay off the investment. The House bills permit a regulatory authority to impose unknown terms and conditions on the permit periodically that could have the effect of reducing, terminating or curtailing a portion of the fuel supply. This jeopardizes the utilities' ability to finance their facilities."

INTERPRETATIONS

Mr. Elmore also testified that over 90% of the coal required by WSCC systems for the next decade must be strip-mined. Curtailment or termination of such mining "would be catastrophic and the damage to the consuming public would be difficult to imagine. At best, planned rationing of electricity on a rotating basis would be required."

Even the most avid opponents of the pending bills are ready to agree to mandatory reclamation. But interpretation of what reclamation is acceptable vary as much as the land itself. Both House and Senate bills call for the restoration of stripped land to its approximate original contour. But the National Coal Association finds the House bill "so inflexible that it would prevent operations in many instances from meeting other regulations of the bill—such as the control of erosion, siltation, water runoff and drainage and stabilization of mined land."

Edwin R. Phelps, president of Peabody Coal Co., voiced similar reservations regarding the Senate measure. "The key factors—erosion, sedimentation, landslides, toxic drainage, soil stabilization and revegetation can all be handled, oftentimes more effectively, without return to the original contour."

The amount of reclamation mandated ultimately may depend upon costs. Estimates, however, are as numerous as scandals in Washington. Rep. Hechler told the Senate Interior Committee about European experiences in reclamation: "The extensive study, Surface Mining & Land Reclamation in Germany, by E. A. Nephew of the Oak Ridge National Laboratory, indicated that costs of reclamation in Germany amount to between $3,000 and $4,500 per acre, while in Great Britain they run as high as $7,479 per acre but average out close to $4,000 an acre. The cost per ton ranged from 63 cents to $4.24/ton and averaged $1.35/ton."

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CONVERSION PREMIUM—UTILITIES FIND COAL EXPENSIVE AND SCARCE

(By Shirley Scheibla)

WASHINGTON.—Coal to Newcastle—the United States—will start arriving this year. Specifically, Southern Co. expects to receive 500,000 tons from South Africa, and it now is in negotiation for two-three million tons from Australia. New England Electric System has firm commitments for 240,000 tons of coal from Poland and options on another 600,000.

Under pressure to use coal because of the oil shortage, many Eastern utilities have made the unpleasant discovery that because coal production can't be changed as fast as government directives, this country's only plentiful fuel is turning out to be scarce. There's a limit to how much operating mines can step up production. Launching new ones requires time, as well as some degree of certainty regarding federal intentions.

MASSIVE CONVERSION TO OIL

During the environmental pressures of the late 'Sixties, enough utilities converted to oil to burn an estimated 228 million additional barrels in 1972, about 55% of all the oil burned by electric utilities. In the fall of 1973, the Office of Emergency Preparedness (now abolished) and the Federal Power Commission estimated that, in an emergency, enough utilities, providing they could obtain the necessary coal, could reconvert to coal in three weeks to mean savings of 258,000 barrels of oil a day.

Indicating that such an emergency exists, Federal Energy Office Administrator William E. Simon, on December 6, urged immediate reconversion by 26 plants to save 250,000 barrels a day. He asked an additional 60 plants to weigh similar action. Over three months later, however, there had been only enough reconversion to save 65,000 barrels. Last week, the Senate sustained President Nixon's veto of the Emergency Energy Bill. Now, as part of a substitute measure, the Administration wants Congress to authorize power plants to convert to coal for relatively long periods to provide incentive for the necessary capital investment.

Stephen G. Young, president of the West Virginia Coal Association, says flatly that an Environmental Protection Agency (EPA) panel is responsible for the poor results. On January 22, a panel headed by EPA Deputy Administrator John R. Quarles Jr. ruled that electric utilities must make immediate commitments to install flue gas desulfurization systems (scrubbers) to meet the July 1975 deadline of the Clean Air Act. (A final decision is up to EPA Administrator Russell Train, who has not indicated when it will be forthcoming.) Following the panel's report, Mr. Quarles told a press conference that criminal proceedings are possible against electric utilities that don't make good faith efforts to install the desulfurization systems where needed.

UTILITIES PROTEST

The panel's decision came in the face of protests by utilities that the scrubbers would cause as many problems as they would solve. The recommendation suggests, nevertheless, that companies can't count on extensions of variances to burn plentiful high sulfur coal. As noted in the first article in this series, the government has tied up much of the low sulfur reserves.

At a recent press conference in Tokyo, Ian McGregor, chairman of American Metal Climax Inc., said electric utilities are anxious to buy Western (low sulfur) coal but that large new orders cannot be accepted until the U.S. government makes additional land available for lease.

Such difficulties mean the signing of few long-term contracts for new coal production. Without them, however, the major coal companies can't obtain the financing for opening large new underground mines at costs running around $30-$40 million each. Meanwhile, the price of spot coal has been run up to $32 a ton from $8–$10 in the scramble for supplies. In the end King Coal is bound to regain his throne because there's no alternative (Barron's, December 24, 1973). Meantime, there's trouble aplenty.

A good deal of spot coal comes from small mines, which are also having regulatory problems. Douglas L. McCullough, coal expert for the Federal Energy Office (FEO), says that as many as 500 mines may have to shut down by the end of this month because of requirements of the Federal Coal Mines Health and Safety Act. These pits produce 25 million tons a year, 4% of the U.S. total. After surveying mines in West Virginia, Tennesse and Kentucky, FEO found that the managements of most considered the installation of required equipment uneconomic.

According to Mr. McCullough, "Several members of Congress are talking about holding hearings quickly to see if these mines could be given extensions of some sort because of the energy crisis. The mines do have a couple things in their favor. They are nongaseous, and methane doesn't occur. Also, their safety records are excellent. Some of them have suggested using a methane detection device which would cost about one-tenth as much as shielding equipment. It's not clear if the Secretary of the Interior could permit the substitute or if it would require legislation.

"FEO is hoping to increase coal production 10% this year. If we lose 4% because of this problem, we would have to increase production 16% to meet our goal."

At press time, a strike by 20,000–21,000 West Virginia coal miners triggered by gasoline shortages had caused production losses estimated at one million tons by the National Coal Association. The walkout involved chiefly metallurgical coal. As it went into its second week, Mr. McCullough noted that steel mills were cutting output 25%. "That's a prelude to what could happen with a nationwide strike when the United Mine Workers' contract expires November 12," he said.

Though the supply side of the equation now has several unknowns, utilities are still faced with need to reconvert to coal at vast expense after having spent millions switching to oil. Most, like New England Electric System, feel they have no choice. It laid out $8 million to go the oil route, and a changeover to coal will cost another $5 million. But the alternative, says spokesman Peter Bugbee, is a possible shutdown of service.

Mr. Bugbee won't give precise prices for the coal the System is importing from Poland, except that it is "in the range of $30 to $35 a ton." While utilities normally like to have a 60–90 day supply, the System's stocks recently were down to 10–20 days. After contacting nearly 100 producers, it has lined up four million tons of coal which, in combination with oil, is deemed to be enough to meet requirements for the year. It means, however, that the system will maintain dual capability for coal and oil.

While New England has paid a top price of $32 a ton for spot coal, John Stevens of the System says, "That is the equivalent of $8 a barrel for oil, and that's cheap oil today."

Unlike New England, Southern Co. never converted to oil during the wave of environmental fervor. William G. Lalor, senior vice president, explains, "We studied conversion to oil and decided against it because we were afraid of relying on imported oil." Ironically, now it's importing coal.

OUT OF SPOT MARKET

Mr. Lalor says the South African coal will be low sulfur and will cost $20 a ton delivered to Gulf Power. He adds, "We got out of the spot market two months ago. We said that was a lot of nonsense. We got our long-term suppliers to increase production somewhat. . . . We'll burn close to 30 million tons of coal this year, and we'll get an extra million tons of this from our regular suppliers."

Virginia Electric Power Co. did convert to oil at a cost of several million dollars. John Adams, Vepco's general counsel, says that right after Mr. Simon asked the Eastern utilities to reconvert to coal, Vepco sent invitations to bid to 42 producers. Only 25 replied—all in the negative. Mr. Adams says Vepco considers itself fortunate that 25% of its facilities are nuclear-powered, since it can't obtain what it needs for oil-to-coal reconversions.

The Morgantown, Md., generating station of Potomac Electric Power Co. has the unique capability of burning either oil or coal, yet it currently is burning only 25% coal because it can't find more. Since mid-December, Pepco has contacted 100 coal companies in a vain attempt to buy more coal for Morgantown.

RENEGING ON CONTRACTS

With 94% of its generating capacity coal-fired, American Electric Power Co. burns more coal than any investor-owned utility in the U.S. Thus it doesn't have the problem of reconversion. Nevertheless it has others. Donald C. Cook, chairman of the board, told Barron's that federal policies have driven the price of coal so high that all producers under contract with AEP have asked for increases, and some are reneging on their long-term contracts with AEP companies.

As a partial solution, he said the AEP is rapidly increasing its own mining capability. "Last year we mined a little over six million tons. In 1974 we expect to mine over 11.5 million tons. By 1980 we will be burning 50 million tons a year and mining 25 million tons ourselves. We'll use high sulfur for blending with low sulfur."

Strange as it may seem, AEP expects to transport coal to two plants located at the mouths of Consolidation Coal Co. mines in West Virginia, because their coal won't meet the proposed state regulations under the Clean Air Act.

While all present usable steam coal of Consolidation (owned by Continental Oil) is high sulfur, it has six to eight billion tons of low-sulfur reserves in the West. Consolidation President John Corcoran says, however, that most of these reserves are under state or railroad leases which lie in a checkerboard pattern with federally-owned coal rights. This makes mining impossible since the Interior Department is not issuing coal leases.

HIGH SULFUR RESERVES

Similarly, Edwin R. Phelps, president of Peabody Coal Co. (owned by Kennecott), says all Peabody's reserves in Ohio, Kentucky, Indiana, Missouri, Oklahoma and Arkansas are high sulfur. "No utilities are now asking us to open new mines unless they are low

sulfur. But they'll sign short-term contracts for high sulfur with a force majeur clause stating if the government says they can't burn the coal, they can cancel the contract. As a result we haven't signed any contracts for high sulfur coal since EPA said not to burn it after July 1975," he told Barron's.

CLARIFICATION NEEDED

Mr. Phelps added that within the past two years, two utilities have put up the money for new mines, will take the risk and simply use Peabody's coal management expertise. He declared: "This is the only way to do business until we get some clarification from Washington. People won't finance an agreement that could be illegal in two years. The utilities figure some relief in two years, but the banks don't figure that way. I think the law has got to be amended. Without relief some electric utility power production will come to a halt."

Otis Bennett, Jr., head of North American Coal Corp., says that 90% of his customers are utilities and that all the coal for them is high sulfur. Shutting off high sulfur coal for utilities would leave North American only one million tons to sell a year out of annual production of 12.5 million tons.

"Extending the permissible use of high sulfur coal for two years beyond 1975 under the Clean Air Act, or for three or four years doesn't mean a thing because we need 15- to 30-year contracts to open new mines," says Bennett. "No lender will finance a mine when maybe we can't use the coal. The whole thing has caused a moratorium on production in the East."

RESUMPTION OF RELATIONS WITH SWEDEN

Mr. PELL. Mr. President, I warmly welcome the White House announcement of a thaw in our relations with Sweden. It is appropriate to the season but long overdue.

I hope that today's announcement of the exchange of Ambassadors between our two countries, which I have been urging for months, will quickly restore the close and cordial relations that have traditionally existed between them.

Frankly, I have found it appalling that for over 2 years our relations have been on ice with a people that I believe are more like us in their way of life and standard of living than any other people. A hearty "Skål" to Sweden.

INCOME TAX DEDUCTIONS FOR OLDER AMERICANS

Mr. BUCKLEY. Mr. President, the time is fast approaching when income tax returns must be filed. Form 1040 is complex for many Americans. This is especially true for older Americans, many having changed their tax status from full-time wage earners to retirement or semiretirement status. Many are unaware of available tax deductions in these years and cannot afford to employ tax consultants. The Senate Special Committee on Aging has prepared, for the use of older Americans, a description of items to aid in the preparation of Form 1040. I applaud the members of the committee for their efforts to put together this useful summary. Mr. President, I ask unanimous consent that excerpts from this bulletin be printed in the RECORD.

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

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses are deductible to the extent that they exceed 3% of a taxpayer's adjusted gross income (line 15, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3% limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3% rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3% rule) but only to extent exceeding 1% of adjusted gross income (line 15, Form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expense (subject to 3% limitation):

Abdominal supports, ambulance hire, Anthetist, arch supports, artificial limbs and teeth, back supports, and braces.

Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. Taxpayer should have an independent appraisal made to reflect clearly the increase in value.

Cardiographs, chiropodist, chiropractor, christian science practitioner, authorized; convalescent home (for medical treatment only), crutches, dental services (e.g., cleaning teeth, X-rays, filling teeth); dentures, dermatologist, eyeglasses, and gynecologist.

Hearing aids and batteries, hospital expenses, insulin treatment, invalid chair, lab tests, lip reading lessons (designed to overcome a handicap); neurologist, nursing services (for medical care); opthalmologist, optician, optometrist, oral surgery, osteopath, licensed; pediatrician, physical examinations, physician, physiotherapist, podiatrist, psychiatrist, psychoanalyst, psychologist, and psychotherapy.

Radium therapy, sacroiliac belt, seeing-eye dog and maintenance, and splints.

Supplementary medical insurance (Part B) under medicare.

Surgeon.

Transportation expenses for medical purposes (6 cents per mile plus parking and tolls or actual fares for taxi, buses, etc.).

Vaccines.

Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).

Wheelchairs.

Whirlpool baths for medical purposes.

X-rays.

TAXES

Real estate, State and local gasoline, general sales, State and local income, and personal property.

If sales tax tables are used in arriving at your deduction, you may add to the amount shown in the tax tables only the sales tax paid on the purchase of five classes of items: automobiles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security or Railroad Retirement annuities).

CONTRIBUTIONS

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 15, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible). Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 6¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in taxpayer's home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

INTEREST

Home mortgage.

Auto loan.

Installment purchases (television, washer, dryer, etc.)

Bank credit card—can deduct the finance charge as interest if no part is for service charges or loan fees, credit investigation reports. If classified as service charge, may still deduct 6 percent of the average monthly balance (average monthly balance equals the total of the unpaid balances for all 12 months, divided by 12) limited to the portion of the total fee or service charge allocable to the year.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money. Not deductible if points represent charges for services rendered by the lending institutions (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the "finance charge" if the charges are based on your unpaid balance and computed monthly.

CASUALTY OR THEFT LOSSES

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses to nonbusiness property—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. You may use Form 4684 for computing your personal casualty loss.

CHILD AND DISABLED DEPENDENT CARE EXENSES

The deduction for child dependent care expenses for employment related purposes has been expanded substantially. Now a taxpayer who maintains a household may claim a deduction for employment-related expenses incurred in obtaining care for a (1) dependent who is under 15, (2) physically or mentally disabled dependent, or (3) disabled spouse. The maximum allowable deduction is $400 a month ($4,800 a year). As a general rule, employment-related expenses are deductible only if incurred for services for a qualifying individual in the taxpayer's household. However, an exception exists for child care expenses (as distinguished from a disabled dependent or a disabled spouse). In this case, expenses out-

side the household (e.g., day care expenditures) are deductible, but the maximum deduction is $200 per month for one child, $300 per month for 2 children, and $400 per month for 3 or more children.

When a taxpayer's adjusted gross income (line 15, Form 1040) exceeds $18,000, his deduction is reduced by $1 for each $2 of income above this amount. For further information about child and dependent care deductions, see Publication 503, Child Care and Disabled Dependent Care, available free at Internal Revenue offices.

MISCELLANEOUS

Alimony and separate maintenance (periodic payments).

Appraisal fees for casualty loss or to determine the fair market value of charitable contributions.

Campaign contributions (up to $100 for joint returns and $50 for single persons).

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box for income producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees for securing employment.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by the taxpayer's employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if employment requires it.

Payments made by a teacher to a substitute.

Educational expenses required by your employer to maintain your position or for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—Taxpayers may now claim either a deduction (line 33, Schedule A, Form 1040) or a credit (line 52, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State or local office in any primary, general or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $50 ($100 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $12.50 ceiling ($25 for couples filing jointly).

Presidential Election Campaign Fund.—Additionally, taxpayers may voluntarily earmark $1 of their taxes ($2 on joint returns) to help defray the costs of the 1976 presidential election campaign. If you failed to earmark $1 of your 1972 taxes ($2 on joint returns) to help defray the cost of the 1976 presidential election campaign, you may do so in the space provided above the signature line on your 1973 tax return.

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

OTHER TAX RELIEF MEASURES FOR OLDER AMERICANS

Filing status	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$2,050
Single (age 65 or older)	2,800
Married couple (both spouses under 65) filing jointly	2,800
Married couple (1 spouse 65 or older) filing jointly	3,550
Married couple (both spouses 65 or older) filing jointly	4,300
Married filing separately	750

Additional Personal Exemption for Age.—In addition to the regular $750 exemption allowed a taxpayer, a husband and wife who are 65 or older on the last day of the taxable year are each entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1974, you will be entitled to the additional $750 personal exemption because of age for your 1973 Federal income tax return.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, *but only one of them,* may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence by Elderly Taxpayers.—A taxpayer may elect to exclude from gross income part, or, under certain circumstances, all of the gain from the sale of his personal residence, provided:

1. He was 65 or older before the date of the sale, and

2. He owned and occupied the property as his personal residence for a period totaling at least 5 years within the 8-year period ending on the date of the sale.

Taxpayers meeting these two requirements may elect to exclude the entire gain from gross income if the adjusted sales price of their residence is $20,000 or less. (This election can only be made once during a taxpayer's lifetime.) If the adjusted sales price exceeds $20,000, an election may be made to exclude part of the gain based on a ratio of $20,000 over the adjusted sales price of the residence. Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded by an elderly taxpayer when he sells his home.

Additionally, a taxpayer may elect to defer reporting the gain on the sale of his personal residence if within 1 year before or 1 year after the sale he buys and occupies another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence or (2) you were on active duty in the U.S. Armed Forces. Publication 523 (Tax Information on Selling Your Home) may also be helpful.

Retirement Income Credit.—To qualify for the retirement income credit, you must (a) be a U.S. citizen or resident, (b) have received earned income in excess of $600 in each of any 10 calendar years before 1973, and (c) have certain types of qualifying "retirement income". Five types of income—pensions, annuities, interest, and dividends included on line 15, Form 1040, and gross rents from Schedule E, Part II, column (b)—qualify for the retirement income credit.

The credit is 15 percent of the lesser of:

1. A taxpayer's qualifying retirement income, or

2. $1,524 ($2,286 for a joint return where both taxpayers are 65 or older) minus the total of nontaxable pensions (such as Social Security benefits or Railroad Retirement annuities) and earned income (depending upon the taxpayer's age and the amount of any earnings he may have).

If the taxpayer is under 62, he must reduce the $1,524 figure by the amount of earned income in excess of $900. For persons at least 62 years old but less than 72, this amount is reduced by one-half of the earned income in excess of $1,200 up to $1,700, plus the total amount over $1,700. Persons 72 and over are not subject to the earned income limitation.

Schedule R is used for taxpayers who claim the retirement income credit.

The Internal Revenue Service will also compute the retirement income credit for a taxpayer if he has requested that IRS compute his tax and he answers the questions for Columns A and B and completes lines 2 and 5 on Schedule R—relating to the amount of his Social Security benefits, Railroad Retirement annuities, earned income, and qualifying retirement income (pensions, annuities, interest, dividends, and rents). The taxpayer should also write "RIC" on line 17, Form 1040.

A BOOM YEAR FOR PROFITS

Mr. HUMPHREY. Mr. President, last year American industry experienced the sharpest increase in profits since the post-Korean war boom year of 1955. According to a comprehensive survey conducted by Business Week, profits in 1973 were 27 percent over 1972. The industries which had the highest increase in profits include aerospace, paper, steel, metals, and oil. Earnings for each of these industries were up by more than 50 percent over 1972.

Although many industries shared in the profits boom, some suffered the effects of the energy crisis and worsening economic conditions, especially tight money. Fourth-quarter profits for the airline and automotive industries fell sharply in the fourth quarter. Savings and loans were also hard hit as commercial interest rates soared and attracted funds out of small lending institutions.

Mr. President, as Business Week points

out, the sharp slowdown in economic activity which we are now experiencing will mean a vastly different profits picture for 1974. However, I think it useful that Congress have these profits numbers available as it prepares to debate changes in the economic stabilization program. All too often, the changes in the Consumer Price Index and increases in wages and salaries are the only statistics mentioned in discussions of price stability and incomes policy. The fact is that 1973 was a year to remember for industry, but for the wage and salary worker it was a year he fervently hopes never to see again. The average worker suffered a decline in his real spendable earnings of more than 3 percent, as inflation ate away at his relatively small wage gains.

Mr. President, I ask unanimous consent that a summary of the Business Week survey on industry profits for 1973 be printed in the RECORD following my remarks.

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

[From Business Week, Mar. 9, 1974]

1973 PROFITS: A YEAR TO REMEMBER

Rapidly rising costs, price controls, materials shortages, and the initial impact of the energy crisis combined to dampen corporate profits during the final quarter of 1973. But that was not enough to cool the spectacular profit performance for the year as a whole. When all the counting is done, U.S. corporations will have made more than $70-billion after taxes during 1973, 27% more than the $55.4-billion recorded in 1972. That was the biggest percentage increase since the post-Korean War boom days of 1955 and the biggest dollar increase in U.S. business history.

For this survey of fourth quarter and full year 1973 financial results, BUSINESS WEEK is including 1,200 companies, 50% more than are polled for regular quarterly performance reports. Four new industry categories appear on the list: food and lodging, real estate and housing, oil service and supply, with retailing now broken into separate food and nonfood categories. Finally, this survey includes not only composite figures for all the companies in an industry, but, for the first time, an all-industry composite covering all 1,200 companies.

All the data was compiled by Denver-based Investors Management Sciences, Inc., a subsidiary of Standard & Poor's Corp., and includes nearly all U.S. industrial corporations with fourth-quarter sales of $18-million or more, utilities with quarterly revenues greater than $50-million, and banks with deposits of at least $1-billion. Companies whose most recent fiscal quarter ended before Nov. 1 were left out unless their sales for the three months topped $100-million.

Together, these 1,200 companies had combined sales of $261.5-billion in the fourth quarter, up 22% from the same quarter a year earlier. Their profits totaled $15.3-billion, up 23%. For full year 1973, these same 1,200 companies racked up sales of $955.1-billion, 19% higher than for all of 1972. And they recorded annual profits of $55.9-billion, an increase of 25% from 1972, the previous record earnings year.

The one visible sign of trouble came in fourth-quarter profit margins. Margins for these companies were the same in both the final quarters of 1972 and 1973—5.8%. Margins had run nicely ahead of year-ago levels in the first three quarters of 1973.

The five industries that turned in the best fourth-quarter profit performance also led the pack for the whole year. But their order of finish, as well as the magnitude of their earnings increases, was considerably different. The paper industry was the big profit winner for 1973 with earnings up by 67%. It was closely followed by steel, up 66% for the year; aerospace, up 64%; metals, up 64%; metals, up 62%; and oil, up 55%. But two of those industries did not hit their stride until the fourth quarter. Spurred by new defense spending, aerospace profits rocketed ahead by 313% during the final quarter of 1973. And profits for the oil industry grew by 80%, fueled by rapidly rising prices for energy. The paper industry, after six quarters of extremely high profit increases, found its fourth-quarter gains cooling a bit to 57%.

Fourth-quarter profits took a nosedive in the automotive and airlines industries, hardhit by the energy crisis and rising costs. Savings and loan associations were hard hit by stiff competition for the savings dollar at a time when money market rates seesawed. But these industries did considerably better for the entire year, although they were still among 1973's poorer performers. Airlines profits were off by 8% for the year, while S&Ls showed only a 2% gain and autos produced a subpar 13% increase. The big loser in 1973 was the leisure-time industry, where profits skidded by 15%.

If the big oil companies made big profits during 1973, their smaller brethren did even better. Earnings for the year were up 996% at Commonwealth Oil, 432% at Amerada Hess and 305% at Occidental Petroleum.

Steel industry earnings were led by annual boosts of 258% at McLouth, 101% at Republic, and 108% at U.S. Steel. Wheeling-Pittsburgh nailed down a 199% profits increase in the fourth quarter. Paper industry leaders were Hammermill, up 274% for 1973, and Westvaco, up 232%.

Reflecting a bad year on Wall Street, annual profits fell by 66% at Dean Witter, 56% at Reynolds Securities, and 55% at E. F. Hutton. In the airlines industry, Eastern, Pan Am, and American all racked up big losses for the year, but profits were up 151% at UAL and 194% at Northwest.

Metals companies made a particularly strong showing during 1973's final quarter. Profits at Reynolds Metals were up by 987%, followed by Revere Copper & Brass (up 738%) and Kaiser Aluminum (up 372%). And earnings at Martin Marietta Aluminum grew by 583% during 1973.

THE BEST PERFORMERS

Of the 1,200 companies surveyed by Business Week, the glamour stocks continued to command the highest price/earnings ratios during 1973. Leading the pace was the drug industry, with a p/e of 23, followed by oil service and supply with a p/e of 21. Personal care products, office equipment, beverages, and instruments again commanded high multiples, with p/e ratios ranging from 14 to 20. Industries with the lowest current p/e's include aerospace, steel, conglomerates, automotive, textiles, S&Ls, and containers—all with p/e ratios from 5 to 7.

Many of the highly touted glamour industries also continued to give their common shareholders the best return on equity during 1973. Long an institutional favorite, the personal-care products industry led the list with a return on common equity of 20.7%. But the trucking industry also provided common shareholders with a 20.7% return, even though it was among the poorer performers when it came to profit increases.

Other industries with high returns on common equity included drugs, 20%; instruments and office equipment, both 17%; and radio and TV broadcasting, 16.8%—all members of the glamour set. Industries with the poorest annual return for shareholders were airlines, with 5.2%; railroads, 6.3%; and steel, 9.1%; followed by food retailers (9.6%) and textiles and apparel (10.8%).

The key question, of course, amid all the talk of record profits is just how "real" these spectacular gains actually are. A big chunk of the hefty 1973 earnings increases can be attributed to inventory profits—profits generated by the increase in the value of inventories between the time of purchase or production and the time of sale.

Last year, U.S. corporations earned a huge $127-billion before taxes, 30% above the handsome $98-billion earned in 1972. But the Commerce Dept. estimates that $17.3-billion of total 1973 earnings came from inventory profits, compared with inventory profits of only $6.9-billion in 1972. If the data for both years is adjusted, the "real" increase in pretax profits for 1973 was only 19.9%.

Inventory profits, of course, still count as solid profits on the bottom line. But the investor should be aware that inventories may have to be replaced during 1974 at much higher prices, and that could be a drag on corporate results if the prices that the company is able to charge do not keep pace. And if the prices of raw materials and other commodities should tumble later in the year, these corporations may experience still another drag on earnings as they use up relatively higher priced inventories. Companies that use first in-first out (FIFO) accounting, and whose inventories are rather slow to turn over, are particularly vulnerable.

For this reason, the Securities & Exchange Commission recently suggested that companies break out their inventory profits, if they are significant, in their financial reports for 1973. But few, if any, corporations are likely to make such disclosure. Inventories are only one item in the financial statements that are affected by inflation. To only show the effect on inventories would be "potentially misleading," they argue.

Breaking out inventory profits is only "a piecemeal, patchwork solution," says Donald H. Chapin, partner at Arthur Young & Co., one of the nation's Big Eight CPA firms. Most corporate managers are waiting until the new Financial Accounting Standards Board can put its stamp of approval on some kind of price-level adjustments for the entire income statement and balance sheet. That kind of "inflation accounting," which now is being tried in Great Britain, lets investors compare the present financial results based on historical costs with a new set of figures expressed in constant dollars. The FASB has scheduled a public hearing on the issue late next month.

In its preliminary profits report, Bethlehem Steel's chairman, Stewart S. Cort, did take note of the inflation factor in discussing his company's 1973 earnings, which rose from $134.6-million to $206.6-million. He noted that Bethlehem's net income was only about 8% higher than it was in 1957—the company's previous record earnings year—although it shipped 3-million more tons last year than in 1957. "In fact," Cort summed up, "our 1973 earnings were about 30% lower than 1957's in constant dollars—that is, adjusting the figures to compensate for the effects of inflation."

REFIGURING OVERSEAS INVESTMENTS

Economists estimate that the over-all impact of currency realignments of 1973 profit was neligible—amounting to no more than 1% or 2% of total U.S. corporate earnings. But for multinational corporations, the impact was considerably greater. Those companies also now have a wide range of accounting alternatives, and can choose how and when they want to take some of the gains.

BankAmerica Corp. says that its revaluation of overseas investments during 1973 pro-

duced $9.7-million in after-tax profits. But the bank will put aside $5.5-million of this amount into a special reserve to offset possible future losses if the dollar continues to strengthen against other currencies during 1974. And Eastman Kodak Co. says that $13.8-million of its $653.5-million 1973 earnings came from foreign currency exchange gains. But the company set aside another $19-million in a special reserve to help offset inventory losses caused by the decline of "certain European currencies in early 1974."

Many economists are predicting almost no growth in corporate profits for 1974. But businessmen, more optimistic, expect industry to show respectable earnings gains. Part of the gap may be explained by the "inventory profits" issue. But how corporate profits rank at this time next year will depend on the depth of any economic slowdown, the rate of inflation, the effect of any remaining price controls, and the severity of the energy crisis.

Uncertainties about the direction that oil company profits will take—or will be allowed to take—are enough to throw a monkey wrench into the best of predictions.

THE 1973 LEADERS IN RETURN ON COMMON EQUITY AND IMPROVED PROFIT MARGINS

[In percent]

Industries	12 mos ending Dec. 31, 1973	Industries	4th quarter 1973	4th quarter 1972	Change
1. {Personal care products	20.7	1. Aerospace	2.4	0.7	+243
1. {Trucking	20.7	2. Metals and mining	8.3	5.6	+48
3. Drugs	20.0	3. Paper	6.5	5.0	+30
4. Instruments	17.2	4. Oil	9.0	7.0	+29
5. Office equipment, computers	17.1	5. Steel	4.9	3.9	+26

Individual companies	Industry	12 mo ending Dec. 31, 1973	Individual companies	Industry	4th quarter 1973	4th quarter 1972	Change
1. Valmac Industries	Food processing	86.9	1. Kaiser Steel	Steel	22.4	0.2	+11,100
2. Bowmar Instrument	Electrical, electronics	69.6	2. Wean United	General machinery	2.7	.1	+2,600
3. Cook Industries	Food processing	65.6	3. Natomas	Oil	21.5	1.8	+1,094
4. Sierra Pacific Industries	Building materials	49.9	4. Bibb	Textiles, apparel	1.9	.2	+850
5. National Semiconductor	Electrical, electronics	42.3	5. Reynolds Metals	Metals and mining	7.0	.9	+678
6. American Beef Packers	Food processing	41.8	6. Revere Copper & Brass	Metals and mining	2.2	.3	+633
7. Tampax	Personal care products	41.6	7. PVO International	Service industries	1.3	.2	+550
8. Bandag	Tire and rubber	41.5	8. Libby, McNeill & Libby	Food processing	1.7	.3	+467
9. K-Tel International	Leisure time	41.0	9. Commercial Solvents	Chemicals	4.6	.9	+411
10. Edgington Oil	Oil	40.7	10. Northwest Airlines	Airlines	9.0	1.8	+400
All-industry composite		14.0	All-industry composite		5.8	5.8	+0

Data: Investors Management Sciences, Inc.

SURVEY OF CORPORATE PERFORMANCE: 4TH QUARTER 1973

Industry	Sales: 4th qtr. 1973 (millions)	Sales: Chg. from 1972 (percent)	Sales: 12 mo 1973 (millions)	Sales: Chg. from 1972 (percent)	Profits: 4th qtr. 1973 (millions)	Profits: Chg. from 1972 (percent)	Profits: 12 mo 1973 (millions)	Profits: Chg. from 1972 (percent)	Margins: 4th qtr. 1973 (percent)	Margins: 4th qtr. 1972 (percent)	Return com. eqy. 12 mo ending Dec. 31	P-E Feb. 22	12 mo earnings per share
Aerospace: Airframes, general aircraft, and parts	$5,258.7	23	$19,205.8	20	$125.8	313	$509.4	64	2.4	0.7	11.4	5	3.17
Airlines	2,949.2	8	12,090.7	11	8.2	−73	227.4	−8	.3	1.1	5.2	12	.84
Appliances	1,695.8	12	6,206.5	15	79.1	−5	279.6	8	4.7	5.5	15.4	8	2.60
Automotive: Autos, trucks, equipment and parts	24,533.7	9	95,174.4	18	887.1	−28	4,513.9	13	3.6	5.4	16.1	6	6.01
Banks and bank holding companies	9,392.6	68	30,883.5	51	735.5	13	2,612.0	13	7.8	11.5	13.0	10	3.36
Beverages: Brewers, distillers, soft drinks	2,187.0	17	7,811.8	17	93.4	4	388.0	8	4.3	4.8	14.5	15	1.64
Building materials: Cement, wood, paint, heating and plumbing, roofing, etc	7,339.0	20	28,437.3	21	386.3	32	1,660.2	50	5.3	4.8	15.1	8	2.54
Chemicals	9,329.7	21	35,501.4	19	658.2	38	2,656.8	41	7.0	6.3	14.8	11	3.57
Conglomerates	7,858.6	28	29,230.2	17	309.6	9	1,146.9	24	3.9	4.5	11.3	6	2.54
Containers	2,626.4	20	10,070.3	14	95.2	19	403.7	18	3.6	3.7	11.6	7	3.05
Drugs: Ethical, proprietary, medical, and hospital supplies	4,867.1	19	18,466.6	15	461.9	15	1,805.4	17	9.5	9.7	20.0	23	1.82
Electrical, electronics: Heavy equipment, components, radio and TV sets, etc	11,019.8	16	39,959.3	16	512.9	6	1,835.9	16	4.7	5.1	15.1	11	2.34
Food processing: Baked goods, canned and packaged foods, dairy products, meat, condiments, etc	16,603.1	24	60,350.3	20	513.7	21	1,803.7	17	3.1	3.2	13.6	9	2.23
Food and lodging	1,106.5	19	4,281.5	18	43.6	5	180.5	9	3.9	4.4	13.6	11	1.17
General machinery: Machine tools, industrial machinery, metal fabricators, etc	4,034.4	27	14,080.0	21	174.0	33	615.7	33	4.3	4.1	12.4	11	2.34
Instruments: Controls, measuring devices, photo and optical	2,979.7	18	9,932.9	17	280.7	6	957.6	20	9.4	10.4	17.2	14	2.90
Leisure time industries	1,695.0	8	6,302.0	10	86.9	−3	234.7	−15	5.1	5.8	11.3	13	.89
Metals and mining: Nonferrous metals, coal, iron ore, etc	4,215.5	35	15,310.0	27	348.4	79	1,077.3	62	8.3	5.6	11.0	12	3.25
Miscellaneous manfuacturing	5,856.1	21	21,725.8	20	318.8	20	1,190.7	25	5.4	5.4	14.4	9	2.43
Nonbank financial	3,128.7	15	11,934.2	12	208.6	8	728.9	−3	6.7	7.2	10.9	10	2.98
Office equipment, computers	6,742.4	25	23,140.4	18	717.0	56	2,310.1	30	10.6	8.5	17.1	17	5.84
Oil: Crude, integrated domestic and international	35,182.0	40	117,910.5	27	3,184.7	80	9,669.8	55	9.0	7.0	15.1	11	5.38
Oil service and supply	1,587.3	13	5,862.7	24	85.4	18	277.5	16	5.4	5.2	12.1	21	2.45
Paper	3,341.9	22	12,420.6	18	218.1	57	773.5	67	6.5	5.0	13.6	10	3.00
Personal care products: Cosmetics, soap, etc	2,877.4	23	10,416.6	19	210.3	10	744.5	9	7.3	6.6	20.7	20	2.63
Publishing: Periodicals, books, newspapers	1,320.1	10	4,805.0	10	99.8	12	327.2	21	7.6	7.5	14.4	9	1.78
Radio and TV broadcasting	905.2	3	3,080.0	8	62.2	1	199.1	13	6.9	7.1	16.8	8	2.61
Railroads	2,849.7	10	10,000.7	10	230.7	22	688.0	8	8.7	7.9	6.3	10	4.61
Real estate and housing	890.0	21	3,163.6	16	59.9	26	189.6	13	6.7	5.8	12.6	10	1.44
Retailing (food)	11,383.1	12	41,941.2	13	109.8	26	354.7	32	1.0	.9	9.6	9	1.59
Retailing (nonfood)	16,200.9	12	58,851.9	15	457.5	5	1,868.2	14	2.8	3.0	13.3	9	2.44
Savings and loan	374.2	13	1,441.7	15	32.4	−30	174.1	2	8.6	13.9	11.9	7	1.98
Service industries: Leasing, vending machines, wholesaling, etc	8,085.3	22	28,745.4	21	213.4	13	714.2	21	2.6	2.9	14.1	10	1.58
Special machinery: Farm, construction, materials handling	2,782.4	24	10,574.3	23	153.9	20	621.8	30	5.5	5.7	15.9	10	3.67
Steel	7,552.7	26	28,587.3	28	372.2	60	1,230.6	66	4.9	3.9	9.1	6	4.39
Textiles and apparel	4,506.4	12	16,912.4	14	153.5	9	555.0	22	3.4	3.5	10.8	7	2.29
Tire and rubber	3,847.3	15	14,245.8	16	176.2	13	594.1	10	4.6	4.7	11.6	8	2.59
Tobacco: Cigars, cigaretts	2,741.1	14	10,342.0	9	161.0	6	647.8	9	5.9	6.2	16.7	10	5.00
Trucking	1,031.9	20	3,707.4	20	41.4	−2	146.2	7	4.0	4.9	20.7	9	1.85
Utilities: Telephone, electric, gas	18,802.2	10	71,959.6	12	2,220.7	7	8,873.6	14	11.8	12.1	11.9	9	2.91
Composite Composite	261,460.1	22	955,052.2	19	15,266.0	23	55,943.7	25	5.8	5.8	14.0	11	30.9

MILITARY AID TO SOUTH VIETNAM

Mr. KENNEDY. Mr. President, I had the privilege yesterday to testify before the Armed Services Committee in support of the amendment—No. 1000—to S. 2999, which I introduced several weeks ago along with the distinguished Senator from Kansas (Mr. PEARSON), to eliminate the supplemental military appropriation for South Vietnam.

The purpose of our amendment is to halt the back-door financing of more military supplies to the South Vietnamese Army this fiscal year. Last year the Congress acted to cut the administration's massive $1.6 billion request, limiting the authorization to $1.1 billion and appropriating only $900 million in new money.

Now, if the Defense Department has its way, that wise decision of Congress will be circumvented by authorizing the transfer of $474 million, bringing the total military aid this year to South Vietnam back to the $1.6 billion.

I commend the Armed Services Committee for the important and thorough review it has taken on this supplemental appropriation request, and I commend the distinguished senior Senator from Missouri (Mr. SYMINGTON) for chairing open hearings yesterday. I am hopeful the committee will favorably consider the Kennedy-Pearson amendment.

Mr. President, I would like to share with my colleagues my assessment of the Department of Defense request for more military aid to South Vietnam, and I ask unanimous consent that my statement before the Armed Services Committee be printed in the RECORD.

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

SENATOR KENNEDY'S STATEMENT ON MILITARY AID TO SOUTH VIETNAM BEFORE THE SENATE ARMED SERVICES COMMITTEE

Mr. Chairman, members of the Committee, I very much appreciate this opportunity to speak briefly to the amendment which I introduced, along with Senator Pearson, to eliminate the transfer authority for new military assistance to South Vietnam from S. 2999, the Department of Defense supplemental appropriation authorization for 1974.

Mr. Chairman, I think the first point that should be made, is that the Department's request for some $474 million in new military assistance for South Vietnam, is not an issue of national defense—and hardly one of national security. But it does raise the question of our continuing and future involvement in South Vietnam and Indochina. And this is a question that must be answered within the context of the ceasefire agreement, and the new opportunities that agreement provides our country to change the character and level of our involvement in that area of the world.

If the Paris agreement and protocols are worth the paper they are written on, our country's relationship and involvement in South Vietnam must today be different from what it was before—not only from what it was two years ago or ten years ago, but different from what it was even last year. And the question to be asked today is whether this supplemental request for military aid to South Vietnam is consistent with the new realities of South East Asia and peace with honor—or whether it perpetuates an old relationship and reflects policies that have not really changed.

The ceasefire agreements for Vietnam and Laos—and the persistent hope for a similar agreement for Cambodia—are benchmarks of immense historical proportions in the evolution of our policy and involvement in the countries of Indochina. And even though conditions are mixed in the field, and many difficult problems continue for all parties involved—the fact remains that for the first time in many years, we have real opportunities to embark on new policies—to change our involvement, to reorder our priorities, and to finally practice some lessons from the failures and frustrations of the past.

We can finally end the master-client relationships between Washington and the capitols of Indochina. We can finally disengage from our direct and manipulative involvement in the remaining political and military confrontations of the area. We can finally chart a new beginning—in cooperation with the international community and the governments of Indochina—to help repair the damage of conflict and heal the wounds of war. We can finally shift our focus from fueling death and destruction, to really building the peace.

This is what the return of our servicemen and prisoners of war have meant to most Americans. And this is the promise of a peace with honor—and the hope of the ceasefire agreements which have extricated our country from the Indochina war.

But this promise and this hope is apparently not shared by this Administration—which still seeks to maximize American presence and influence in the area, with the old tools of war instead of a new diplomacy for peace and reconciliation. And the dichotomy between the opportunities for change implicit in the ceasefire agreements, and the tired patterns of the past implicit in the character of the Administration's continuing budget requests for Indochina, is a crucial issue for the Congress—and for all Americans.

I am opposed to the supplemental request for South Vietnam, because it simply continues, unchanged, our previous military assistance policies, although circumstances have changed and America's responsibilities have changed with them.

It is argued that this request for more military aid is necessary because of inflation—to which I can only say that inflation begins at home. And the housewife in Massachusetts must wonder at our government's worry over the effects of inflation in Saigon, when the cost of bread and milk in Boston is climbing every day.

Some say that the South Vietnamese army needs additional military aid because of North Vietnamese violations of the ceasefire. But the question remains as to whether the shipment of more arms to South Vietnam will help strengthen the ceasefire agreement. And what about the use of American-supplied ammunition by the South Vietnamese army? According to an unclassified cable of March 6, from Ambassador Graham Martin in Saigon, it was only after "United States-imposed constraints and better South Vietnamese management controls," that the use of American supplied ammunition dropped at a rate of 20 to 50 percent. Ambassador Martin confirms what many have observed during last year, that without some constraints on our supply of ammunition, the South Vietnamese military would continue to fire their howitzers just as they have before, as if nothing has changed.

And, regrettably, Mr. Chairman, if the Congress approves this supplemental request, nothing will have changed. In fact, the Department of Defense will have successfully nullified Congressional action last year to reduce the level of American military support in South Vietnam, and to cut-back on our funding of the South Vietnamese army. As we all know, it was after considerable review by this Committee, by the Appropriations Committee, and after extensive debate on the floor, that the Congress acted to cut the Administration's massive $1.6 billion request for military aid to South Vietnam for the current fiscal year—reducing it to a $900 million appropriation and a $1.1 billion authorization. Now, if the Department of Defense is to have its way, the decision of Congress to cut-back will be circumvented by back-door financing. For if the Congress approves the transfer of $474 million, the Department of Defense—with a very flimsy justification—will have exactly what it asked for, and not what the Congress voted for. Furthermore, this supplemental comes only weeks before we are to consider the Administration's disturbing request for some $1.6 billion in fiscal year 1975.

Mr. Chairman, I believe the Congress acted responsibly last year in limiting our funding of military supplies to the South Vietnamese army. That wise decision should not now be reversed through a supplemental. Rather, we should properly consider any further American military support of South Vietnam in the context of the budget request for the next fiscal year.

Frankly, I believe the American taxpayer would be shocked to learn that one year after the cease-fire we still are pouring into South Vietnam and Indochina well over $2 billion each year. In light of our other important commitments abroad, and our pressing domestic needs here at home, this massive expenditure borders on fiscal irresponsibility.

Finally, Mr. Chairman, let me say that I strongly believe that America's true remaining obligation in Indochina is less with governments and armies, than with people—the millions of war victims and others disadvantaged by war who now cry out for our help in relief and rehabilitation. Yet, the Administration's priorities in Indochina remain more with funding the arms of war, than with assistance to heal the wounds of war.

In the absence of any new or meaningful initiatives by the Administration—which has failed to recognize the new beginnings our country must make in that tortured area of the world—the Congress has acted to chart some new directions. For one thing, in contrast to the President's proposal last year, the Congress acted responsibly in giving top priority to humanitarian assistance in the allocation of economic aid to the governments of Indochina. The Congress also reduced the Administration's request for military aid. It ordered a halt to the bombing, and it banned military advisors in order to end our direct military involvement.

In short, the Congress and the American people have been sending the Administration a message—a message which it apparently has failed to understand, and which is still not reflected in its budget requests for Indochina. The message is very simple. The American people are tired of funding war. They want to help bring peace and relief to Indochina.

New efforts are needed on the diplomatic front. The lingering and bloody war in Cambodia deserves better of our diplomacy. The breakdown in the ceasefire agreement in Vietnam demands more than just a threat of new bombing or the provision of more arms. The fragile peace in Laos requires our support, as well as a change in the character of our presence in Vientiane. And the deadlock in our relations with Hanoi must be broken. These are diplomatic initiatives which are on the back-burners at the Department of State.

To clarify what our government's policy is towards Indochina, last week I wrote to Secretary of State Kissinger to inquire about the character and objectives of our policy in Indochina, and over the kinds and levels of our continuing involvement in the area. I would like, Mr. Chairman, to submit my letter for the record, for I believe these questions are pertinent to this Committee's re-

view of proposals for military assistance to South Vietnam.

Again, Mr. Chairman, I appreciated this opportunity to testify, and I commend you for holding these open hearings. I hope this Committee will act favorably upon the amendment introduced by myself and Senator Pearson, and continue the process of finally changing the level of America's military involvement in South Vietnam.

THE CORPORATION AND THE DINOSAUR

Mr. BROCK. Mr. President, Irving Kristol has written an interesting column for the Wall Street Journal in which he suggests that the large corporation in our country is moving itself toward extinction. While I disagree with the inevitability of this conclusion, Mr. Kristol does point out some warning signals that bear repeating. I ask unanimous consent that this article be printed in the RECORD.

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

THE CORPORATION AND THE DINOSAUR

(By Irving Kristol)

Every day, in every way, the large corporation looks more and more like a species of dinosaur on its lumbering way to extinction. The cultural and political environment becomes ever more hostile; natural adaptation becomes ever more difficult; possible modes of survival seem to be beyond its imaginative capacity.

That the cultural environment is hostile, is obvious enough. Today, businessmen, and especially corporate executives, are just about the only class of people which a television drama will feel free to cast as pure villains. Jews and Blacks and teachers and journalists and social workers and politicians and trade union leaders and policemen—and just about everyone else—are given protective coloration on the television screen. Where one of them goes bad, there is sure to be a good one nearby, lest the viewers get the impression that it is proper to have a low opinion of the class as a whole. The business executive gets no such dramatic compensation. He is the only unadulterated bad guy. And since these programs are for the most part sponsored by large corporations, which regard them as suitable vehicles for advertising their products, the public is all the more encouraged to believe what it sees.

Among politicians, too, the businessman—and especially the corporate executive—has become the target of opportunity. True, there have always been politicians hostile to business, but they used to constitute a minority. Now, it takes a brave politician not to be hostile to business. If any United States Senator has publicly denounced the scandalous way in which the oil companies have been made the whipping boys for the oil crisis, it has escaped my notice. And every attorney-general, in every city and state, knows that his political future will be much enhanced if he announces an investigation into supposed "illegal practices" of large corporations. Most such investigations quietly peter out; but the headlines they engendered endure, and help shape popular opinion.

PAINFUL ADAPTATION

Just why the climate has turned so hostile to business is a long and complicated story—about as long and complicated as the story of how the dinosaur's environment turned unfavorable to him. It suffices to say that though it takes time for an institution to experience an environmental crisis, it takes only time. Yesterday it was the university; today it is the large corporation; tomorrow it will doubtless be the mammoth trade union. (In Great Britain, that tomorrow is today.) The question is not how to avoid such crises—they are inevitable—but how to cope with them. And coping means adaptation, painful adaptation. If it's not painful, that's a sure sign it's not adaptation.

But, even given an authentic willingness to adapt, one also has to have a sense of the nature of the crisis—otherwise one doesn't know how to adapt. And it is fairly clear that the American corporation today really doesn't understand what has happened to it in these past decades. It doesn't understand that, whereas the American democratic environment used to perceive it as being a merely economic institution, it now sees it as being to an equal degree a sociological and political institution, and demands that it behave as such. As is usual, in retrospect that change has an air of inevitability about it. A democracy is not likely to permit huge and powerful institutions, with multiple "spillover" effects on large sections of the population, to define their interests in a limited way or to go about pursuing them in a single-minded way. It insists that such institutions show a proper attentiveness to what is conceived to be, at any moment, "the public interest." Nor is it any kind of answer to say that, in the long run, the institution's single-mindedness will be for the good of all. In a democracy, large and powerful institutions, if they seek legitimacy in public opinion, must be visibly and currently attentive to the public interest.

In short, the large corporation used to be a single-purpose institution: an economic institution directed toward economic growth. It was very good at this job, would still be good at this job—but its very size and importance have resulted in its job assignment being changed. Small business can still be singleminded in its pursuit of profitability, just as small colleges can still be single-minded in their pursuit of education in the traditional way. But the large corporation, like the large university, impinges on too many people in too drastic a way. And so the executives of the large corporation, like the administrators of the large university, have to learn to govern, not simply to execute or administer. And to govern is to think politically, as well as economically or educationally. That is the price of bigness and power.

It will be asked: won't this have negative consequences for economic growth? Probably—and the corporations should say so. But if a democratic people prefer to sacrifice economic growth in favor of institutions which reassure them as to the reality of popular sovereignty, that is their prerogative. It is a dangerous illusion for the corporation to think that it is predestined by its nature to be an advocate of, and necessarily a propagandist for, economic growth and dynamic change at all costs. True, most corporate executives have an extraordinary aptitude for managing dynamic growth. But in the "natural" environment of today, that aptitude could lead to extinction of the species.

The difference between "thinking economically" and "thinking politically" is enormous. "Thinking economically" means trying to discern the opportunity that every problem gives rise to. "Thinking politically" means trying to discern the problem that every opportunity gives rise to. The transition from the one to the other is bound to be difficult.

Thus, one wonders what happened in the boardrooms of the major oil companies when those lovely fourth-quarter profits began to roll in. These profits, after all, were directly connected with the hardship, inconvenience, and discomfort then being experienced by the American people. Did the directors and top executives sit around gloomily, muttering: "O Lord, we've got a terrible problem on our hands. What on earth can we do?" This may have been the case with one or two companies, but it obviously did not happen in the main, since nothing was done to cope with the problem. Nothing, that is, except for the preparation of a few press releases containing specious and self-serving arguments.

One such specious argument was to the effect that this new profitability merely brought the return on capital for the oil companies up to the average of all manufacturing companies. This is true—but what kind of argument is it? For all corporations to claim a "right" to an average return on capital is rather like all Americans claiming a "right" to the average family income, or all employees of oil companies claiming a "right" to the average wage for the industry. There is no such "right" and only a fanatical egalitarian would imagine it. Corporate executives are not ordinarily such egalitarians—but apparently they are capable of thinking that way, given sufficient temptation.

Another specious argument was to the effect that most of these swollen profits would be reinvested in the search for oil, the construction of new refineries, etc. Once again, this argument is true—but, once again, what kind of argument is it? One needn't be a leftwing economist to perceive that such a reinvestment of capital would ultimately result in enriching the company (and its stockholders, and its stock-holding executives) by increasing its assets. And yet, in their publicity, the oil companies point to this intention as evidence of their public-spiritedness, pure and simple.

SOME SUGGESTIONS

Had the oil companies been "thinking politically," there were many things they could have done—some small, some big, all reassuring to the public. For instance, why didn't it occur to one of the companies to announce that, despite these profits, it would declare no increase in dividends or in executive salaries this year? It might not have helped much, but it could have helped a little. In a bolder vein, why shouldn't the oil companies have simply decided that they couldn't *afford* such large profits, in these circumstances? They then could have set the price of oil at a level which would have produced a 15% or 20% increase in profits, instead of the more spectacular percentages that made the headlines. This would not really have helped the consumer much—not more than a few pennies, one is told—but it would have helped the oil companies a great deal.

The reason, presumably, that the oil companies did not do this was because they wanted to raise the capital necessary to do "their job." But no large corporation today is free to define its "job" as it sees fit. Had the oil companies been "thinking politically," they would have realized that they had another and more responsible task—securing the trust and confidence and good will of the public. And this second mission, since it is the precondition of survival, must have priority over the first. As it is, the price for "thinking economically" is now being paid. The oil companies will, in the end, surrender a large portion of their profits while shouldering a full portion of public obloquy. Meanwhile *all* American corporations have lost some of their credit with the public.

STATUS REPORT ON THE BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM

Mr. PELL. Mr. President, on March 10, 1974, the New York Times published an article which forecast that millions of dollars appropriated for the basic educational opportunity grant program would go unused by the expiration of this fiscal

year. As the author of this program, I must express my serious concern that students entitled to grant assistance to enable them to attend institutions of postsecondary education are not receiving such assistance.

The appropriation for the academic year 1973–74 for the basic grant program was only $122 million, far below the level estimated for full funding. For this reason, awards were limited to first-time, full-time students, in order to assure that the amounts granted would be of meaningful size. Yet now, even with that limitation, it appears that all the funds appropriated will not be spent.

I have asked the Office of Education for a status report on the basic grant program, with especial attention to the question of obligating all appropriated funds for student grants. I would like to insert in the RECORD the reply I received on March 14 from Dr. John R. Ottina, Commissioner of Education. It is my understanding from this report that more current figures will become available within the next 2 to 3 weeks, so that we will have a better picture of the amounts of money expected to be paid to students during this academic year. I intend to keep in close contact with Commissioner Ottina to assure that the maximum possible figure is expended for basic grants.

I realize that launching a new program is always difficult. The lateness of the dissemination effort meant that many eligible high school seniors might not have heard of their eligibility for basic grants. The newness of the entitlement approach may have led to reluctance on the part of student aid officers to give wide publicity to the program. Estimation of a payment schedule for the first year, without any benchmarks to go by, was a difficult exercise at best. All of these factors may account for some of the disappointing response to the basic grant program.

Commissioner Ottina proposes as a solution legislation authorizing the Office of Education to carry over unexpended funds from one fiscal year to the next.

I am reluctant to consider such a suggestion at this time, since it is my strong feeling that funds should go to students entitled to them. I do not want to give the Commissioner blanket carryover authority which results in reduced student grants and in camouflaged impoundment of funds.

I continue to maintain a strong interest in the success of the basic grant program, and will continue to be one of its strongest supporters. It is my hope that, working with the Office of Education, we will be able to assure that every student receives the assistance to which he is entitled, so that he may pursue a postsecondary education.

Mr. President, I ask unanimous consent to have printed in the RECORD the reply I received from Dr. Ottina.

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

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., March 14, 1974.

HON. CLAIBORNE PELL,
Chairman, Subcommittee on Education, Senate Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In response to a recent inquiry from Ms. Jean Frohlicher of your staff, we have prepared a brief status report on the Basic Educational Opportunity Grant Program. This report reflects both our status for the current academic year (1973–74) as well as our efforts for the 1974–75 academic year.

We will, of course, be very happy to discuss any of these items with you or your staff at your convenience.

Sincerely,

JOHN OTTINA,
U.S. Commissioner of Education.

STATUS REPORT ON THE BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM

1973–74

1. To date we have received about 500,000 Applications for the Determination of Expected Family Contribution for the Basic Grant Program. Since November of 1973 the rate of applications has been around 10,000 per week, and this rate has remained constant to date. We are aware that some of these applications are from students who will not enroll until the 1974–75 academic year and are not valid. However, we feel that this number is relatively small and that our intensified efforts to notify students is paying off. The deadline for submitting applications has been extended from February 1 to April 1 and we expect to receive a significant number of additional applications.

2. The number of applicants who are qualified is increasing to almost sixty percent of the applications received during the last three months. The average qualified applicants is now about fifty-five percent. In addition, based on the expected family contribution calculated for the qualified applicants, it appears that the average award is between $280 to $290 rather than the $260 originally estimated.

3. As of February 4, 1974, the adjusted institutional authorizations totaled $60 million of the $110 million available. Most of these adjustments were based on the institutional Progress Reports on all activity as of October 31, 1973. The next Progress Report will reflect activity as of February 28, 1974. We expect to make considerable adjustments at that time as a result of the following factors:

1. The extension of the application deadline date.

2. The determination that all students who were eligible for a Basic Grant may receive a retroactive payment for the entire year if they submit their "Family Contribution Analysis Report" to their school by May 31 or prior to the end of their academic year (whichever is earlier).

3. The increasing awareness of students and institutions of the availability of Basic Grant assistance as a result of our intensified information dissemination efforts.

The February Reports are due by March 15 and we expect to have a much better picture of the status of our funds by early April.

4. Of the over 5,000 institutions of postsecondary education eligible for the Basic Grant Program, almost 4,000 have signed the Agreement to disburse funds to their students. Only 44 have decided not to participate and students attending these schools are being paid directly by the Office of Education under our Alternate Disbursement System. The remaining schools (approximately 1,000) have not responded either way. We have contacted these institutions twice and are making a third effort to either have them sign an Agreement or provide their students with the information and materials necessary to apply for a direct payment.

5. To date, approximately 350 students have been paid through the Alternate Disbursement System. Because of the entitlement nature of the Basic Grant Program, it is essential that a school's decision to participate or not participate should not have any effect on a student's ability to receive Basic Grant assistance. However, for a number of reasons we are actively encouraging schools to participate. If the disbursement of funds is handled through the schools themselves, the chances of abuses occurring are minimized. For instance, Basic Grant recipients who withdraw and receive refunds will have a portion of that refund to the Basic Grant account at their school if the institution acts as a disbursing agency. Under the direct payment system, it is up to the Office of Education to collect any portion of a refund which should be returned to the Basic Grant fund. Since it is likely that this amount will be relatively small, the administrative costs entailed in such an effort can be substantial.

As a result of the lateness of the implementation of the program for the 1973-74 academic year, a number of problems were encountered which limited the effectiveness of our efforts. Most of these problems will be overcome this year as a result of the following action:

1. The Family Contribution Schedules for the 1974-75 academic year were approved by the Congress on December 20, 1973. As a result, we were able to finalize the 1974-75 application forms and submit them for printing during the middle of January. The Government Printing Office indicated that printing and distribution of the forms would be completed by the end of March.

A great deal of work went into the careful review of the 1973-74 application in order to improve the 1974-75 form as much as possible. The new form we feel is as simple as possible while still collecting the information necessary to calculate a student's expected family contribution. The instructions have been made as clear as possible in order to be sure that the information collected is accurate.

The forms this year will be distributed to all eligible institutions of postsecondary education, high schools, TRIO projects, and public libraries.

2. The contract for processing the applications for the 1974-75 academic year has been awarded to the American College Testing Program in Iowa City, Iowa. We anticipate that the contractor will begin processing by early April.

3. The payment schedule which establishes the level of awards for the 1974-75 academic year is currently being finalized. We expect to distribute the schedule to all institutions by mid-April.

4. A contract for the conducting of an intensive, wide-scale training effort for high school counselors, institutional financial aid, admissions, and busines officer, and other interested parties has been awarded to a consortium of the National Institute of Financial Aid Administrators, the American Personnel and Guidance Association, and the National Association of College and University Business Officers. This training program will be conducted throughout the country beginning in late March or early April and will continue through June.

PROBLEM AREAS

1. The most immediate problem to be dealt with is in regard to the provision in the legislation which requires a redistribution of unexpended funds. This problem was discussed in detail with the House Subcommittee on Education when we testified on the

Family Contribution Schedules on November 30. The problem, basically, is that unless the Payment Schedule *exactly* reflects the number of students who will apply for Basic Grants, the expected family contribution of each student, and the cost of attendance for each student, we will always have either a surplus or a deficit of funds in a given year.

It might be noted that as program experience is gained, the amount of any surplus or deficit is expected to be relatively small. Under the current legislation, a deficit can only be handled by requesting a Supplemental Appropriation. A surplus of funds requires the Office of Education to increase each student's award in an amount proportionate to the amount of the refund also on an after-the-fact basis.

Any after-the-fact adjustments (especially for a surplus in funds) are almost impossible to make for the following reasons:

1. We would have to wait until after the academic year ends (June 30) before we could make a final determination of exactly how much of a surplus or a deficit exists. (This is less critical in cases of a deficit). Since exact expenditure data cannot be ascertained until the institutions' final reports are processed, it is estimated that we would not know this amount until September.

2. Once the amount of any surplus is known, we would have to determine how many students actually received a Basic Grant during the preceding academic year (also obtained from the final report) and make a redistribution of the available funds. This will determine the new level of awards based on additional funds available.

3. Assuming that this process could be accomplished in an additional month, in October or November we would be ready to prepare approximately 400,000 Federal checks in what is likely very small amounts.

4. Again assuming that the preparation of these checks can be accomplished in a one-month period, in December we would begin the distribution of checks. The next major hurdle is locating all of these students. It is important to remember that at this point the mailing addresses we have for these students are about 18 months old. Those students who are still enrolled in school and have applied for a Basic Grant during the current academic year can be traced by using their social security numbers. However, there will be a significant number who either terminated their education, did not apply again for a Basic Grant, or were enrolled in a short-term course of study. These students will be extremely difficult to locate. At this point, we are making awards to students for an academic year which has been over for almost a year and who may not even be in school anymore.

The amendment Dr. Ottina proposed would allow us to carry over any unexpended funds to be added to the appropriation for the subsequent academic year. By the same token, any deficit can be drawn down from the subsequent year's appropriation immediately and save the postsecondary education community from being in a holding pattern while waiting for an emergency supplemental appropriation. Of course, a supplemental would be considered to cover any of these funds drawn down to cover the preceding year's awards.

Some decision regarding this proposed amendment must be reached very soon, however, since the payment schedule for 1974–75 is being developed now. We share the concerns of the postsecondary community that once the payment schedule is issued that it be honored for the full academic year. Therefore, it is essential that this question be resolved quickly.

2. A second area of concern is the timing of the Congressional review process for the Family Contribution Schedules. As we have indicated before, the time-frame proposed in H.R. 9196 (OE submits the FCS by July 1, and Congress reacts by November 1) is, we feel, satisfactory to meeting the needs of the Congress, the Office of Education, and most particularly those of all aspects of the post-secondary education community.

THE ENERGY CRISIS

Mr. PACKWOOD. Mr. President, it is encouraging to me to note the results of a recent poll taken by the National Bank of Commerce of Seattle, showing that, contrary to what might be commonly thought, U.S. citizens are not focusing blame for our energy difficulties on environmentalists, but rather lay the bulk of their blame on overconsumption, Government policies, and the oil industry. I agree that during this period of chronic fuel shortages, we cannot and should not lose sight of our environmental achievements and gains we have realized to date. As EPA Administrator Russ Train stated:

We will never come to grips with either our energy or our environmental ills until we understand that they stem, essentially, from the same source; from patterns of growth and development that waste our energy resources just as surely as they waste our natural environment. If the energy crisis succeeds in making us all at least aware of this simple truth, then in the long run the crisis may turn out to have been of real national benefit.

Mr. President, I ask unanimous consent that the National Bank of Commerce survey and accompanying letter from Mr. Dale Jones, Northwest representative, Friends of the Earth, be printed in the RECORD.

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

FRIENDS OF THE EARTH,
Seattle, Wash., March 6, 1974.

Hon. ROBERT PACKWOOD,
New Senate Office Building,
Washington, D.C.

DEAR BOB: Washington's National Bank of Commerce, one of the state's largest, recently completed an "energy crisis survey" with figures reflecting the public's commitment to conservation and its rejection of a "blame the environmentalists" attitude.

Data was collected from 1000 people between January 16 and 26, after the Northwest's confrontation with dwindling local hydroelectric resources due to the unseasonably dry summer. It appears the resulting local push for conservation carried over to the nation-wide energy issue. Seventy-four percent surveyed believe the current crisis will be beneficial, mainly with respect to conservation and public awareness. Only three percent blamed environmentalists while forty percent hold the government accountable; thirty-eight percent, the oil companies; and twenty-nine percent, overconsumption.

The influence of an educated, aware public is reflected in the minimal five percent polled who opted for nuclear power development as a solution to energy problems.

Sincerely,

DALE JONES.

COMMERCE MAINSTREAM

A report on the quarterly public attitude survey of the National Bank of Commerce, March 1, 1974

The sample of 1,000 residents of Washington State queried in NBofC's Commerce Mainstream volunteered information regarding the energy crisis and how it was affecting them personally, and how they felt it was affecting the economy. Frequently, several answers were given by individual respondents.

1. Who do you blame for the crisis?
40%—Government.
38%—Oil companies.
29%—Overconsumption.
15%—Don't know too complex
3%—Environmentalists.

2. How do you perceive the state's 1974 economy compared to the rest of the nation?
62%—Washington better off.
20%—Same.
6%—Worse.

3. How about your own economic picture in 1974, compared to 1973?
44%—Same.
35%—Worse.
13%—Better.

4. How are you saving energy?
56%—Using less heat.
51%—Using lers electricity.
42%—Driving less.
4%—Carpool.

5. Economic effects of the crisis:
45%—Higher prices.
26%—Unemployment.
21%—Recession.
20%—Shortages.

6. Those noting personal effects of the crisis:
63%—Yes.
35%—No.

7. Those seeing benefits to be gained from the crisis:
74%—Yes.
22%—No.

8. Benefits from energy crisis:
39%—Conservation; people are conserving as they should.
37%—Awareness; a warning.
18%—Will produce change, improved technology; will become self-sufficient.
14%—Cohesions; families, nation more together.
7%—Economic, saving money.

9. What does the energy crisis mean to you personally?
40%—Saving gas and deprivation.
31%—Not relevant to self.
25%—Saving heat.
17%—A hoax, not real.
17%—Saving electricity and deprivation.
7%—High costs.
3%—Means effects on job.

10. Conservation:
60%—Have more ways in mind to conserve additionally, if they had to.
21%—Hardship to conserve more; will not do so.
18%—Don't know *how* to conserve more.

11. What should be done about the energy crisis?
26%—Government should act.
24%—Consumer should conserve; we should all tighten our belts and pull together.
22%—Become self-sufficient; develop oil resources, alternate energy sources; research.
21%—Investigations; oil companies; determine nature and extent of shortage.
21%—Don't know what to do.
11%—Need new leadership.
6%—Government should not act.
5%—Develop nuclear power.
4%—Rationing.
2%—No solution needed, because there is no crisis.

12. Why will your personal economic situation be worse in 1974? (Only 13% said that their economic situation would be better in 1974.)
52%—Higher prices (non-energy).
26%—Fixed income (social security, pensions, no salary increases).
18%—Less hours on job, unemployment.
13%—Both energy and other prices.

9%—Higher energy prices; gas, fuel, electricity.
1%—Taxes.

"NATIONAL SECURITY" TAPS

Mr. PROXMIRE. Mr. President, in the last few years there has been an alarming increase in the use of wiretaps by the executive branch. Many of them have been conducted in the name of "national security," without judicial or congressional review. The implications of such unchecked power are frightening. Unfortunately, this issue has received little attention from the mass media.

On the editorial page of this morning's Washington Post a very thoughtful article on this subject appeared, written by my distinguished colleague, Senator NELSON. In his excellent review of the subject, Senator NELSON examines the constitutional implications of warrantless wiretaps and presents a series of concrete steps that Congress should take to remedy the situation.

Mr. President, Senator NELSON's comments deserve our close consideration. I ask unanimous consent that the entire text of his article be printed in the RECORD.

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

"NATIONAL SECURITY" TAPS

(By Gaylord Nelson)

Civil rights leader Martin Luther King, Jr., newspaper columnist Joseph Kraft, former Nixon presidential aides William Safire and John Sears, former National Security Council staff members Morton Halperin and Anthony Lake, former congressional aide Dunn Gifford, and boxer Muhammad Ali—these citizens have something in common. Their telephone conversations have been wiretapped by the federal government for so-called "national security" reasons. And they are merely a handful among thousands.

In each case the government acted without obtaining a judicial warrant approving of the "tap." The government therefore did not explain to a court the justification for the surveillances. Nor did the government voluntarily inform any of the individuals involved that their telephone conversations had been secretly intercepted. Most of those tapped never learn about it.

Despite the righteous indignation of congressional representatives, lawyers, and the public, warrantless wiretapping continues. Last January the Justice Department reported that in one week it had authorized three warrantless wiretaps in national security cases—an average week's quota according to the department. The department did not indicate whether the taps included surveillances of American citizens. Nor did the department indicate the basis for believing the taps necessary. And that is precisely the problem.

Warrantless wiretaps give the government an unreviewed and unchecked power to invade a citizen's privacy. The government alone determines whom it should tap and when it should tap. Neither a court, nor the Congress, nor the individual involved has an opportunity to demonstrate that there is no justification for the tap.

Because they escape scrutiny by anyone outside government, warrantless wiretaps are a dangerous and fundamental assault on the individual's right to privacy and other civil liberties. They pose a threat to the freedom of every citizen, regardless of his or her station in life. In a 1928 surveillance case Supreme Court Justice Oliver Wendell Holmes called warrantless wiretaps "dirty business." In 1931, J. Edgar Hoover—who by then had been FBI director for seven years—called them "unethical" (his position softened in later years).

Warrantless taps also are, in my view, unconstitutional. The Fourth Amendment explicitly provides that every citizen should be free from government searches and seizures that are not authorized by a judicial warrant. There is no exception for "national security" cases. The basic notion underlying the amendment is that a neutral court—not a government blinded by its lawful investigatory responsibilities—should decide whether any search contemplated by the government is reasonable.

In the 1967 *Katz* and *Berger* decisions, the Supreme Court held that the Fourth Amendment's protections apply to government wiretapping. The Court also held in the 1972 *Keith* case that the government could not wiretap American citizens without a judicial warrant even when the citizen's activities threaten "domestic security." The Court reserved judgment, however, for those cases in which American citizens have a "significant connection" with foreign powers and their agents.

Because the Court has not yet decided this latter question, the present administration maintains that the government can, without a warrant, tap American citizens and others whose activities involve foreign affairs. It was on this basis that the Justice Department authorized three warrantless wiretaps last January.

Congress should not tolerate the continued use of these warrantless wiretaps for so-called "national security" purposes. It is indeed ironic for the government to invoke "national security" to violate those constitutional rights and liberties which the government is obligated to defend. Any remedial legislation should include at least four basic elements.

First, before the government could wiretap American citizens for national security purposes, it should have to obtain a judicial warrant based on probable cause that a crime had been or was about to be committed. This provision would simply recognize the rights guaranteed to every citizen by the Fourth Amendment.

Second, before the government could wiretap foreign powers (i.e., embassies) or their agents, it should have to obtain a judicial warrant based on a belief that the surveillance is necessary to protect national security. The warrant standards for foreign power taps should thus be less rigorous than those applied to American citizens.

The justification for this second provision is plain. The government's desire to wiretap should be reviewed by a court. There should be no exceptions. Otherwise the exceptions could be stretched to sanction an unreasonable invasion of an American citizen's privacy. This second warrant requirement would in no way undermine the government's ability to protect against foreign attack or subversion; the government would be able to wiretap foreign powers and their agents any time there is a real need.

Third, every American citizen wiretapped should be informed of the surveillance within 30 days after the last authorized interception. This would afford the individual an opportunity to protect against violations of his constitutional rights. The disclosure of the wiretap should be postponed, however, if the government satisfies the court that the person wiretapped is engaged in a continuing criminal enterprise or that disclosure would endanger national security interests.

Fourth, there should be continuing congressional oversight of wiretaps and other surveillance activities engaged in by the government. At least once a year, representatives of the government should testify, under oath, before a joint congressional committee about their surveillance activities. In this way, Congress can determine whether the government is complying fully with the laws and whether additional legislation is needed to protect individual privacy.

A number of Senators have joined me in introducing two bills (S. 2820 and S. 2738) which incorporate these basic elements. Other bills might be able to improve on these measures. But in any event, the need for congressional action is clear. A citizen's constitutional right to privacy should not exist at the sufferance of some government official's definition of "national security."

THE PROBLEM OF FUEL WASTE

Mr. BROCK. Mr. President, at a time when my office, like those of all Senators, I am sure, is receiving a vast amount of constituent mail from businessmen, farmers, and consumers who are suffering economic dislocation, and sometimes severe economic hardship, due to the gasoline shortage, I find it incredible that we do not undertake a major reappraisal of a policy that wastes hundreds of millions of gallons of gasoline and diesel fuel a year. I am referring of course to the Interstate Commerce Commission's regulations regarding "gateway" and carrying authority for trucks.

Few of the general public realize, I am sure, that ICC regulations in many cases forbid a freight carrying truck from following the most direct route to its destination. Instead, they must travel through prescribed points which may take them literally hundreds of miles out of their way. To give an example, a regulated truck, registered in Arkansas, to travel from Jackson, Tenn. to New England must move via any point in the State of Arkansas. This forces them to run an additional 120 miles, or approximately 11 percent of their journey. Of course, much worse examples abound—such as San Francisco to Salt Lake City, Utah via Oregon—an extra 800 miles. These are all wasted miles, with wasted fuel on top of the extra unnecessary wear and tear to the roads, the trucks, the driver and the environment. This "gateway" system is costing between 400 and 500 million gallons of fuel per year according to the ICC itself, and even it has belatedly recognized it. Full of concern for the Nation's scarce resources, the ICC is going to amend its regulations. However, the change will only apply to truck routes which can save less than 20 percent of the mileage. Any truck operator who could save more than 20 percent is to be unaffected by the new ruling. Thus enormously inefficient actions are left untouched.

The second source of waste is ICC regulations which forbid a truck from returning with a full load to its point of origin unless its authority covers that load. Thus a trucker could move a particular product out of a State, but often moves back empty part or all the way.

because although loads may be available, he may not be allowed to carry them.

Thus to the spectacle of trucks driving hundreds of miles to places they do not want to go, we can add the fact that at any given moment thousands of them are empty. We have then a policy of trucks going nowhere for no one carrying nothing—but burning up fuel all the time. If our economic problems were not so serious, one would almost be inclined to laugh at this comic-opera situation. However, to farmers without enough fuel, to businessmen without gasoline, it is no laughing matter at all, and it is my belief that the time has come to totally reexamine our entire freight regulatory setup. The myriad of rules and regulations of which these are a part were all developed 40 years ago in a totally different set of economic conditions. Now they are illogical, absurd, and totally unjustifiable.

NUCLEAR SAFETY AND SAFEGUARDS

Mr. RIBICOFF. Mr. President, last week the Subcommittee on Reorganization, Research and International Organizations, which I chair, held 2 days of hearings on the present role of the Atomic Energy Commission—AEC—in insuring the safety of experimental and commercial reactors and in safeguarding fissionable materials against theft and sabotage.

These hearings were a part of the subcommittee's consideration of S. 2744, which would establish a massive Federal energy research and development effort through a new Energy Research and Development Administration—ERDA. The backbone of ERDA would be the developmental arm of the AEC, which comprises most of AEC's employees and all of its national laboratories and which would be transferred to the new agency. Under the bill, the regulatory arm of the AEC would become a new independent Nuclear Energy Commission—NEC.

The purpose of last week's hearings was to determine how the NEC should be structured to insure that nuclear safety and safeguard considerations will keep pace with the planned rapid expansion of nuclear power technology between now and the year 2000, when the Nation's dependence on atomic reactors for its electricity is expected to grow from 5 to 60 percent.

I ask unanimous consent that my opening remarks at these hearings, as well as a recent editorial from the Hartford Courant discussing the importance of the issues raised in them, be inserted in the RECORD at the conclusion of my remarks.

One of the witnesses, Dr. Theodore B. Taylor, a distinguished physicist and a former designer of atomic bombs at Los Alamos, raised disturbing questions on the adequacy of the AEC's present system of safeguarding weapons-grade nuclear fuel from theft, internal diversion and sabotage. He asserted that the new NEC must have a far greater capability to protect these materials for two basic reasons: First, they can be transformed into crude bombs and dispersal devices with relatively little technical know-how if any madman or terrorist group can manage to lay their hands on them, and second, the amounts of these materials being routinely produced and transported will grow rapidly by the end of this decade as new reactors come on line, and especially as the new "fast breeder" reactor—which produces more plutonium than it consumes—reaches commercial development.

Because it is essential that Congress and the general public be kept well informed on all aspects of nuclear power—its problems as well as its promises—I ask unanimous consent that Dr. Taylor's testimony be inserted in the RECORD. I also ask unanimous consent that the testimony of two AEC officials, L. M. Muntzing, director of regulation, and E. B. Giller, assistant general manager for national security, dealing with the issues raised by Dr. Taylor, also be printed in the RECORD.

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

OPENING STATEMENT OF SENATOR ABE RIBICOFF

We resume these hearings on organizing a massive Federal energy research and development effort at a time when we are in the depths of an oil crisis and on the threshold of a new technology that promises us limitless nuclear fuel to meet our burgeoning energy needs.

It is appropriate, therefore, that we devote these next two days of hearings to the nuclear aspect of energy R & D—specifically the proposed establishment of a Nuclear Energy Commission. Under S. 2744, the new NEC would be formed out of the existing regulatory arm of the Atomic Energy Commission. The AEC's developmental side, comprising most of its employees and all of its national laboratories, would be transferred to the new Energy Research and Development Administration (ERDA) to comprise the backbone of a major R & D effort involving all energy technologies, including nuclear.

In approaching the suitability of the NEC portion of the ERDA bill, we are all painfully aware of what happens when we become dependent on a single type of fuel to meet our basic energy needs. The present oil crisis has taught us that such a commitment must be accompanied by adequate Federal organization and planning to ensure evolution of a national policy that is broad enough to consider risks as well as benefits—problems as well as panaceas.

Nuclear is no exception. It is contended that the dangers inherent in the nuclear technology make it imperative that we know exactly *where* we are headed and *why* we are headed there.

As the Nation's dependence on nuclear power grows, the safety of the new technology becomes an increasingly important issue. An unanticipated defect in the design of the system could cause an accident of such nightmarish proportions that Americans would be faced with the untenable choice of risking further death by the thousands or shutting their local reactors down and most of their electricity off.

Reactor safety, therefore, is as much an energy issue as it is a health and environmental issue.

Furthermore, if the new breeder reactor technology—with its promise of producing more plutonium than it consumes—should prove unworkable, or less productive than promised, we could well find ourselves by the year 2010 as dependent on foreign sources for the next best nuclear fuel—enriched uranium—as we are today on foreign sources for oil.

Thus, these hearings must explore several issues which are vital to the Nation's future energy needs, as well as to the health and safety of the people:

1. Is the present process for the siting and licensing of nuclear power reactors adequately designed to fully inform the public on the crucial cost-benefit, benefit-risk questions? Are there ample procedural and substantive safeguards to ensure adequate public participation in the process without unduly slowing the process down?

2. Is the present generation of light-water reactors safe? Are all aspects of the safety question, including the health impact of radioactive emissions from normal reactor operations, being fairly represented by the AEC?

3. Is the AEC adequately safeguarding the materials and wastes being generated by the current nuclear power technology? Is there adequate planning for the proliferation of these dangerous substances—including the threat of terrorist acts and sabotage—that the breeder technology will bring?

4. How should the new NEC be organized to ensure that it will have sufficient autonomy, authority and funding so as never to be dependent on ERDA or the nuclear industry for its effective operation or continued existence?

5. What should be the specific relationship between NEC and ERDA to ensure that safety and safeguards will always be taken into consideration in the development and promotion of nuclear power?

We should design an NEC that serves the basic needs of the American people and not just the nuclear industry.

[From the Hartford (Conn.) Courant, Mar. 15, 1974]

ATOMIC SAFETY MEANS US

Nuclear safety was the topic of continued hearings this week before Senator Abraham A. Ribicoff's subcommittee on Reorganization, Research and International Organizations considering bills to break up the Atomic Energy Commission into two separate agencies.

During the hearings there were strong arguments presented on both sides of the safety issue, with opponents saying the nation's nuclear facilities are a serious threat to life, and the proponents, including the U. S. Atomic Energy Commission officials, saying atomic power is not only safe, but it is one of the larger answers to the energy crisis.

That is the way the atomic safety arguments have gone on for some time. Both sides of the safety issue are able to produce highly qualified scientists and other experts who can produce reams of statistics on the probabilities of a major nuclear accident happening at any one of the 43 nuclear power plants now in operation in the United States. Those plants, 13 more than a year ago, produce 5.6 per cent of all the electricity generated in the nation.

Even when there are statistics provided, there is debate not only on how the statistics were compiled, but on the degree of danger the statistics imply even if they are to be believed.

For example, AEC Chairman Dixy Lee Ray recently said that "with a chance of one in a million per year of a core melt accident in each nuclear plant (AEC estimates), we can project that for the approximately 100 reactors that are expected to be operating in the next few years, the chance of such an accident for all reactors will be about one in ten thousand per year."

Dr. Ray, who is one of those who thinks nuclear plants are a good and safe energy source, has frightened some of her critics with

her statistical assurances. The critics fear that the one chance in ten thousand could happen tomorrow just as easily as years from now.

Whatever statistics on atomic safety are now reliable, if any of them are reliable, will change geometrically as the United States increases its nuclear plants. With 43 plants now operating, there are expected to be 218 operating by the early 1980's.

In addition, the United States is exporting atomic power plants, whether safe or dangerous, along with its knowledge of nuclear facilities and safety measures. Early this month, for example, the AEC and the West German Ministry for Research and Technology signed a cooperative arrangement providing for the exchange of information on nuclear reactor safety research and development. And recently, when a nuclear plant manufactured in this country was being installed in Japan, a defect discovered there was corrected and as a result the same correction was made in a Connecticut nuclear plant of the same manufacture.

And so the nuclear plants are spreading, and they were recently given a big boost by President Nixon who hailed them as the answer to the energy crisis.

But what of the safety issue? If for no other reason than the fact that leading scientists are divided on the question, we suspect that perhaps no one really knows whether the plants are safe or not—and they won't know unless and until there is a major nuclear accident.

Senator Ribicoff's committee is continuing the work of gathering information on atomic safety, along with how federal agencies can most effectively monitor atomic facilities and their safety programs.

The Ribicoff committee, which ended its hearings this week, has done a commendable job of gathering the facts and arguments from divergent sources.

But the Congress should continue its investigations. The atomic safety debate continues without resolution, and the building of atomic plants goes on and on and on.

STATEMENT BY THEODORE B. TAYLOR

Mr. Chairman and Members of the Subcommittee: I appreciate the opportunity to testify at these hearings on S. 2744. I strongly favor the provisions of this bill to establish a Federal focal point for energy research and development in an Energy Research and Development Administration (ERDA), and to establish a separate entity, the Nuclear Energy Commission (NEC) to perform federal licensing and regulatory functions applicable to nuclear technology. I understand that this Subcommittee is especially interested in considering, in these hearings, the structure of the NEC portion of the bill, and of ways to provide this most effective relationship between NEC and ERDA. In my prepared statement I would like to focus on two regulatory areas in which the NEC would be directly involved, and about which I am particularly concerned: safeguards against theft of nuclear materials that could be used for highly destructive purposes, and safeguards against acts of sabotage at nuclear facilities that might cause sufficient releases of radioactive materials to pose a major threat to the public.

In emphasiizng these particular concerns, I do not want to imply that issues related to the environmental impact of routine operations involving nuclear energy, or to the prevention of non-purposeful accidents that could lead to damaging releases of radioactive materials are unimportant. These kinds of issues have received considerable attention by the AEC, the nuclear industry, and the public for many years, and are subjects for discussion in some detail by other witnesses at these hearings. Possible risks associated with malfunctioning *people*, rather than *equipment*, however, have, in my view, received insufficient attention. It is for this reason that I want to concentrate on risks of nuclear theft and sabotage, and on what can be done to reduce these risks.

RISKS OF NUCLEAR THEFT (CIVILIAN NUCLEAR TECHNOLOGY)

Considerable concern has been publicly expressed about the possibility that nuclear materials stolen from components of civilian nuclear technology might be used by groups of people, or, conceivably, even a single individual, to make nuclear explosives, or other devices for dispersing dangerous amounts of radioactivity, that could subsequently be used to threaten society.*

I first want to summarize the findings of a study performed by Professor Mason Willrich and myself, for the Ford Foundation's Energy Policy Project, of the risks of theft of nuclear materials from the nuclear industry.

Nuclear weapons are relatively easy to make, assuming the required nuclear materials are available. All the information, nonnuclear materials, and equipment required for designing and building a variety of types of fission explosives are readily available throughout the world. The technical skills and resources required would depend on the desired efficiency, predictability, total weight, and yield of the explosives. Under conceivable circumstances a few persons, perhaps even one person working alone, who possessed about ten kilograms of plutonium or uranium-233 oxide or two dozen kilograms of highly enriched uranium oxide and a substantial amount of high explosive could, within several weeks, safely design and build a crude, transportable fission bomb. By a "crude, transportable fission bomb" I mean one that would be very likely to explode with a yield equivalent to at least 100 tons of high explosive, and that could be carried in an automobile. This could be done using materials and equipment that could be purchased at a hardware store and from commercial suppliers of scientific equipment and materials for student laboratories. All types of plutonium, highly enriched uranium, or uranium-233 now used or contemplated for use by the nuclear industry could be used for this purpose, as long as they are not diluted with large amounts of non-fissionable materials or mixed with dangerous quantities of gamma-ray emitting radioisotopes, such as fission products. The explosion of such a device could, under many circumstances, kill at least tens of thousands of people and destroy hundreds of millions or more dollars worth of property.

Smaller quantities of plutonium or uranium-233 than are required for fission explosives could also be used for relatively simple dispersal devices for contaminating very large volumes of air with lethal concentrations of suspended, small particles of these substances that are exceedingly toxic if they are breathed. Air dispersal of a few grams of the type of plutonium now being produced in power reactors could kill most of the occupants of a large office building or enclosed industrial facility.

The use of nuclear energy to generate electric power at rates now projected by the AEC would result in very large domestic and foreign flows of materials that can be used to make nuclear weapons. The annual rate of extraction of plutonium for reprocessed nuclear fuels from light water reactors in the United States would be about 30,000 kilograms in 1980. By the year 2000, light water reactors and fast breeder reactors in the U.S. would produce more than 300,000 kilograms annually. Worldwide, annual plutonium production would be more than 60,000 kilograms in 1980, rising to roughly a million kilograms in the year 2000. In addition, worldwide flows of highly enriched uranium and uranium-233 associated with high temperature gas-cooled reactors or other types of reactors that use the U^{233} thorium cycle may reach several hundred thousand kilograms or more by the end of the century.

There are important differences between reactor systems, and between different parts of the fuel cycle supporting a particular type of reactor, in the extent to which the nuclear fuel materials they contain are inherently vulnerable to theft or would require chemical or physical conversion to be suitable for direct use in a nuclear explosive. In general, irradiated fuels elements are largely self protecting before they are reprocessed, since gamma-rays from the fission products they contain would deliver lethal doses of radiation in minutes or less to anyone trying to handle them without massive shielding. This type of self protecting feature disappears when plutonium or uranium-233 have been separated from fission products at a reprocessing plant. Highly enriched uranium hexafluoride or oxide, used as feed material for making fuel for high temperature gas cooled reactors and most types of research reactors, are also safe to handle without shielding. Once these materials enter the process streams at fuel fabrication plants, they are generally diluted, to varying degrees, as they are incorporated into fresh fuel. As this happens, the total weight of objects that would have to be stolen to acquire sufficient fissionable material, when separated from the dilutants, to make a fission explosive generally increases, but by different amounts for different types of reactor fuels. For example, the total weights of several types of fuel assembly materials that would have to be picked up to provide thieves with enough contained fissionable material for a crude fission bomb are roughly as follows: high temperature gas cooled reactor (HTGR) fuel, 10,000 lb.; light water reactor fuel, 2,000 lb.; fast breeder reactors (LMFBR or GCFR), 50–75 lb. I offer these examples to illustrate that, in designing and assessing nuclear material security measures at different points in fuel cycles, more should be considered than simply the types of fissionable materials involved.

Important changes affecting opportunities for nuclear theft can occur as the nuclear industry develops. It happens, for example, that flows of fission product-free plutonium and highly enriched uranium for civilian power plants are now practically at a standstill, and are not expected to reach large inter-facility flow rates for at least several years. Since mid-1972, when the Nuclear Fuel

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* See, for example:

(1) Taylor, T.B., "International Safeguards of Nonmilitary Nuclear Technology," *IR&T Nuclear Journal*, Vol. 1, Numbers 1, 2, and 3. International Research and Technology Corporation. Washington, D.C.: 1969.

(2) Leachman, Robert B., and Althoff, Phillip, ed., *Preventing Nuclear Theft: Guidelines for Industry and Government*, Praeger Publishers, New York: 1972.

(3) Willrich, Mason, ed., *International Safeguards and Nuclear Industry*, Johns Hopkins University Press, Baltimore: 1973.

(4) Comptroller General of the United States, "Improvements Needed in the Program for the Protection of Special Nuclear Materials," Report to the Congress by the General Accounting Office, Washington: November 1973.

(5) McPhee, John, "The Curve of Binding Energy," *New Yorker Magazine*, Dec. 3, 10, and 17, 1973. To be published in book form by Farrar, Straus, and Giroux, New York: May, 1974.

(6) Willrich, Mason, and Taylor, Theodore B., "Nuclear Theft: Risks and Safeguard." report of a study for the Ford Foundation's Energy Policy Project, to be published by Ballinger Publishing Company, Cambridge, Mass., in April, 1974.

Services fuel reprocessing plant shut down for expansion and renovation, no plutonium has been extracted at commercial reprocessing plants in the United States. The General Electric reprocessing plant at Morris, Illinois has not yet reprocessed any irradiated fuel, but is expected to start doing so within the next few months. The amount of previously separated commercial plutonium now at the New York State Atomic and Space Development Authority's (ASDA) plutonium storage facility is, I understand, less than ten percent of its storage capacity of 2,000 kilograms of plutonium. This situation will change rapidly, however, if the G.E. plant soon starts reprocessing the large and growing backlog of irradiated fuel from light water reactors. Until plutonium recycle starts on a more or less routine basis, which may not happen until about 1980, most separated plutonium is likely to go into long term storage or be used primarily for R&D programs. After plutonium recycle starts, however, tens of thousands of kilograms of plutonium per year can be expected to flow from storage to fuel fabrication plants and on to something like a hundred power plants. I also understand that all of the highly enriched uranium required to refuel the Fort St. Vrain HTGR reactor for the next few years is already mixed with thorium at the General Atomic Company's HTGR fuel fabrication facility. Startup fuel for the new HTGR's now on order will not be fabricated until the late 1970's. In short, there appears to be a relative hiatus in the flow of concentrated commercial plutonium and highly enriched uranium in the United States that will probably last for several years, to be followed by a rather sudden increase in the flows. This situation, roughly speaking, appears to hold for nuclear fuel cycles in other countries. I should point out, however, that flows of fission product-free plutonium for R&D purposes are, and will continue to be significant. In fiscal year 1973, for example, there were about forty shipments of more than two kilograms of plutonium by licensees in the United States. The total amount shipped was more than 600 kilograms.

Without effective safeguards to prevent nuclear theft, the development of nuclear power on the scale now in prospect will create substantial risks to the American people and people generally. Individuals or groups may attempt to steal nuclear weapon materials for money or to engage in political blackmail. It would be relatively easy for a small group possessing nuclear weapon materials to use them in any number of ways to threaten other groups within society, governments, or entire communities. The frequency and character of nuclear theft attempts in the future is likely to be influenced greatly not only by the nature of physical safeguards against theft, but also by the general political climate and by prevailing attitudes toward violent behavior within societies where opportunities exist for such theft.

The U.S. system of nuclear material safeguards is incomplete at this time. Although recent regulatory actions have strengthened requirements substantially, some basic issues pertaining to physical protection and materials accountability measures have not been resolved. In a preamble to new regulations concerning nuclear material in transit, and published for comment in the Federal Register in February, 1973, the AEC stated that the measures were intended to protect the materials from any attempted theft "short of a significant armed attack." Are transportation safeguards expected to deal only with *insignificant* armed attacks, or significant *unarmed* attacks? Does this same guiding principle apply, by implication, to fixed sites? If so, then, I submit, licensees are not being asked to protect these materials even as well as many financial institutions protect their money. If the AEC's real intention is to have licensees go significantly further than this in protecting their materials, then its objectives must be clearly spelled out. Otherwise, the adversary nature of negotiations between the AEC regulatory staff and licensees is likely to continue to drag out the negotiations and cause further delays in the licensing procedure. I am now not optimistic about representatives of the nuclear industry offering to go substantially beyond satisfying the letter of present AEC regulations and guides in cases where the direct or indirect costs of doing so are likely to be substantial.

This leads me to another important unresolved issue concerning safeguards against theft. Who should pay the added costs of new safeguards measures, and by what mechanism? Present contributions to the overall cost of nuclear electric power are much higher at some points in the fuel cycle than at others. The costs of transportation of concentrated plutonium or highly enriched uranium, for example, are much lower than the costs of capital depreciation and operations at nuclear power plants. But the costs of effective safeguards to prevent theft of materials in transit may be much higher than their costs at nuclear power plants. Thus a plutonium shipper may see his costs rising sharply, perhaps even by more than 100%, as a result of new safeguard regulations, while a utility company may see a practically insignificant rise in cost per kilowatt hour of delivered electricity as a result of the same action. If the plutonium shipper absorbs the costs of a really good physical protection system, he may have to price himself above his competitors and go out of business. So we have this question: How can the added costs of highly effective safeguards be equitably distributed across the entire fuel cycle, so that they are finally borne by the consumers of nuclear electric power? I shall return to this briefly later in my statement.

Finally, we have concluded that a system of safeguards can be developed that will keep the risks of theft of nuclear weapon materials from the nuclear power industry at very low levels, without interfering significantly with the continued rapid development of nuclear power. We have suggested a guiding principle, called the "Principle of Containment" for use in designing such a system. According to this principle, the overall objective of a safeguards system would be to detect attempts at theft of nuclear materials from authorized channels as early as possible, and to place sufficient impediments in the way of people attempting a theft to assure that whatever reserve forces are required can be brought to the scene in time to control any credible theft operation. Measures that could be used for applying this principle fall into five broad categories:

1. Containment of nuclear materials at fixed sites within physical barriers designed to prevent unauthorized penetration long enough to allow on-site or reserve guard forces capable of dealing with *any credible type* of attempted theft to arrive at the scene before the theft is completed.

2. Shipment of nuclear materials in massive containers and vehicles designed to resist penetration, transfer of the shipment to another vehicle, or commandering of the vehicle itself long enough for accompanying or reserve guard forces to be able to deal effectively with any credible theft attempt.

3. Provision of automatic alarms that will immediately detect attempts to remove materials from authorized channels and sound alarms at several specified control points.

4. Provision of on-site and in-transit guard forces for the purpose of denying access of unauthorized people to places where nuclear materials exist.

5. Provision of on-call law enforcement forces that can be brought to the scene of an attempted theft before a theft can be completed, along with secure communications between the control points where the alarms are sounded and the off-site forces.

The present AEC approach to safeguards is, in fact, along these general lines but simply does not go anywhere near far enough to prevent thefts by groups of people with at least the skills and resources that have been used for major thefts of other valuables in the past. I am convinced that a safeguards system that would accomplish this objective could be designed and implemented in the United States *before* the relative hiatus in the flow of commercial fissionable materials comes to an end in late 1970's or early 1980's. But this will not happen, in my view, unless both the federal entity responsible for regulation and the nuclear industry, and the industry itself, considerably increase the intersity of present efforts to bring this problem under control.

The nuclear industry has many options for designing highly effective nuclear safeguards into its systems, and both the federal government and the industry should devise and implement practicable ways to respond to these opportunities.

I would like to mention a few possible examples. These, along with other alternatives, should obviously be thoroughly assessed before they are implemented.

Some particularly vulnerable transportation links could be removed if nuclear fuel cycle facilities were located at the same sites. Shipments of concentrated plutonium oxide or plutonium nitrate could be avoided if fuel reprocessing facilities and fuel fabrication plants that use their output were next to each other. Facilities for intermediate conversion of plutonium or highly enriched uranium, which are often now located by themselves, could be integral parts of fuel reprocessing or fabrication facilities. As an extreme, but possibly generally attractive option, all fuel cycle components that handle fissionable materials, including very high capacity power reactors, could be located at the same site. This would not only remove the need for transportation of fissionable materials over large distances, but would also reduce, through economies of scale, the overall costs of safeguards for a complete fuel cycle.

As another example, it now appears likely that rather massive gammaray and, in some cases, neutron shielding will be required to insure insignificant radiation exposure to workers at all points in the fuel cycle for systems that use recycled plutonium or uranium-233. This would mean that, for reasons not connected with safeguards, heavy containers and barriers will have to be used in the storage, transport, and fabrication of nuclear fuels from the time they are separated at a reprocessing plant to the time they are placed in reactors for refueling. These barriers and containers will make theft much more difficult.

Another possibility is the establishment of a federally operated nuclear materials accounting system that contains electronically reported, accurate data from all licensees concerning the quantities, physical and chemical forms, and locations of all safeguarded nuclear materials in their possession. Present materials accounting requirements by the AEC call for periodic reporting of licensee nuclear material balance accounts and input-output material balance accuracies for special nuclear materials that are between 0.5% and 1%, depending on the types of materials and facilities. These uncertainties could amount to several dozen kilograms or more of plutonium per year at a large fuel reprocessing or fuel fabrication plant, enough material for at least several nuclear explosives. One way to improve these accuracies considerably would be to monitor all points of access to a facility that contains special nuclear material with instruments designed to detect the removal of very small

quantities of special nuclear material through channels (such as personnel exits) that are *not* authorized channels for the flow of these materials. Instruments that can detect the presence of one gram or less of unshielded plutonium, at a distance of a few feet, and in about a second, are now commercially available, for example. Use of such devices, along with as accurate as possible measurements of the flows and inventories of nuclear materials in *authorized* channels, could provide a high assurance that even very small quantities of materials have not been surreptitiously removed from nuclear facilities. Any recorded significant changes in the amounts or forms of nuclear materials used by licensees could be immediately reported, by direct communication links, to a central, federal data storage and processing system.

Finally, I want to mention a possibility for providing expert protective security services to the nuclear industry in a way that would assure the greatest practicable security along with an equitable way to pay the added costs. If this service—including the required professional personnel, equipment, communications systems, and so on—were provided, where and as needed, by the federal government, the industry would not have to deal with the problems of arming its own employees or depending on private protective services whose effectiveness may vary considerably from place to place. If, further, the costs of such a service were paid for out of a federal fund raised by taxes on the utilities that were proportional to their annual production of nuclear power, and these taxes were included in the utilities' pricing structure, the costs of the required protective services would be equitably passed on to the consumers of nuclear electric power. I should emphasize that this is only one of a number of possibilities that I believe should be thoroughly assessed.

RISKS OF NUCLEAR THEFT (MILITARY NUCLEAR TECHNOLOGY)

It is also conceivable that nuclear materials, or even complete nuclear weapons, might be stolen, for subsequent destructive use or for threats of violence, from facilities or transport systems associated with the fabrication and deployment of military nuclear reactors or nuclear weapons. Considerations of such possibilities should be of interest to this Subcommittee, since, as proposed in S–2744, ERDA would include the present activities of the AEC related to the development, production and transfer to the Department of Defense of nuclear weapons and naval reactor fuels.

At present the authority and responsibility for establishing and enforcing regulations related to the safeguarding of nuclear weapons and nuclear materials for military purposes before they are formally transferred to the Department of Defense generally reside in General Manager's side of the AEC, although, I understand, some licensee operations, under the regulatory authority of the AEC's regulatory staff, are involved in the production of naval reactor fuel. The General Manager, therefore, currently has responsibilities for both the development and fabrication of nuclear weapons and military reactor fuels, and for providing for security against theft of nuclear weapons or, with some exceptions, nuclear materials to be used for military purposes. He also is responsible for the security of special nuclear materials used by AEC contractors (not licensees) for non-military purposes.

I am not sufficiently familiar with current AEC measures for physical protection of nuclear weapons and nuclear materials under the authority of the General Manager to be able to express an opinion about whether they are adequate. I understand that they are subject to considerably more stringent security precautions than special nuclear materials possessed by commercial licensees The details concerning some of the specific security measures are classified. I can only say that I know of no convincing evidence that opportunities may not exist for successful theft of substantial amounts of these materials, or of nuclear weapons, by determined groups of armed, professional criminals with skills and resources comparable to those used for major robberies of other valuables (such as the Brinks or Great Train Robberies) in the past. Security measures applied to nuclear weapons in the custody of the AEC or the Department of Defense several years ago, when I was aware of what they were in some detail, were often evidently insufficient to protect them against thefts on such a scale. More stringent security precautions have apparently adapted since that time by both the AEC and the Department of Defense. The nature of AEC precautions are periodically reviewed by the Defense Department, and vice-versa, and both are also reviewed by the General Accounting Office.

RISKS OF SABOTAGE OF NUCLEAR FACILITIES AND OPERATIONS

I am not aware of any systematic examinations of the possible motives and opportunities for, and effects of acts of sabotage at all present and planned components of U.S. civilian and military nuclear technology where there could be sufficient quantities of radioactive materials to present a serious hazard to the public or to many facility employees if the materials were released to the environment. Parts of nuclear energy systems where carefully planned sabotage might have very serious consequences include nuclear power plants; storage sites for irradiated nuclear fuel or concentrated radioactive wastes; storage, or processing or fabrication facilities that contain plutonium or uranium-233; shipments of irradiated nuclear fuel, plutonium, uranium-233, or radioactive wastes; facilities or transport vehicles that contain significant amounts of tritium; and any facilities or transport vehicles that contain potentially dangerous quantities of radioactive materials used for research, industrial, or medical applications.

The possibility of such acts of sabotage has been widely recognized for some time, and is part of the reasoning presented by the AEC in connection with the more stringent security measures called for in the new regulations and regulatory guides that are applicable to AEC licensees. There has been at least one study, in 1968, of the likely effectiveness of nuclear power plant safety features in countering the effects of sabotage, and further AEC sponsored studies of some aspects of the risks of sabotage at other types of nuclear facilities are underway. Nevertheless, I have a strong impression that much remains to be done to provide the AEC's regulatory staff (or the NEC, if it should be formed) with the information it needs for developing a highly effective regulatory framework for reducing these risks to an acceptable level. The subject is extremely complex—considerably more so, I would say, than the subject of nuclear power plant safety with respect to equipment malfunctions, since it is concerned with a much wider class of types of facilities and with abnormal human behavior.

I can illustrate the complexity of this subject, and the need for further data collection, analysis and experimental efforts in this area with just one of many possible examples.

It has been suggested that the hijacking of a shipment of irradiated nuclear reactor fuel assemblies, and the subsequent detonation of a large quantity of high explosive next to a shipping cask in a densely populated area might be an event of catastrophic proportions. I know of no detailed analysis of such possibilities, however, that consider different possible types of nuclear fuel assemblies and types of sabotage, and from which any firm conclusions can be drawn concerning the effects of such an event. The *potential* for catastrophe on a large scale may be there, in principle, simply because of the large quantities of radioactive materials that are typically contained in such a shipment. The actual damage, however, would depend on the detailed nature of the fuel, the time it has been kept in storage before shipment, the shipping casks, the quantities and types of explosives used, the knowledge and skills of the saboteurs, the detailed nature of the environment of the explosion, and a number of other factors. Similar factors would have to be taken into account in assessing possible threats of similar types of sabotage of shipments that contain plutonium or uranium-233, both of which are so toxic, if inhaled in the form of very small particles, that a kilogram or less of dispersed material might seriously contaminate many square miles.

Analysis of such threats in sufficient detail to allow firm conclusions to be drawn concerning the relative costs and effectiveness of different strategies for dealing with them will require extensive involvement of professionals in a wide variety of disciplines, including nuclear engineering and physics, radiobiology, meteorology, criminology, and others, as well as sizeable experimental and engineering test programs.

In concluding this section of my testimony, I would like to point out that many of the present and possible future measures to reduce the risks of nuclear sabotage will also be effective in reducing the risks of nuclear theft. It is partly for this reason that I strongly recommend that the regulatory authority related to both types of risks be assigned to the same federal agency.

NEED FOR CONTINGENCY PLANS FOR RESPONSE TO NONMILITARY NUCLEAR THREATS

Whatever measures exist or may be adopted to reduce the risks of nuclear sabotage or threats involving stolen nuclear materials, there is likely to remain some risk of nuclear violence that is not the result of national military action. I believe that our society must be prepared to deal with threats of such violence, including situations where a threat initially appears to be credible, but later turns out to have been a hoax. At least one such threat has already taken place. In 1970, the mayor of Orlando, Florida, received a written threat to destroy the city with a nuclear explosive if demands for $1 million and safe passage abroad were not met. An accompanying diagram of a nuclear explosive, along with other circumstances connected with the threat, caused the local officials to take the threat very seriously until the perpetrator, a local high-school boy, was apprehended and the threat was found to be a hoax.

In 1972, some of my colleagues and I at International Research and Technology Corporation completed a study entitled "Response to Non-Conventional Nuclear Threats" for the Defense Department's Advanced Research Projects Agency. In that study we considered a wide variety of conceivable types of threats of nonmilitary nuclear violence, and of possible responses to such threats at local, state, and federal levels of government. One of the conclusions of this study was that there was a need for a clearly defined federal capability to coordinate the essential interagency activities that might be called for to assist local, state, or federal officials in assessing the credibility of a particular threat, and to respond effectively. We also made recommendations for detailed assessment of a number of possible actions that could be taken in advance of any nuclear threats to help assure more effective responses by all relevant levels of government. I do not know whether any of these or any similar actions have been thor-

oughly assessed or implemented. If not, I strongly recommend that efforts along these lines be undertaken with a high sense of urgency, perhaps under the overall auspices of the National Security Council. Consideration of possible contingency plans should involve some representatives of all levels of government since, in the case of a particular threat, primary response responsibility could be at the local, state, or federal level.

Having presented an overview of some of the risks of violence associated with the development of nuclear technology, and of possible action to deal effectively with those risks, I now want to discuss, very briefly some of the related issues that I believe should be considered in connection with the reorganization preposed in S. 2744.

MAINTAINANCE WITHIN ERDA OF PRESENT AEC ACTIVITIES RELATED TO MILITARY NUCLEAR TECHNOLOGY

There are advantages and disadvantages in maintaining these activities within ERDA, as opposed, for example, to transferring them to the Department of Defense or to some new federal agency.

It would minimize the possible disruption of some important present AEC activities, by not requiring any formal administrative or physical separation of personnel or facilities from activities that are now serving overlapping functions related to both military and civilian nuclear technology. A specific example of such an activity is the work on development of so-called "laser fusion" devices for controlled release of nuclear energy from extremely small thermonuclear explosions. Such devices, if successfully developed, could be used for effective simulation of the effects of large nuclear explosions on military equipment and, conceivably, for a new class of nuclear weapons. It may also be possible, on the other hand, to use such devices either for commercial production of nuclear electric power, or as relatively low cost neutron sources for producing plutonium or uranium-233 from natural uranium or thorium, for use as fuel in fission power reactors. Another example is work on the development of improved ship propulsion reactors and special purpose nuclear power supplies (such as for space power applications) that could benefit both the military and civilian applications of nuclear energy. Separating the facilities and people involved in such work into a "civilians" entity and a "military" entity would be likely to cause unnecessary duplications of effort and remove the technical benefits of day-to-day collaboration on closely related projects with different overall goals. In short, research and development, especially at early stages, frequently is simultaneously concerned with potential major advances in both civilian and military technology, and it is often impossible to foresee which will be most important.

The above arguments are much weaker, however, when applied to the present ATC activities concerned only with the production of nuclear materials for military uses, and with fabrication and assembly of nuclear weapons for transfer to the Department of Defense. One could argue that such activities are not primarily in the area of research and development, and therefore do not belong in ERDA. Such an argument may be little more than a semantic quibble, however. The substantive question, in my mind, is whether a transfer of the AEC's military production activities to the Department of Defense or to some other agency would serve a sufficiently important purpose to make up for the inevitable, though not necessarily major, disruptive effects of such a transfer. I am not aware of any such purpose.

I want to call the Subcommittee's attention to a problem that now exists in the AEC, and that is likely to persist under the new organization proposal—the problem of how to deal with information that is highly classified, but is directly relevant to R&D related to non-military applications of nuclear energy. This problem can be illustrated by referring again to the laser fusion program. This concept involves the rapid implosion of very small pellets or droplets of thermonuclear fuels, such as deuterium and tritium, by exposing their exteriors to high intensity pulses of radiation from lasers. Extremely rapid evaporation from the surface drives a strong pressure wave into the pellet, increasing its density and temperature to ignite the fuel and cause a small explosion that releases more energy than is consumed by the lasers. Related information that was formerly highly classified has been recently declassified. Pressures to declassify still more information, to be used in research motivated primarily by prospective non-military applications, are strong. I presume that most people would agree that there is a limit to how much information that relates to national security concerns should be made public. But, in cases like the one I have cited, it is often extremely difficult for people to agree where that limit is. The criterion of utility of the information to people working on non-military applications of the information is generally not very useful. I find it very difficult to think of any important classified information concerning the design of nuclear explosives that would not be very useful to people engaged in non-military research. It seems reasonable to me to expect more classified information to be declassified if people in ERDA working on civilian energy technology are more or less side by side with those working on nuclear weapons, than if nuclear weapon R & D were performed in another, clearly militarily oriented agency. But I am not at all certain that this would not be in the best overall interests of the nation. The only point about this subject that I can make with any strong conviction is that those responsible for deciding whether to declassify some specific information be guided by more than a consideration of whether current major nuclear powers that may pose a military threat to the United States are likely to have the information. They should also ask whether other nations, or, conceivably, non-national organizations, would be likely to use the information for making destructive devices that could pose further threats to our society.

REGULATORY AUTHORITY AND OTHER RESPONSIBILITIES OF THE NEC

As I understand it, S. 2744 proposes that the licensing and regulatory authority of the NEC would be restricted to licensees and to ERDA facilities that include the following: LMFBR demonstration reactors when part of an electric utility system; other demonstration reactors operated as part of an electric utility system and not now in existence, under construction, or authorized or appropriated for by Congress; and facilities primarily for storage of high level radioactive wastes resulting from new (not yet in existence, under construction, or authorized or appropriated for by Congress) activities. It therefore excludes any regulatory authority over ERDA activities just mentioned *and* ERDA's proposed activities related to all other military and non-military programs not carried out for ERDA by licensees. It also excludes any NEC regulatory authority over Defense Department nuclear activities not carried out by licensees, e.g. operating naval reactors or any components of nuclear weapon systems. Thus, with the exceptions cited, ERDA would, as the General Manager's side of the AEC now is (with respect to all except the few activities carried out for it by licensees), continue to be largely self-regulating (especially with respect to safeguards against nuclear theft and sabotage), as would the Department of Defense. Both are, however, subject to certain environmental protection standards of the Environmental Protection Agency, regulations of the Department of Transportation, inspections by the General Accounting Office, and regulations of other federal regulatory bodies.

It may be argued that the NEC's regulatory authority should be extended to cover *all* ERDA activities, or that only ERDA's activities related directly to military applications should be subject to the NEC's regulatory authority. Arguments for any of these positions could be based on the general premise that federal agencies responsible simultaneously for nuclear development and utilization, as well as for regulating such activities, are continually faced with a conflict of interest, and that available resources tend to be expended disproportionately on development and use of nuclear energy, as opposed to assuring the lowest practicable risks to the public resulting from those activities.

I find these issues extremely complex and difficult to take a position on with any conviction. One deep conviction I do have about them, however, is that they should be subject to careful public scrutiny, to the extent that is possible without compromising information that is clearly in the best * * *

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TESTIMONY OF L. M. MUNTZING

Mr. Chairman and members of the Committee:

I appreciate this opportunity to discuss the AEC Regulatory organization's programs for materials and plant protection. Public attention is being increasingly focused on the potential hazard resulting from sabotage of nuclear plants and the theft or diversion of certain nuclear materials. Our purpose today is to define for you the parameters of the problem as we see it and to outline the steps AEC has taken to minimize the risk.

The national security and public safety problems created by a rapid expansion of nuclear power plants and the accompanying fuel cycle are real; yet when placed in perspective they are manageable.

The nuclear industry's vulnerability to sabotage and theft or diversion is limited to only a few points. The vast majority of the power reactors today are light-water plants. The enriched material produced as fuel for these plants usually contains 5 percent or less uranium-235. A nuclear explosive device cannot be made with this material without the use of complex enrichment technology.

Fuel for the gas-cooled power reactors, a number of which are now on order, is of greater significance since highly enriched uranium-235 dispersed in a thorium matrix is used for the initial fuel loading. Because of chemical characteristics, uranium-235 can be easily separated from thorium. As a consequence, the fabrication of fuel for the gas cooled reactors and the shipment of such fuel from the fabrication plant to the power reactor represent potentially vulnerable points of the fuel cycle which are addressed by the regulations I will describe later.

Once fuel elements are inserted into a reactor, vulnerability is greatly reduced. Since loading and unloading of fuel routinely takes days and even weeks to complete, surreptitious removal is unlikely and overt theft would require a considerable force, trained, knowledgeable and properly equipped.

When it is discharged from a reactor for shipment to a reprocessing plant, nuclear material is in the form of pencil thick rods about 12 feet long clustered in assemblies of as many as 200 or more rods. Such material represents a radiation hazard and must, therefore, be shipped in large, heavily shielded casks. The hijack of such shipments by weapon-oriented thieves is not likely because they would require the use of a complicated, remote processing and heavily shielded chemical plant to extract the plutonium from the rods.

At this time spent reactor fuel is essen-

tially inaccessible. In the relatively near future it is planned to begin recovering the plutonium from the spent fuel and concentrating it in nitrate form. While plutonium is, of course, a weapon material, very complicated technology is required to make a weapon from plutonium nitrate. Plutonium in forms from which weapons can more readily be made is not found in the commercial nuclear power cycle.

Some hazard exists while highly enriched uranium and plutonium are in transit to and from fuel fabrication plants. There are currently about 400 shipments of highly enriched uranium and about 40 shipments of plutonium per year in quantities which require protection. Most of the highly enriched uranium involved in these shipments is for the naval reactor program.

In addition to the vulnerability of the fuel material to theft or diversion, the possibility of sabotage of plants cannot be dismissed. The plants where sabotage would represent the greatest threat to public safety are the plutonium fabrication and chemical reprocessing plants. Nuclear power plants are unattractive targets for sabotage. They are massive physical structures which are not easy to damage seriously. Even if one were seriously damaged, the consequences to public safety would probably be minimal because of the extremely conservative safety precautions taken to protect the plants against untoward events of all kinds, including acts of nature and malfunctions.

Recognizing the potential vulnerability of portions of the nuclear fuel cycle to sabotage and theft or diversion, the AEC requires materials accountability practices and physical protection, both at licensed facilities and in transportation, for strategic quantities of plutonium and of highly enriched uranium used in naval reactors and in gas-cooled reactors. It is to be noted that most measures designed to protect against sabotage also protect aaginst theft of material, and vice versa. We attempt to prescribe a degree of protection for different materials and situations commensurate with their potential hazards.

Since 1967, we have required that each application for a license to operate a nuclear facility must include a plan for protecting that facility from acts of industrial sabotage. A Regulatory Guide issued by the AEC indicates that such plans should include lighted physical barriers, armed guards, controlling access of personnel and vehicles to the plant, liaison with law enforcement authorities and protecting vulnerable areas with locks, barriers, and alarms.

In 1970 the AEC issued regulations for the protection of strategic nuclear materials at facility sites and in transit. These requirements were adequate for the protection of the relatively small quantities in the fuel cycle at that time. Early in 1972 we started issuing strengthened license conditions for protection of fuel cycle facilities authorized to possess strategic quantities of material, defined as two kilograms of plutonium or uranium-233 or 5 kilograms of highly enriched uranium. In November 1973 we incorporated these license conditions into our regulations. These require licensees possessing such quantities to put into effect tight access controls and to assure fast responses by security forces. For example, no personal vehicles are permitted within the protected area, and no worker is permitted access to special nuclear material unless he is accompanied or kept under observation. Visitors entering the protected area are registered and must be escorted at all times. Packages entering an area where special nuclear material is handled are searched for devices that could aid in a theft. The boundary of the secure area must be well lighted, kept free of obstruction to vision, and inspected several times a day at random intervals. Persons, packages, and vehicles leaving an area where special nuclear material is used or stored must be checked for concealed material and the area must be equipped with intrusion alarms that are tested regularly. The security force must be specially trained and equipped, and capable of a quick response to any intrusion alarm. The capability of the security force must be augmented by liaison with local law enforcement agencies. A capability for communication with such agencies must be maintained by two independent communication links.

The regulations also strengthened protection of strategic quantities of material in transit. Truck shipments must be escorted by another vehicle carrying armed guards unless the truck is of special design having features resistant to penetration and enabling immobilization of the vehicle in the case of an attempted theft. Trucks must be equipped with a radio telephone and drivers are required to communicate periodically with predesignated contact ponts. Rail shipments must be escorted by armed guards who are required to report periodically on the safe transport of the shipment. Air shipments must be guarded by an armed individual at all scheduled stops to protect the shipments and assure against misrouting.

In addition to physical protection, a comprehensive system of internal material control and accounting is utilized in the protection of nuclear materials, including not only strategic materials but also uranium of lower enrichment. This program is designed to deter the theft or diversion of these materials and to detect any such event if it occurs so that timely recovery action can be taken.

The classical accounting and internal control procedures of a financial operation form the basic elements of the system. These include debit-credit accounting records, the recording of material transfers, periodic inventories, and system audits. Plutonium and highly enriched uranium must be inventoried at least every two months and specific requirements are set forth to assure that the inventories are of high quality.

We think that, properly implemented, the regulations which we now have in place are appropriate for today's needs. We will need to upgrade these requirements continually in the future as the industry expands. We will base that upgrading on our experience with the present regulations, on the results of research and development programs, on future decisions regarding the relative usage of alternative fissionable materials, and on future political and sociological trends that might bear on the likelihood of terrorist attacks. A separate regulatory agency such as a Nuclear Energy Commission must have the continuing responsibility for maintaining an effective safeguards effort.

STATEMENT OF E. B. GILLER

Mr. Chairman and members of the Committee: It is a pleasure for me to be able to discuss the Commission's safeguards program for the Government-owned, contractor-operated sector of the nuclear industry. Since the earliest days of the atomic age safeguards requirements have been imposed on the nuclear materials which were the basis of important strategic programs. With the passage of time, the peaceful uses of nuclear energy expanded and in 1954, the Atomic Energy Act authorized the Commission to license certain activities in the private sector. Mr. Muntzing has described the AEC's program of licensing and regulation as it has been developed for the nuclear power industry.

The safeguards requirements applicable to Government and contractor activities have been changed through the years to reflect changing circumstances. An early development was the increase in the quantity of unclassified nuclear material in Government facilities as a result of the advanced research being conducted by the AEC in unclassified areas. This has resulted in the development of additional requirements for the physical protection of significant types and quantities of unclassified nuclear material.

In 1966–67, the increase of terrorist and politically militant acts was recognized as a factor requiring explicit attention in the development of nuclear material safeguards. This resulted in a greater emphasis on safeguards research and development and in the development of an office with AEC-wide responsibility for safeguards policy and program development. The Director of Regulation assumed this responsibility for the licensed sector on August 2, 1971.

More recently, the Divisions of Military Application, International Security Affairs, Classification, Security, and Nuclear Materials Security were brought together under my office, thus providing even greater opportunity for program coordination and integration in safeguards. Our present focus, and one we have emphasized for several years, is on the *prevention* of nuclear theft or diversion. Closely associated with this is a strengthened capability for protecting AEC facilities against sabotage or other terrorist acts that could result in a release of radiologically dangerous materials. Other aspects of the system provide for assurances that the preventive safeguards have worked by control and accounting measures aimed at detecting any loss or diversion of special nuclear material.

CURRENT REQUIREMENTS

Our current requirements are directed at protecting against unauthorized persons gaining access to special nuclear material or nuclear facilities and protecting against theft or sabotage by persons having authorized access. An important element in the panoply of protective requirements directed at these ends is the specific provision that anyone in a position to divert or conceal diversion of special nuclear material shall possess an AEC security clearance or a security clearance granted by another Federal agency. No one is granted access to special nuclear material in AEC or contractor facilities unless he has the required clearance or is escorted by a person with such clearance.

The other requirements for the physical protection of nuclear material include perimeter barriers, alarms, vaults, guards, and other control measures which must meet criteria established by the AEC. The overall security system of a contractor is subject to review and approval by the AEC and to AEC inspection to ensure continued effectiveness.

For many years the AEC weapons program has utilized every advancement in the field of physical protection to establish and set standards which have served as a model for safeguards in other nuclear programs. Some of these special safeguards are the use of the "two man rule" for access, the requirement for trained, equipped and qualified armed guards and couriers, the use of special, secure transportation equipment, and the monitoring of movement and location by sophisticated communication systems.

Many of the details of the AEC security system are classified since to disclose such details can negate the value of the system. For the same reason, the detailed materials and plant protection systems at licensed facilities are protected from public disclosure by 10 CFR Part 2.

The detailed safeguards requirements for non-weapons facilities in the AEC programs are consistent with, but not identical to, the safeguards requirements in the licensed sector. Safeguards research and development for the Director of Regulation and for the General Manager are closely coordinated. In fact, most of the research carried on by the Director of Regulation is funded by and carried on as part of the program of General

Manager's Division of Nuclear Material Security. This includes the development of safeguards techniques appropriate for the advanced fuel cycles under development within the program divisions of the AEC. The development of reactor systems using highly strategic special nuclear material and requiring novel processing techniques (e.g., HTGR, LMFBR) will require new safeguards technology and an effective systems approach to the problems that will arise.

At present, all but a small fraction of the high strategic value material is in the weapon and other Government programs. The fuel for present commercial power reactors is low enriched uranium. While plutonium is produced as a result of power reactor operation, plutonium in significant quantities will not routinely be part of the commercial fuel cycles until 1980. Sometime after that the amount of plutonium in the private sector will exceed that in the Government sector, including weapons.

Reports required by the AEC concerning the location nad quantity of nuclear material in both sectors are used as input to our national centralized nuclear materials accountability system. It consists of computerized reporting, recording and analysis systems at every level of operation in the nuclear material program. Built into the system are capabilities for receiving into the computerized accountability records all material types and quantities, changes in form, location, and use of the materials as well as all processing, recycle, processing losses, scrap generation, effluent and waste streams. Also transfers between plant projects (production as well as research and development) are reported to the central system. Consequently, analysis of shipper-receiver differences, use patterns, material balance calculations and possible losses can be analyzed and corrective action directed.

The continued development of the overall safeguards information system includes the identification of the safeguards responsibilities at the AEC Headquarters and field office levels, and at the plant level, and the associated information needs. In most instances, this will represent a formalization of the existing system, but in some instances, there will be recommended modification of the current system. In conjunction with this effort, procedures are being developed for sounding alarms at all levels of operation beginning at the worker-operator level, progressing through the plant management, field office and finally, the AEC Headquarters level, so that any anomaly can be dealt with at the earliest time. Inter-computer linkage is being expanded to bring the transmission of nuclear materials data nearer to a real-time basis. We are in the process of activating equipment which permits commercial nuclear materials operations to communicate with the central system through an unclassified safe-secure terminal.

DEVELOPMENT PROGRAM

To guide its development program, the AEC has identified the following threats which its safeguards program should countermeasure:

1. Terrorist-type attacks and sabotage at facilities or during transit;

2. Thefts by knowledgeable employees or knowledgeable groups having legitimate access to material, or persons having no authorized access.

Assuming that national and international acts of terrorism will continue, the AEC has just begun a comprehensive threat analysis study to identify motivations and capabilities of personnel or groups who could post threats to nuclear plants and nuclear fuel cycle to a spectrum of possible acts of sabotage or diversion, and the consequences of such acts. A current such study will closely interface with an analysis and evaluation of alternative guard force structures which may be best capable of dealing with possible acts of violence in a growing nuclear industry.

The AEC has completed in-depth studies to upgrade plant and materials protection at major AEC facilities. These studies were based on, and used to refine, safeguards criteria set forth in a working document titled, "Conceptual Design of the Domestic Safeguards System," that serves as a benchmark for our development program.

For future facilities, general construction design criteria are being developed which will permit adequate safeguards and form the basis for AEC review prior to operations.

We are testing and installing alarm systems for fences and buildings which will incorporate two or three types of detection equipment such as infrared or microwave beams and buried seismic detectors. More use of TV camera systems to supplement guard forces is underway.

Techniques have been developed for prevention of the unauthorized removal of special nuclear material by screening individuals, with equipment, such as doorway monitors capable of detecting the presence of gram quantities of concealed special nuclear material. Techniques for screening packages and vehicles are also being developed.

Shipments by truck can be safeguarded against hijacking by using a truck designed to resist hijackers until protective reaction forces respond. This approach, currently in use in the weapons program, is under development for expanded use in other programs. The concept under development includes such things as armored cabs and a nationwide radio system which will enable acts of sabotage or diversion, and the consequences of such acts. A current such study will closely interface with an analysis and evaluation of alternative guard force structures which may be best capable of dealing with possible acts of violence in a growing nuclear industry.

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The AEC is tightening up the requirements for control and accounting of SNM. Improved inventory practices and increased inventory frequencies are designed to improve capabilities for detecting possible theft of special nuclear material. Development continues on new nondestructive and automated chemical assay techniques for accountability assurance that diversion of these materials has not occurred. Application at fuel fabrication facilities will include nondestructive assay techniques for HTGR and FFTF fuel. These techniques will permit complete, rapid and accurate measurements of material flows and balances in all U.S. nuclear materials operations.

RESPONSE PROCEDURES

The AEC has procedures for response to threats involving nuclear material. If the threat arises outside nuclear facilities, the AEC information could come from various sources, such as local law enforcement agencies or concerned citizens. Nuclear facility operators, both Government and private are required to inform the AEC promptly, and will normally also notify local law enforcement agencies, in the event of a suspected or actual theft of nuclear material or a threat of sabotage.

Upon being informed of any of these circumstances, the AEC would promptly notify the FBI, which has statutory responsibility for investigating all alleged or suspected criminal violations of the Atomic Energy Act. The AEC would support the FBI with specialized technical assistance particularly in connection with the recovery of material. In addition, if a potential hazard of nuclear explosion or radiological danger exists, the AEC would activate or alert the Emergency Action and Coordinating Team (EACT) and the various elements responsible for implementing the established Radiological Assistance Plan (RAP). This plan provides for advice and assistance to local authorities in the areas of emergency evacuation and rescue, radiation monitoring, decontamination, and specialized emergency medical services where personnel are exposed to radiation. EACT is established to coordinate AEC Headquarters response to any major emergency having AEC-wide, national or international implications. Theft of a nuclear weapon, weapon components, or strategic quantities of nuclear material, and terrorist threats to sabotage a nuclear facility or to use destructively, a nuclear weapon or nuclear materials, are specifically identified as examples of major emergencies in the AEC Plan for Response. The various AEC elements that could respond to such incidents include the Headquarters Radiological Incident Center, the Aerial Radiological Measuring System and various AEC Field Offices. The AEC together with DOD operates the Joint Nuclear Accident Coordinating Center which serves as a communication point for the notification of organizational elements within AEC and DOD equipped to respond to major emergencies involving nuclear material.

I will be happy to discuss in further detail any aspects of the AEC safeguards program. There are present members of the AEC staff who can deal with such specific subjects as the Committee may desire.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, Prof. Raphael Lemkin coined the word genocide in a report to the Fifth International Conference for the Unification of Penal Law in 1933. Lemkin maintained that this crime against humanity actually involved two separate acts. The first was barbarity, which involved attacks against the lives or economic existence of individuals of a racial, religious or social group. The second was vandalism, which involved the destruction of a group's social values.

The scholarly work of Professor Lemkin and others, coupled with the painful memory of Hitler's destruction of the Jewish community in Germany, prompt-

ed the United Nations to act. Their first human rights treaty was the International Convention on the Prevention and Punishment of the Crime of Genocide.

This treaty was an attempt to give the force of international law to sanctions against genocide. It recognized that genocide was a crime which crossed national boundaries and was of concern to the entire international community.

That treaty, drafted with United States guidance I might add, was first submitted to the Senate in 1949. It has had the support of successive administrations and considerable support across the country. It deserves our support. We must not wait any longer to act.

A NEED FOR INCREASING THE MONEY SUPPLY

Mr. BROCK. Mr. President, on March 4, 1974, I introduced S. 3101, a bill to prescribe a standard for increasing the money supply. The 1973 annual report of the Federal Reserve Bank of New York, just issued, now provides new evidence on the need for such legislation. I quote from that report—on page 8:

At the outset of the year, the Federal Open Market Committee (FOMC) sought money market conditions and supplies of bank reserves conducive to slower growth in the money aggregates than had occurred in the later half of 1972.

Then on page 10:

Growth in M_1 [the traditional measure of money] slowed sharply in the first quarter of the year but then accelerated dramatically in the April-June period despite the marked rise in short-term interest rates. The reason for the second quarter upsurge in the money stock are not at all clear.

Apparently, the Federal Reserve System was at least partially unsuccessful in its policies, but did not understand just why. It seems that they expected a rise in interest rates to precede or accompany a slower growth in M_1. Now it has been the contention of the St. Louis Federal Reserve, as well as many private economists, that no such relation should be expected.

These same economists have explained the essential role of the open market operations and reserve requirements in determining M_1, and that it is M_1 in turn which influences other economic variables. If we are to have overall economic stability we must first stabilize the growth of M_1 or some monetary aggregate. That is what S. 3101 specifies.

Of course, this is an issue about which there is much controversy. But it is such a vital issue, affecting as it does—inflation, unemployment, the international balance of payments—that it must receive our prompt and careful attention. We must at least examine the evidence.

IMPACT OF THE COMPREHENSIVE HEALTH INSURANCE ACT ON THE ELDERLY

Mr. PACKWOOD. Mr. President, one of the most frequently asked questions concerning the Comprehensive Health Insurance Act (CHIA), which I introduced on February 6 on behalf of the administration, concerns the impact of this program on our elderly citizens.

How would the Comprehensive Health Insurance Act affect medicare? Would CHIA provide greater or fewer benefits? Would CHIA foster an unequal system of health care for our senior citizens, or help to eliminate existing discrimination against those on medicare who are also low income? Would CHIA deter or improve access to needed health care services for the elderly? Would CHIA remedy the current practice of providers imposing additional charges above and beyond the medicare reimbursement rate?

As we approach consideration of national health insurance, these and many other questions concerning the impact of CHIA on existing health benefit programs are on the minds of millions of our senior citizens. HEW Secretary Caspar Weinberger, in recent testimony before the Senate Special Committee on Aging, provided the answers to these and other pertinent questions, and because of its relevance to the current debate, I ask unanimous consent that Secretary Weinberger's statement be printed in full in the RECORD.

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

STATEMENT OF CASPAR W. WEINBERGER

Mr. Chairman and Members of the Committee: I am pleased to be here in response to your request to testify before this Committee today regarding the modifications which would occur in the Medicare and Medicaid programs under this Administration's proposed Comprehensive Health Insurance Act, S. 2970.

This subject is of crucial significance for the 23 million Medicare and 4.5 million aged Medicaid beneficiaries as well as for all of us who are involved in planning, legislating, and administering health financing programs for this population. It was the undisputed health needs of the elderly which prompted Congress to enact Medicare in 1965—the nation's first major health financing program which was not an income-related program.

We find ourselves now at a similar historic juncture. However, the issue extends beyond the question of the health care for the aged—it concerns the right to health care of every American, regardless of age, health status, employment status, marital status or income. And it is significant that in this debate we can benefit from the experience of administering Medicare and Medicaid, particularly with respect to the need for cost controls. In the nearly eight years of these programs' operations, we have gained a wealth of experience in the many areas which bear on health care financing—provider participation, utilization and medical review, cost-sharing, use of intermediaries and carriers in administration of the programs, the economic effects of health care financing, cost-control measures, regulation of insurors and providers, standard-setting, etc.

Most of the national health insurance proposals currently pending before Congress, including the Administration's proposal, seek to establish health care financing or care for all Americans. The Medicare and Medicaid programs as they exist today will under many of these proposals be altered to conform to the larger health care or health financing systems established by these proposals. This is true of the Administration's proposal.

The proposed modifications in Medicare and Medicaid which would occur under the Administration's proposal have already received extensive press coverage. Unfortunately, much of this coverage has given the impression that the Medicaid and Medicare programs will be cut back and that current beneficiaries will be worse off than they are now. I hope that our discussions today will make clear that, contrary to such reports and even to your opening statement yesterday, Mr. Chairman, health insurange coverage for the aged under our proposal will be far superior to that which is presently available under Medicare and Medicaid because it expands benefits and provides improved protection. We will be spending $1.8 billion more under CHIP for the aged than we are currently spending under Medicare.

Before turning to a discussion of the specific changes which our proposal will make in the Medicare and Medicaid programs, I would like briefly to discuss with you the broad outlines of the Administration's Comprehensive Health Insurance proposal to provide the overall picture in which any changes for present Medicare and Medicaid beneficiaries must be viewed.

OVERVIEW OF CHIP

Under our proposal for comprehensive health insurance, every U.S. citizen could be covered under one of three programs: the Employee Health Insurance Plan (EHIP), the Assisted Health Insurance Plan (AHIP), or Medicare.

Medicare will cover virtually all persons 65 and over, EHIP will cover most full-time workers and their families under 65, and AHIP will cover all those of any age who are either ineligible for Medicare or who find it economically advantageous to enroll in AHIP. Persons with low incomes, early retirees, high-risk persons and some self-employed are among the groups which could be covered under AHIP.

All three programs will cover the same services, including: unlimited inpatient hospital care, unlimited physicians' services, unlimited outpatent prescription drugs, mental health services, special and preventive services for children and mothers, home health services, post-hospital extended care services in skilled nursing facilities, blood and blood products, and other medical services currently covered under Medicare, including prosthetic devices, dialysis equipment and supplies, x-rays, laboratory tests, and ambulance services.

In designing this comprehensive benefit package we made a conscious decision to cover basically the same broad range of services under all three programs. This decision was based on the conviction that one of the principal goals of an insurance program should be protection against major medical expenses. The services that would not be covered largely represents the more routine medical services which can be budgeted for (or left to State and local general assistance) and should not be covered under a health insurance program which primarily seeks to provide financial protection.

The cost-sharing schedules established for CHIP vary according to plan, but are based on ability to pay, so that the full-time employee group pays more than the low-income group or the aged. We recognize that some may disagree with the actual cost-sharing rates in our proposal; however, we believe the concept of cost-sharing is an important and essential feature of any national health insurance program. Through cost-sharing we are able to reduce total premium costs, expand the beneficiary group and relate an individual's contributions to his or her utilization of health services. Cost-sharing also instills cost-consciousness on the part of the enrollee and thus reduces unnecessary or inappropriate utilization of health services. This is essential to prevent the health system from being overwhelmed by persons who do not need services while persons who do need services are unable to obtain them.

In terms of total benefits, the vast majority of aged persons are going to be better off under CHIP then they are under the current Medicare program. Under CHIP the value of the benefit package for the aged will rise from $565 to $620—or put another way, the Federal Government will be spending $55 more for every aged person under CHIP than is now being spent under Medicare. The total increase in Federal spending for the aged will be approximately $1.8 billion.

All enrolees under the three programs will be able to charge the cost of covered medical care on a Healthcard account. They may then pay the charges not covered by insurance on an installment basis if need be. The deferred payment approach will enable all enrollees to obtain needed medical care even if they do not have the cash on hand currently to pay for their deductible and cost-sharing charges. Maximum limits will be established on interest charges for unpaid balances on Healthcard accounts.

Requirements for professional review of medical care will be provided under CHIP to assure that care provided is of high quality and medically necessary. There will also be provisions for strong regulation by the States of insurance carriers participating under the plan.

MEDICARE UNDER CHIP

A major objective of Medicare has been to remove those financial barriers that prevent the elderly from obtaining necessary medical services of high quality. The it has done to a considerable degree. Our proposed changes in the Medicare program will build on the existing program to make it more responsive to the health needs of the aged. Our proposed changes are in four basic areas: eligibility, benefits, cost-sharing and physician reimbursement.

A. Eligibility

Although Medicare currently covers most of the elderly population, it does not cover all persons 65 and over. Those who are ineligible for Part A benefits are largely federal, State and local employees and others without the necessary periods of employment covered under Social Security. Ninety-eight percent of the 21.5 million aged persons in this country have Part A coverage, while 96 percent have Part B coverage. Since eligibility for Part B is not related to insured status under Social Security, persons ineligible for Part A may nevertheless elect to enroll in Part B. Under a special provision most of these individuals may also purchase Part A at cost: currently $33 a month.

Under CHIP, Medicare coverage will generally be available to persons 65 years of age and older. Conversely, no person under 65 will be eligible for Medicare. Dependents of Medicare beneficiaries below age 65 would be eligible to enroll in AHIP or EHIP.

Federal, State and local government employers and employees will participate in the Medicare system and be subject to the Medicare payroll tax. We believe that the same responsibilities and benefits conferred on private employers and their employees should apply to government employers and employees as well.

Like the current Medicare, the new program would cover persons who are insured under the Social Security program. Under temporary transitional provisions, which are similar to those established when the original Medicare law was enacted, every citizen (or permanent alien resident) who has reached age 65 in the first year of the program would automatically be covered under the plan. In following years, eligibility would be extended to additional persons who have specified credits under Social Security, but not enough to meet regular Medicare requirements. These temporary transitional provisions would "wash out" when the requirements for Social Security credits became the same as the regular requirements for insured status under Social Security.

Medicare beneficiaries 65 and older who are low-income will not have to pay the same premium and cost-sharing charges as other beneficiaries. The income testing and income definitions for this group would be tied to those used in the Supplemental Security Income Program administered by the Social Security Administration, which will also continue to administer Medicare.

Disabled persons under 65 and persons under 65 needing dialysis or kidney transplantation because of chronic renal disease who are currently eligible for Medicare would ordinarily be eligible for AHIP (or EHIP if a family member is employed) instead of Medicare. These two groups were included in Medicare only very recently, at a time when there was no national health insurance program to meet their special need for protection against unusually high health care costs. Now that a truly comprehensive national health insurance program is being planned, there is no longer any need to keep these younger people under the Medicare program. Also, as a group, they receive better benefits because most of them are low-income.

B. Benefits

The lack of catastrophic coverage for inpatient services under the present Medicare program means that a beneficiary who experiences catastrophic illness or disability is unprotected against further health care costs after his or her Medicare benefits are exhausted. In effect, current beneficiaries lose benefits when they are most needed. In this sense, the high cost-sharing for lengthy hospitalization under the current Medicare program is just the opposite of desirable protection. When these benefits are exhausted, the only alternatives, if the individual is without private supplementary insurance, are (1) to pay for needed care out of savings, or (2) if no other financial resources are available, the beneficiary may receive care under Medicaid if his or her income and financial resources are diminished to a point low enough for Medicaid eligibility.

The Medicare benefit package under our proposed Comprehensive Health Insurance Act has been expanded to provide unlimited coverage for hospital and outpatient care. Drug benefits would also be broadened to include outpatient prescription drugs, which is one of the major gaps in the present Medicare program. In addition, a wide range of mental health services would be covered. We believe that the CHIP benefit package is one which is clearly superior to the present Medicare benefit package. It covers virtually all the services currently covered under Medicare and extends the present coverage which Medicare provides.

C. COST-SHARING

In developing the cost-sharing schedules for CHIP, we ought to eliminate two major problems which characterize most insurance policies, including Medicare: the financial incentives to use hospitalization rather than outpatient care and the open-ended liability for all costs above the limits of coverage. Under the present program for inpatient hospital care for the first 60 days of a benefit period, all covered services are paid for after an $84 deductible has been met. For the next 30 days of the benefit period there is a $21/day copayment charge, and for each of the 60 lifetime reserve days there is a $42/day copayment charge. Of course, after the 150th day of inpatient hospital care the beneficiary must pay 100 percent of charges, unless he or she has supplementary private insurance or is eligible for assistance under Medicaid or another public program. Similarly, for post-hospital skilled nursing facility care there is no deductible for the first 20 days and a $10.50/day copayment for the 21st–100th days.

Under Part B, there is, in addition to the premium, a deductible of $60/year on covered medical expenses and a 20 percent coinsurance charge without any upper limit.

The amount of cost-sharing paid by long-term care patient is inordinately high. For example, the patient pays 50 percent of the first day's deductible amount for each day of hospitalization during the 60-day lifetime reserve period. This amounts to around two-thirds of actual hospital charges and in many cases exceeds the actual bill.

Under CHIP, Medicare beneficiaries would continue to pay premiums, which will be similar in amount to what they are currently paying under Part B. Medicare beneficiaries would have an annual per-person deductible of $100 on all covered services except for outpatient drugs for which there would be a separate $50 per-person deductible. Beneficiaries would pay 20 percent coinsurance on expenses above the deductible. However, unlike the current program, a beneficiary would have to face a maximum annual cost-sharing liability of only $750 per person and most would spend considerably less since $750 in cost-sharing would occur only after $3,350 in covered medical expenses. In addition, under CHIP the uniform cost-sharing charges will not bias an individual's decision to use inpatient or outpatient services and the coinsurance schedule will tie the Medicare beneficiary's cost-sharing to actual services rendered and their actual price.

As I indicated earlier, Medicare beneficiaries who are low-income would be eligible for reduced cost-sharing charges. For example, aged persons with incomes below $1,500 would pay no premium or deductible charges, and would pay only a 10 percent coinsurance rate up to a maximum annual liability of 6 percent of income, or $105. Similarly, persons with incomes between $1,750 and $3,500 would pay no premium charges, and would pay reduced deductibles of $25 and $50 for drugs and other services, respectively, with a 15 percent coinsurance rate, up to a maximum liability of $315 per year.

We believe the concept of true catastrophic coverage and the maximum annual liability feature of our proposal, which provides protection against lengthy illness and a guarantee against catastrophic medical care costs, are not only a significant improvement over the present Medicare program's benefit package but a feature which has become an absolute necessity in any comprehensive health care financing system. We believe it will be a feature on which the elderly in particular will place a high value.

It is true that at a given time some Medicare beneficiaries under our proposed Medicare program could be faced with higher cost-sharing charges than they currently pay. This is due to the 20 percent coinsurance on all covered services under the revised Medicare program and is more than offset by broader benefit coverage and the maximum annual liability feature. Whereas the present Medicare inpatient coverage tends toward first-dollar coverage with limited benefits and open-ended cost-sharing, the proposed Medicare program emphasizes uniform cost-sharing on all types of benefits until a maximum annual liability is reached beyond which the beneficiary pays nothing more for covered services. The federal cost of this increase in benefits for the aged will be $1.8 billion. Thus, our proposed program provides somewhat smaller payments at the beginning of an illness, when expenses are budgetable, in exchange for expanded benefits and catastrophic protection when it is most needed. We consider this trade-off to be not only desirable but essential for the guarantee of true protection against catastrophic illness.

I have several examples which will illustrate how the CHIP cost-sharing schedule would work. These examples do not take into account the out-of-pocket expenses elderly persons would experience if their physicians do not accept assignment of Medicare claims and are thus free to charge fees higher than those allowed by the carrier. I should note that currently more than 50 percent of the Medicare beneficiaries are subject to these higher charges; moreover, the number of elderly persons in this situation is increasing. In addition, these examples also do not indicate eligibility for or assistance from Medicaid, which would absorb most (or all) of the cost for aged persons in Income Class I.

EXAMPLES OF ELDERLY PERSONS UNDER FEDERAL HEALTH CARE INSURANCE AND MEDICARE

1. Catastrophic Expense Example

An elderly person who is hospitalized at $110/day for 100 days, with $1500 in physician expenses and $300 in outpatient drugs, and a total bill of $12,800, would have the following expenses under the present and proposed Medicare programs in FY 1975:

	Current medicare [1]	CHIP income class I [2]	II [3]	III [4]
Total expenses	$12,800	$12,800	$12,800	$12,800
Paid by insurance	11,018	12,710	12,530	12,200
Out-of-pocket [5]	1,782	90	270	600

[1] These examples do not indicate eligibility for or assistance available from medicaid, which would absorb most (or all) of the cost for aged persons in income class I.
[2] Income of $1,500.
[3] Income of $3,000.
[4] Income of $5,000.
[5] This may not be total out-of-pocket expenses because most providers participating in medicare do not accept assignment

2. Chronic condition requiring drugs and physician visit example

An elderly person with a chronic condition requiring $10 of drugs per week ($520/year) and a monthly physician visit at $15/visit ($180/year) with a total bill of $700 would pay the following amounts under CHIP and Medicare.

	Current Medicare [1]	CHIP income class I [2]	II [3]	III [4]
Total expenses	$700	$700	$700	$700
Paid by insurance	96	630	531	440
Out-of-pocket [5]	604	70	169	260

[1] These examples do not indicate eligibility for or assistance available from Medicaid, which would absorb most (or all) of the cost for aged persons in income class I.
[2] Income of $1,500.
[3] Income of $3,000.
[4] Income of $5,000.
[5] This may not be total out-of-pocket expenses because most providers participating in Medicare do not accept assignment.

3. Short-term hospitalization example

An elderly person who is hospitalized for 10 days for a hernia repair at $120/day with a physician bill of $450 and a total bill of $1650 would pay in FY 1975:

	Current Medicare [1]	CHIP income class I [2]	II [3]	III [4]
Total expenses	$1,650	$1,650	$1,650	$1,650
Paid by insurance	1,428	1,560	1,380	1,240
Out-of-pocket [5]	222	90	270	410

[1] These examples do not indicate eligibility for or assistance available from Medicaid, which would absorb most (or all) of the cost for aged persons in income class I.
[2] Income of $1,500.
[3] Income of $3,000.
[4] Income of $5,000.
[5] This may not be total out-of-pocket expenses because most providers participating in Medicare do not accept assignment.

4. Not exceeding deductible example

An elderly person with 3 physician visits at $15/visit, and total bill of $45 would pay in FY 1975:

	Current medicare [1]	CHIP income class I [2]	II [3]	III [4]
Total expenses	$45	$45.00	$45	$45
Paid by insurance	0	40.50	0	0
Out of pocket [5]	45	4.50	45	45

[1] These examples do not indicate eligibility for or assistance available from medicaid, which would absorb most (or all) of the cost for aged persons in income class I.
[2] Income of $1,500.
[3] Income of $3,000.
[4] Income of $5,000.
[5] This may not be total out-of-pocket expenses because most providers participating in medicare do not accept assignment.

D. Physician reimbursement

Another aspect of the present Medicare program which is related to cost-sharing is that of reimbursement to physicians. Under the present program a physician who does not accept an assignment of Medicare benefits is not required to accept the reasonable charge determination of reimbursement from the carrier as full reimbursement for services provided. The physician may bill the Medicare beneficiary an additional charge. This practice has resulted in Medicare beneficiaries paying higher out-of-pocket costs than they would have had to pay if the physician had accepted assignment. Medicare beneficiaries are, on the average, currently paying 15 percent more out-of-pocket for medical care when the physician refuses to accept assignment. The percentage of physicians who will accept assignment now averages below 50 percent and is even below 30 percent in some States.

Our proposed Medicare program would remedy this situation by requiring all physicians who participate in the Medicare program to accept as full reimbursement for services provided to Medicare beneficiaries the amounts determined by each State as reasonable for the service rendered. The rates established by the States will be the basis for reimbursing providers; these rates would be based on amounts determined after consultation with providers and other interested parties. They will be based on reasonable cost and thus will not deter providers from participating in the program.

Secondly, an innovation of our proposal which we expect to be favorably received by both beneficiary and provider is the Healthcard. Beneficiaries will use the Healthcard to charge services, including deductible and coinsurance charges which they may repay to the carrier on an installment basis. Providers will be reimbursed directly by the carriers and all other bookkeeping will be handled through the carrier. This will sharply reduce billing and bad debt costs to providers and create an incentive for their participation as full participating providers.

IMPACT OF CHIP ON MEDICAID

I would now like to turn to a discussion of how our comprehensive health insurance proposal will impact on Medicaid.

In spite of its achievements in providing health care financing to over 4.5 million aged, we are all familiar with the shortcomings of the current Medicaid program.

One of the problems with the current Medicaid program is that it is available only to certain categories of persons and it can cover such persons even when they have reasonably high incomes; Medicaid is not available to persons with greater needs who are not in these arbitrary categories. A second problem is that eligibility and benefits vary greatly between States. This too is unfair and inequitable.

In designing CHIP we have looked at the totality of the low-income population's need for health care financing. We have attempted to get away from these concepts of categorical eligibility in our new program to achieve universality in coverage of the low-income.

We believe that the loss of some benefits by some current Medicaid eligible is inevitable in the process of removing the inequities and establishing uniform national entitlement and benefits. If we insisted on adopting a plan which assured that no current recipient was worse off and under CHIP, we would build greater inequities, severe notches and other deficiencies into the new plan, and make it expensive beyond reason or need. I would not like to discuss the impact of CHIP on Medicaid in more detail.

A. ELIGIBILITY

The Medicaid program's primary weakness is that it simply does not provide medical assistance to all those who need it. Because Medicaid eligibility standards are, within statutory limits, determined by each State, Medicaid eligibility varies considerably from State to State. We are all familiar with the wide variations in income levels which States establish as eligibility factors. An aged person with only $2,000 in income would be eligible for Medicaid in some States but not in others. Although 33 States have spend-down provisions under their Medicaid programs which enable any aged persons to become Medicaid-eligible only after his or her medical care expenses have brought his or her income and resources down to the level established by the State for Medicaid eligibility, in the other States, an aged person with income only slightly above the Medicaid eligibility level is ineligible for Medicaid no matter how great were his or her medical expenses; this phenomenon is one we are all familiar with as "the Medicaid notch." Most State plans also include assets tests which can force aged persons to sell most of their possessions in order to qualify for Medicaid.

Under CHIP, Medicaid as a health financing program for all but the long term care needs of the poor will be terminated. Medicaid beneficiaries over 65 will generally receive basic coverage under the new Medicare program as will most other elderly citizens. Most important, there will be uniform nationwide income standards which will provide equitable treatment of low-income aged persons. Thus, aged persons with similar incomes will receive identical benefits regardless of State of residence.

B. BENEFITS

In addition to the wide variations in eligibility, and the fact that many of the elderly poor in all States remain ineligible, substantial inequities result from the differences among States in the types and scope of services covered. Seven broad areas of coverage are required by law to be provided: inpatient hospital, outpatient hospital, other lab and x-ray, skilled nursing home, home health, and physician services (in addition to screening services for children and family planning services which do not affect the aged). However, States may exercise broad discretion in establishing the limits of coverage. Federal regulation requires that covered services "must be sufficient in amount, duration, and scope" to achieve the purpose of the program. Consequently, some States cover all necessary hospitalization while others severely limit coverage. For example, a State may have a limit of 10 days of hospital coverage per admission and as few as 12 physician visits per year.

CHIP is designed to provide to all enrollees the same benefits. For current Medicaid beneficiaries this will result in gains of benefits in some areas and losses in others. Services which will be gained will include primarily the unlimited hospital care and physician's services.

C. COST-SHARING

While the current Medicaid program has little formal cost-sharing, significant real cost-sharing can exist for many Medicaid eligibles because they in effect pay 100 percent coinsurance for medical care which is not covered by the State's Medicaid program. Under CHIP, Medicaid eligibles will be required to pay cost-sharing; however, they will generally be eligible for the reduced cost-sharing which is available to all low-income persons. We consider the cost-sharing schedules to be reasonable and not beyond the ability of low-income persons to pay. After all, when we refer to the cost-sharing charges for aged persons in the $1,750 income bracket we are talking about a 10 percent coinsurance share. If the charge for a physician's visit is $15, then we are in effect placing a $1.50 charge on the patient. We believe this is a reasonable and not excessive charge. In addition, we believe that the payment of cost-sharing charges as part of a reimbursement system based on reasonable cost will broaden access to health services by the poor.

Second, the purpose of the cost-sharing provisions is to remove first-dollar coverage and thereby create cost-consciousness on the part of the patient. Without the disincentives which cost-sharing provides for utilization of medical care, a person may tend to overutilize health care services. If cost-sharing is limited to outpatient services the provider may tend to institutionalize the patient.

I would also like to stress at this point that the use of the Healthcard will permit all persons to obtain needed medical care even if they are short of cash-on-hand at the time the service is needed.

Another point I would stress at this time is that the maximum annual liability limits established under our proposal will benefit the Medicaid population no less than the Medicare population. No longer will a person have to spend virtually all of his income and resources on medical care to become eligible for Medicaid. Under our proposal the maximum amount an aged person will have to spend on covered services in any one year is $750. This amount is much less if a person has a low income ($105 or less if income is below $1,750). This provision will provide much needed relief to the poor who are now in many States paying much more than this amount for needed medical care. In addition, the maximum liability feature will eliminate the Medicaid notch effect whereby in many States a person with $10 too much in income is ineligible for Medicaid no matter how much he has spent on medical care.

D. PROVIDER REIMBURSEMENT

Another area in which the CHIP proposal is better than Medicaid is in assuring access to needed medical care. Medicaid programs frequently set low physician reimbursement schedules, thereby denying Medicaid eligibles financial access to needed medical care on the same basis as middle income persons. In addition, States impose administrative barriers which can severely limit physician participation in the program. These include poor administrative practices which result in late payment of bills, and in requirements for pre-authorization for specified services. These reimbursement schedules and administrative barriers result in a situation where in many areas too few doctors accept Medicaid patients and others keep the Medicaid portion of their practice within strict limits. This often results in Medicaid eligibles having non-coverage or second-class medical care.

Under CHIP, the problem of depressed fee schedules will no longer exist inasmuch as the State reimbursement rates established for Medicare, AHIP and EHIP will be identical. These rates will be based on a reasonable level of reimbursement, so that the current situation where a State can pay as little as 50 percent (or less) of the usual and customary charges under its Medicaid program will cease. We expect in this manner to broaden access to services through an increase in the number of providers who participate in the program. Thus, more "real" services would be available under CHIP to persons who were Medicaid eligibles than are available under the current program.

LONG TERM CARE

Because of the nature of long term care and its impact on and close relation to a person's income, we are studying this need in relation to our efforts in welfare reform. We do not believe that a national health insurance program is the appropriate vehicle to finance long-term institutional care. As we all know, long-term institutional care necessarily includes a high proportion of social services and income support. Loading this type of care onto any national health insurance program would greatly increase the costs of that program. In addition, determining the appropriate utilization of long-term care services is more difficult than for other services. For these reasons and because our comprehensive health insurance program is intended to provide active treatment in addition to protection against acute and catastrophic health expenses, we have not included more than the 100 days of skilled nursing facility care currently available under Medicare in our CHIP benefit package.

Pending resolution of this problem long term care will be provided by a residual Medicaid program. This will operate under the same statutory provisions as govern the current Medicaid program. States would have the prerogative of determining eligibility standards, amount of benefits provided, and reimbursement to providers. The residual Medicaid program would provide the following services: (1) services in a skilled nursing facility; (2) care in mental institutions for persons under age 21 and over age 65; (e) services in an intermediate care facility; and (4) home health services. All of these services would continue to be eligible for Federal matching funds at the current rate.

We realize that a continuation of the present Medicaid program on even a limited, residual basis is not an ideal solution to the needs of the aged for long-term institutional care. Nor do we see it as a permanent solution. We have initiated a thorough analysis of alternative approaches to assisting low-income persons requiring long-term institutional care. Following the completion of this analysis and discussion we intend to develop any desirable legislative proposals on this subject to submit to Congress.

Mr. Chairman, this concludes my remarks. I hope that this discussion has been helpful and I will be pleased to now answer any questions you may have.

RELIABILITY OF NEW YORK TIMES QUESTIONED CONCERNING U.S. AID TO SOUTH VIETNAM

Mr. HELMS. Mr. President, as one who has spent most of my adult life in the news business, I have been constantly appalled at the number of distortions and inaccuracies appearing in the news reports of the major news media of America.

The conclusion is inescapable that such obvious irresponsibility could not be accidental. Indeed, it so often seems carefully calculated. Many of the major media appear to be determined to make and shape the news instead of reporting the news as it is. They seem to care not whose reputations they trample, or how badly they distort or misrepresent the truth.

This has played a large role, I believe, in the cynicism of the American people. Not only do vast numbers of Americans distrust their institutions and leaders, they also distruct the major news media of America.

In these difficult times, it is especially important that the people be told the entire truth.

That is why today I bring to the attention of my colleagues what I consider to be a specific instance of obvious misrepresentation of the facts. I refer to an article which appeared in the New York Times of February 25, 1974; the article is entitled "Vast Aid From United States Backs Saigon in Continuing War."

I base these feelings on the statements made in a telegram from U.S. Ambassador to South Vietnam, the Honorable Graham A. Martin, to Secretary of State Kissinger.

In the telegram, Ambassador Martin analyzes the New York Times article paragraph by paragraph and comes to the conclusion that the article "was obviously not written to inform the New York Times readers, but to give a slanted impression that the U.S. Government and the Government of the Republic of Vietnam are grossly violating the cease-fire agreement and preventing any kind of peaceful political accommodation with the Communists."

Ambassador Martin goes on to say that the article "contains numerous inaccuracies and half-truths. It deliberately omits, or treats skeptically, the flagrant Communist violations of the Paris accords, all of which, the Ambassador points out, "have been repeatedly pointed out to Shipler and the New York Times Saigon Bureau by the U.S. Government and Government of the Republic of Vietnam officials."

Mr. President, Ambassador Martin's telegram points out numerous facts, a sequence of events, which may have bearing on the New York Times' reporting of the so-called facts. I refer to the following facts set out by the Ambassador:

As a preliminary to a detailed discussion of Shipler New York Times article datelined Saigon, February 16, it is necessary to record that Embassy has long been aware of decision taken last Fall in Hanoi to mount all-out campaign this Winter and Spring to persuade the Congress to drastically reduce the magnitude of both economic and military aid to the government of Vietnam.

The Stockholm Conference was to be used as the main coordinating mechanism, and the Provisional Revolutionary Government delegation in Paris was to be the principal channel, using remnants of the American "Peace Movement" to bring influence to bear on selective susceptible, but influential, elements of the American communications media, and, particularly, on susceptible Congressional staffers. The timing preferred was to begin with insertion of as much material as possible in the Congressional Record, hopefully to secure the condemnation of the Government of the Republic of Vietnam in formal reports of Congressional subcommittees, which could be followed up and given wide circulation by "investigative reporting" which would tend to confirm and if possible to expand on the distortions they had been able to have inserted in the Congressional subcommittee formal reports.

Mr. President, this in itself is an amazing analysis of how propaganda is effectively disseminated by the Hanoi Government. On reading this disturbing analysis by Ambassador Martin, I realized even further that our decisions regarding the situation in South Vietnam well could be based on inaccurate—even false—information.

In light of Ambassador Martin's concern that the whole truth be told regarding the matters contained in the New York Times article on U.S. aid to Vietnam, and more importantly, in light of the fact that the question of the continuation of that aid is a matter soon to be considered by the Senate, I feel that my colleagues in the Congress should have the benefit of Ambassador Martin's analysis of the New York Times article. This analysis is all the more important, Mr. President, because many of us in this body have not gotten all of the facts we need to make a decision on this important matter—which well may determine whether freedom will survive in South Vietnam.

I noticed in the Washington Post yesterday morning that nine of my colleagues have expressed concern about continued U.S. involvement in Southeast Asia and indicated that they oppose new aid to Saigon. I urge them to read the Times article and Ambassador Martin's rebuttal to and analysis of it. To facilitate their reading of these two documents, I have arranged a chart, a side-by-side layout of the two so that they may be read and compared with ease. Mr. President, at this time I ask unanimous consent that this layout, comparing the New York Times article with the comments on it by Ambassador Martin, be printed in the RECORD at the conclusion of my remarks.

Mr. President, on comparing these two documents, I believe that our colleagues will feel, as I do, that they have not been getting the accurate information they need to make an informed and reasoned decision on this vital matter.

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

ANALYSIS OF NEW YORK TIMES ARTICLE ON U.S. AID TO VIETNAM BY U.S. AMBASSADOR GRAHAM A. MARTIN

[New York Times article]

VAST AID FROM UNITED STATES BACKS SAIGON IN CONTINUING WAR

(By David K. Shipler)

SAIGON, SOUTH VIETNAM, February 16.—Ray Harris of Ponca City, Okla., has come back to Vietnam. This time he is not behind the machine gun of an Army helicopter but behind a workbench at the Bien Hoa air base, sitting next to South Vietnamese Air Force men and repairing jet fighter engines.

Mr. Harris is a civilian now, safer and better paid. But his role in the continuing Vietnam war has scarcely diminished his importance, for as a 27-year-old jet-engine mechanic he remains as vital to the South Vietnamese military as he was in 1966 as a 19-year-old gunner.

He is among 2,800 American civilians without whose skills South Vietnam's most sophisticated weapons would fall into disrepair. Employed by private companies under contract to the United States Defense Department, these men constitute one facet of a vast program of American military aid that continues to set the course of the war more than a year after the signing of the Paris peace agreements and the final withdrawal of American troops.

Whether the United States is breaking the letter of the agreements could probably be argued either way. But certainly the aid directly supports South Vietnamese violations and so breaks the spirit of the accords.

The United States, far from phasing out its military involvement in South Vietnam, has descended from a peak of warfare to a high plateau of substantial support, dispatching not only huge quantities of weapons and ammunition but also large numbers of American citizens who have become integral parts of the South Vietnamese supply, transport and intelligence systems.

These include not just the Vietnam-based mechanics and technicians but also the Pentagon-based generals who tour airfields to ascertain the needs of the South Vietnamese Air Force, the "liaison men" who reportedly give military advice from time to time, the civilian Defense Department employes who make two-to-three-week visits to provide highly specialized technical help, and the Central Intelligence Agency officials who continue to advise South Vietnam's national police on intelligence matters.

AMBASSADOR MARTIN'S REBUTTAL

Paragraphs 1–3—Ray Harris is a General Electric employee at Bien Hoa Air Base. His job is classified as a cleaner of parts and equipment. Shipler's figure of 2,800 DAO civilian contractors is essentially correct. The current count is 2,762, a figure provided by DAO. Shipler does not bother to record at this point that the number has been reduced within the past year from some 5,000. He does, however, mention a reduction in paragraph 37 of his article, saying inacurately that 2,200 have left since July. He does not record fact available to him that Harris is part of a group of contract employees whose function is to teach the South Vietnamese how to service properly military equipment turned over to the GVN as well as maintain it until the training process is completed. Nor does Shipler record the fact known to him that contract personnel are continuously withdrawn when training is finished. The "program of military aid "does not "set the course of the war," as Shipler put it. The course is set by the continuous and continuing Communist buildup and efforts of the RVNAF to protect the population, land and resources under GVN control at time of the cease fire from actual military attacks mounted by the other side, which is not mentioned in the article.

Paragraph 4—This is a classic. Shipler categorically postulates "South Vietnamese violations" without presenting a shred of evidence, and alleges American military aid "directly supports" such violations which thereby "breaks the spirit of the accords." He does reluctantly concede that "whether the United States is breaking the letter of the agreement could probably be argued either way." It is quite true that to Hanoi "the spirit of the accords" was that the Americans would deliver South Vietnam bound hand and foot into their hands. Fortunately, only a handful of Americans would agree with that interpretation of the "spirit of the accords."

Paragraphs 5 and 6—no Americans, contractors or government employees, are "integral parts" of the RVNAF military system. They provide limited and temporary technical assistance only to help the Vietnamese become self-sufficient. To describe "Pentagon-based generals who tour airfields" and "integral parts of the South Vietnamese supply, transport and intelligence systems" obviously distorts the meaning of the word "integral" to the breaking point. American generals visit not only Vietnam but other friendly nations throughout Southeast Asia. They also observe the use being made of military aid. (Eno-use inspection by us personnel is required by the Security Assistance Act.) The term "liaison men" presumably refers to DAO's regional liaison officers. It is simply untrue that they give "advice," as Shipler reports, again without producing the slightest scrap of evidence. Even if permissible, none of the RLOs is qualified. They are civilians who, if they had previous military experience were enlisted men or junior officers with little or no battle management training. It is unlikely that ARVN officers would heed their advice even if they offered it. And it is simply a falsehood that the CIA gives any "advice" to the national police.

ANALYSIS OF NEW YORK TIMES ARTICLE ON U.S. AID TO VIETNAM BY U.S. AMBASSADOR GRAHAM A. MARTIN—Continued

The total budgeted cost of military aid to South Vietnam is $813-million in this fiscal year, and the Pentagon has asked Congress for $1.45-billion next year, with most of the increase probably going for ammunition, which the South Vietnamese forces have expended at a high rate.

TRUE COST EVEN HIGHER

The true costs of the military support probably rise considerably above the official figures. Some of the aid, for example, comes in through economic programs that dump millions in cash into the Saigon Government's defense budget. And other costs—salaries of Pentagon technicians who make special visits, for example—are hidden in the vast budgets of the United States Air Force, Army and Navy and are not labeled "Vietnam."

These valuable military goods and services have a sharp political impact. They are indispensable to the South Vietnamese Government's policy of resistance to any accommodation with the Communists. Militarily, the extensive aid has enabled President Nguyen Van Thieu to take the offensive at times, launching intensive attacks with artillery and jet fighters against Vietcong-held territory.

Furthermore, the American-financed military shield has provided Mr. Thieu with the muscle to forestall a political settlement. He has rejected the Paris agreements' provision for general elections, in which the Communists would be given access to the press, permission to run candidates and freedom to rally support openly and without interference from the police.

VIETCONG MAINTAIN PRESSURE

Mr. Thieu has offered elections, but without the freedoms. The Vietcong, refusing to participate unless the fredoms are guaranteed, have maintained military pressure throughout the country, mostly with artillery and rocket attacks on Government outposts and, from time to time, with devastating ground assaults against Government-held positions.

United States intelligence officials contend that continuing American aerial reconnaissance, as well as prisoner interrogation and radio monitoring, shows that the North Vietnamese have sent thousands of troops and hundreds of tanks and artillery pieces south in violation of the Paris agreements. They have also refurbished a dozen captured airfields and built a large network of roads that threatened to cut South Vietnam in two.

Yet in battle the Communists appear more frugal with ammunition than the Government troops, who have been seen recently by Western correspondents, spraying artillery across wide areas under Vietcong control as if there was no end to the supply of

Paragraphs 7 and 8—Total budget cost of military aid to the GVN in FY-74 is 1059.2 million. Of the proposed 390.8 million increase, it is understood that about one-third is attributable to ammunition. Ammunition is expended at a rate of 20 to 50 percent less than during the last year of the war, due to US-imposed constraints and RVNAF self-imposed management controls. The US does not "dump millions in cash into the Saigon Government's defense budget." The US puts goods into the economy which are sold for piasters and then assigned FMR support of mutually agreed programs.

Paragraph 9—this paragraph is another classic example of disguising propaganda under the protective rubric of "investigative reporting." Shipler now alleges that U.S. military aid is indispensable to what is categorically described as "the South Vietnamese Government's policy of resistance to any accommodation with the communists." The implication is glaringly obvious, although unstated, that the GVN should do so. Beyond doubt, that is Hanoi's position. In the next sentence, Shipler states that "militarily, the extensive aid has enabled President Nguyen Van Thieu to take the offensive at times, launching intensive attacks with artillery and jet fighters against Viet Cong held territory." Shipler does not think it important to inform the readers of his paper that the "at times" in the above sentence were retaliatory strikes such as the ones made after the communists shelled the Bien Hoa Air Base and later destroyed the NHA be petroleum storage tanks, and that the GVN has a publicly announced policy of taking retaliatory action whenever the NVA/VC forces so attack GVN installations. Since there is no mention of the thousands of NVA/VC violations of the cease fire, the only logical assumption is that Shipler considers it a violation of the Paris Agreement only when the GVN responds to these attacks.

Paragraphs 10 and 11—In these paragraphs, the bias of the article becomes grossly obvious. Shipler contends that American aid permits President Thieu "to forestall a political settlement," stating that he has "rejected the Paris Agreement's provision for general elections, in which the Communists would be given access to the press, permission to run candidates and freedom to rally support openly and without interference from the police. Mr. Thieu has offered the elections, but without the freedoms." This statement is a complete reversal of the facts. The Paris Agreement called for a cease fire. Then was to come the delineation of the areas of control, the formation of the National Council or Reconciliation and Concord which would prepare for elections under internationally supervised control. The last thing the NVA/VC forces would ever accept is the holding of elections, for under true, impartial international controls they could not possibly receive more than ten percent of the vote. So they have never observed the cease fire. They have never permitted the beginning of even discussion of the delineation of the "areas of control", both of which are necessary preliminaries to formation of the National Council of Reconciliation and Concord, which was to prepare for the elections. Their tactic has been to insist on the items enumerated by Shipler—particularly access to the press. President Thieu has never "rejected the Paris Agreement's provision for general elections". He has, on the contrary, repeatedly proposed definite dates for elections. If the NVA/VC forces will accept definitively a specific date and international supervision, electronics could be agreed upon immediately with all the freedoms covered in the Paris Agreement. Although these are the facts, Shipler implies that it is the reverse of these facts which excuse the NVA/VC attacks throughout the country "mostly with artillery and rocket attacks." Shipler does not think the readers of the New York Times would be interested in the fact that these NVA/VC artillery and rocket attacks often have the populace—children and unarmed civilians—as their main targets.

Paragraph 12—Shipler implies skepticism when he reports that "U.S. intelligence officials contend that . . . the North Vietnamese have sent thousands of tanks and artillery pieces south in violation of Paris agreements." Best intelligence estimates indicate that since the ceasefire, North Vietnam has sent into South Vietnam at least 450 tanks and about 265 122 mm guns, according to DAO figures. (The GVN often charges that North Vietnam has sent 600 tanks and armored vehicles south since the cease fire.) Shipler's use of the word "thousands" gives the intended impression that the U.S. has exaggerated the infiltration of NVA weaponry. Shipler follows use of the word "contends" with a further attack on creditility of the extent of military buildup by powerful NVA/VC forces by pointing out that "communists appear more frugal in battle with ammunition. . . ."

Paragraph 13—Military experts believe that any restraint on NVA ammunition expenditure is a matter of tactics rather than real or expected shortages. The fact remains that the NVA has enough ammo in the south to support a country-wide offensive at the

ANALYSIS OF NEW YORK TIMES ARTICLE ON U.S. AID TO VIETNAM BY U.S. AMBASSADOR GRAHAM A. MARTIN—Continued

shells. This difference has bolstered the view of some diplomats that China and the Soviet Union, unwilling to support an all-out offensive now, have placed limits on the rate of resupply to Hanoi.

Amid the political stalemate then, the inconclusive war continues.

KEEPING JETS IN THE AIR

Ray Harris is at his workbench in the huge engine shop at the Bien Hoa air base just north of Saigon. He works for General Electric, which manufactures the jet engine that drives the Northrup F–5 fighter, the mainstay of Saigon's air force.

He hunches over a circular fuser assembly, the last part of the engine before the afterburner. The assembly is invisibly cracked, and Mr. Harris is using a machine about the size of a dentist's drill to grind down the metal so the crack can be welded.

There are Americans everywhere in the shop, which is devoted to repairing and overhauling fighter and helicopter engines. There is virtually no workroom or machine or assembly line where Americans are anything less than essential parts of the process. Although a few are training Vietnamese to take over the work eventually, most are simply doing the work, especially the highly technical jobs, themselves.

The line where rebuilt jet engines are finally assembled, for example, looks more like a factory somewhere in the United States than a shop belonging to the Vietnamese Air Force. Eight or 10 Americans work in several engines, and not a Vietnamese is in sight.

There are 25 Vietnamese assigned here, a technician says with a shrug, but he adds, "I never see them."

OUTPUT IS KEPT HIGH

Ken Martin of G.E. is crouching with another American beside a jet engine that he has just assembled himself in four 12-hour days. Without the American technicians, he says the shop could produce no more than 40 per cent of what it does. Another American asked what would happen if he and his colleagues pulled out, replied, "This would turn into a big Honda repair shop."

As self-serving and exaggerated as these assessments seem, they underscore the long-term military role that American civilians will have to play if the South Vietnamese are to have continued use of their complex weapons.

Without long training, mechanics in any modern air force probably could not match the skills of the American technicians, most of whom are not young Vietnam war veterans like Mr. Harris but seasoned experts who have been building and rebuilding engines for years on bases here and in the United States.

"Most of our people—this is the only work they've ever done," said Glenn Miller, the 47-year-old G.E. supervisor at the shop. Mr. Miller has 22 years' experience with the company, all on jet engines.

His men are so vital that they—and those working on helicopters for Lycoming Aircraft—were all placed on 12-hour shifts last month during the week before Tet, the Lunar New Year holiday. Their objective was to get as many aircraft flying as possible, Mr. Miller explained, to be ready for any Communist offensive.

$1,000 IN A LONG WEEK

Mr. Miller figures that with overtime and other bonuses, some of the men made $1,000 apiece that week.

High pay is cited by many of the civilians as the main reason for their choice of Vietnam as a place of work. After a year on the job G.E. employes get double their base salaries, bringing the average pay to $20,000 or more, plus $16 a day for food and lodging—an annual total in excess of $25,000.

Since living costs are low by American standards, and since the employes do not have to pay any Federal income tax on $20,000 a year if they are off American soil for at least 18 months, many say they save a good deal of money. Some add that the money has become a silent source of resentment among the Vietnamese Air Force men, who earn only $10 to $35 a month.

This, plus profound war-weariness, has made many Vietnamese men difficult to teach, the contratcors say. "They are only kids, all of them—they don't want to be in the military to begin with," said Elmer Adams, a former United States Air Force man who works for Lycoming supervising helicopter repairs.

"It's a lack of desire," said a technician for Cessna Aircraft working at the Da Nang air base. "They've been under so much pressure for so long they just want peace. They're peace-minded."

CRITICISM OF AMERICANS

It was said sympathetically, and the Cessna man went on: "All they know is that Americans came over here and tore up their country, uprooted their villages and now they're looking for food."

1972 level for at least one year. Another factor which Shipler conveniently ignores is that ARVN positions are fixed to defend bases and populated areas. Their location is known to the enemy. Therefore, few rounds are needed for effective fire. The enemy still hits and runs. His permanent bases are outside ARVN artillery range and ARVN gunners must search for targets, register and then fire for effect, all of which requires more ammunition.

Paragraphs 14–16—The F–5A is not the "mainstay of the VNAF. South Vietnam's work horses are the A–1 and A–37. General Electric, which is mentioned in these paragraphs, provides technicians who assist the VNAF with repair and maintenance of GE-built jet engines. This is normal practice; GE provides the same service to the USAF. Some jet components are of such complexity that only the manufacturer has the expertise to repair them, the G–E contract is not typical of DAO contracts. It is true that is mainly an American work-situation with less emphasis on Vietnamese training. Nonetheless, considerable training programs are conducted by G–E at Bien Hoa. The shop which Shipler visited has a normal complement of 302 Vietnamese and about 50 Americans.

Paragraphs 17–19—The implication in these paragraphs is that the Vietnamese are not serious about learning or are incapable of learning. Neither implication is true, according to the American manager, approximately 200 Vietnamese were normally assigned for duty on the day Shipler visited the shop. It should be noted that Shipler arrived there the afternoon before Tet, January 21, the most important Vietnamese holiday, which was also a Vietnamese Army payday. It is likely that many Vietnamese had taken time off, but according to the shop manager, it is preposterous to state that not a Vietnamese was in sight.

Paragraphs 20–30—Shipler quotes American contract employee as saying the maintenance shop where he works "would turn into a big Honda repair shop" without the Americans. Even Shipler recognizes such a statement to be self-serving and exaggerated, which it was, but implies that an Ameircan presence will have to continue indefinitely "if the South Vietnamese are to have continued use of their complex weapons." Expert opinion holds a precisely opposite view—that within a very short time frame—American instructors can and will be wholly withdrawn. It is Hanoi's purpose to have them withdrawn immediately, before the American logistical training program can bring the South Vietnamese to the same standards of proficiency as the Soviet and Chinese training teams, which started years ago, gave to their proteges in the north with infinitely more complex systems, such as SAM missiles. It is of course true, as the "Cessna Aircraft" technician is quoted as saying in Danang that the South Vietnamese are "peace minded" but not the peace of the grave or total dictatorship which they know is all the other side has to offer.

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Gilbert Walker, another technician, who asked that his company not be identified, observed: "The people I talk to in town care very little about the form of government they have. I guess I don't feel much difference. I don't feel too much admiration for the present Government."

In that case, he was asked, why is he helping the South Vietnamese carry on the war? "I work for my company and I try to keep the aircraft flying," he replied. "I'm working on helicopters, that's all I know. Sometimes I sit back and think. What's it all for, what's the good of it all? It seems like an exercise in futility, what I'm doing."

Paragraphs 31–32—Shipler quotes the personal opinions of contractor personnel on Vietnamese attitudes. This is not difficult for a reporter to do when searching for quotes to help him slant an article. It is comparatively easy to find an uninformed American who will observe that the Vietnamese don't care what kind of government they have. Current history does not support this attitude. The fact remains that the vast majority of South Vietnamese prefer the protection of the GVN to economic and political conditions under the PRG. The PRG has been singularly unsuccessful in luring Vietnamese into VC areas, where only three to five percent of South Vietnam's current population now lives. According to the Kennedy committee, 10-million have voted with their feet, preferring to accept refugee status rather than live under NVA/VC control. Shipler seems oblivious to the confirmation of the nonmilitary logistic training mission in which the American civilians are engaged when he quotes a technician as saying "I work for May Company and I try to keep the aircraft flying. I'm working on helicopters, that's all I know." Whereupon Shipler draws him out on the higher meaning of it all and gets the obvious response.

Futile or not, the Americans' work has carried some of them to positions of considerable authority in the South Vietnamese military supply system. The South Vietnamese still call many of them "co van," which means "advisers," and the American office at the Da Nang base has a big sign over the door that reads, "Co Van."

The Americans often come to identify closely with their jobs, perhaps taking more responsibility than their contracts call for. In a revealing slip of the tongue, Mr. Adams of Lycoming looked around the Bien Hoa engine shop and remarked, "We're in the process—they're in the process, rather—of reorganizing the shop."

Paragraphs 33–35—Shipler states that the Americans' work has carried some to positions of considerable authority in the South Vietnamese supply system. Use of the term "in" is questionable; contractor personnel are instructed to work "with" and not "in" RVNAF units. No American has any authority in the RVNAF system. It is true, but of no significance, that the RVNAF continue to use the term "co van" which is translated as "advisor". But this does not mean that Americans to whom Vietnamese apply the title are doing the same jobs as earlier Americans who were called "co van". After nearly 20 years of working alongside U.S. military personnel, the Vietnamese are accustomed to using the term "co van" for Americans with whom they work closely. The Vietnamese are making the decisions, however, and not the Americans. Shipler quotes Adams, a contractor employee, as saying "we" when referring to reorganizing the shop at Bien Hoa. Shipler calls this a "revealing slip of the tongue." It is natural to become so identified with your job that you say "we" even when referring to management decisions outside your authority. Any US mission employee might well say "we" when speaking of a decision made by the Department or the Pentagon. Shipler quotes an unnamed Defense Department official as saying "we Vietnamized the fighting. But we never Vietnamized logistics." That is a correct statement although the inferences subsequently drawn by Shipler are totally unfounded. He states in paragraph 38 of his article that "there is evidence that the contacts occasionally cross into areas of relationship prohibited by the Paris Agreement."—Contacts between American and Vietnamese. Shipler says there is evidence but presents none of it. He quotes two provisions of the Paris Agreement, both of which have been and are being fully observed.

The fact is that supply and transportation have remained an American operation. "We Vietnamized the fighting, but we never Vietnamized logistics," said a Defense Department official based in Saigon.

That is reportedly the principal reason the United States Defense Attaché's Office—originally scheduled to be dismantled early this year—still contains about 1,150 people, of whom 50 are military men, according to official figures.

In addition, the reduction in the number of Americans working for private defense contractors has halted, allowing the figure to level off at approximately 2,800, down 2,200 since July, according to a spokesman for the Defense Attaché's office.

Paragraphs 36–38—Shipler's statement that the DAO was originally scheduled to be dismantled early this year is an exaggeration or possibly a misunderstanding on his part. When the DAO was established. The U.S. mission hoped that the ceasefire would bring total cessation of hostilities in South Vietnam. Had that happened, it was generally felt the DAO could complete most of its mission within approximately a year and have its residual functions absorbed by embassy or performed outside the country. At no time was this a positive commitment, although some embassy officers may have mentioned the possibility to newsmen in the early days of the cease fire. As of January 1, 1974, there were 1,015 DOD civilians in DAO, a fact made available to Shipler by the Embassy. There are now 907 actually in South Vietnam, slightly fewer than the authorized number of slots. The number of DAO contractor employees on January 31, 1974, was 2,762. On July 1, 1973, the number was 3,502, which represents a drop of 740 instead of the 2,200 reported by Shipler. He has apparently confused the July figure with the original total of DAO contractor personnel in March 1973, which was 5,237. The U.S. has no military advisors in South Vietnam; no advice is given the Vietnamese in contravention of the Paris agreements, contrary to Shipler's undocumented personal opinion.

(These paragraphs not covered.)

The logistics effort—provision of maintenance, ammunition, weapons, trucks, fuel, electronics parts and the like—is now the basis for the Americans' most pervasive and intimate contacts with the South Vietnamese military. Depending on how such terms as "military" and "advisers" are defined, there is evidence that the contacts occasionally cross into areas of relationship prohibited by the Paris agreements.

ANALYSIS OF NEW YORK TIMES ARTICLE ON U.S. AID TO VIETNAM BY U.S. AMBASSADOR GRAHAM A. MARTIN—Continued

"The United States will not continue its military involvement or intervene in the internal affairs of South Vietnam," Article 4 of the cease-fire agreement declares.

"TOTAL WITHDRAWAL"

Article 5 says: "Within 60 days of the signing of this agreement, there will be a total withdrawal from South Vietnam of troops, military advisers and military personnel, including technical military personnel and military personnel associated with the pacification program, armaments, munitions and war material of the United States and those of the other foreign countries mentioned in Article 3(a). Advisers from the above-mentioned countries to all para-military organizations and the police force will also be withdrawn within the same period of time."

According to both American and South Vietnamese officials, the American civilians—both employes of private companies and those of the Defense Department—who help with supply activities not only see that the South Vietnamese get the equipment and ammunition they ask for but also advise them on what to ask for.

Some of these activities came to light as a result of the capture by the Chinese last month of a former United States Army Special Forces captain, Gerald E. Kosh, who was aboard a South Vietnamese naval vessel during a two-day battle with Chinese forces in the Paracel Islands, in the South China Sea.

Mr. Kosh, who was taken prisoner and later released, was described by a spokesman for the United States Embassy as a "liaison officer" with the South Vietnamese military whose job was to observe the efficiency of various army, navy and air force units and report to the Pentagon.

American officials steadfastly refused to provide further details of Mr. Kosh's job. They would not say exactly what he was supposed to observe or whether his reports were ultimately shared with the South Vietnamese. They did say that there were 12 such liaison men based in various parts of Vietnam.

EXTENT OF ROLE UNCLEAR

What is not clear is whether they confine their observations to such matters as the condition of equipment and the rate of ammunition expenditure, or whether they evaluate military tactics and strategies and go so far as to suggest alternatives.

What is fairly certain is that their reports end up in the hands of the South Vietnamese, perhaps providing indirect advice of one sort or another.

A South Vietnamese officer in a position to know said recently that normal procedure called for an American and a South Vietnamese to make an inspection or auditing tour of a military unit together. Then they write up their reports, sometimes separately, sometimes together. The reports, he said, are forwarded up the chain of command in the United States Defense Attaché's Office, which then relays copies of them to Lieut. Gen. Dong Van Khuyen, head of the Logistic Command for the South Vietnamese Joint General Staff.

More direct, overt advice is sometimes given by zealous Americans who are still stationed in every province. An embassy official reported recently that an American based in one province boasted to him about a successful military operation: "I told them to clear the Communists out of ther[illegible]

Actually, South Vietnameses mi[illegible]ry men do not seem anxious for such guidance, noting with some pain that their country has suffered for years under American advice. What they want from the United States is military aid.

SIX GENERALS PAY A VISIT

Clearly, the Pentagon continues to attach high priority to the success of the South Vietnamese military. Last fall a group of six Air Force generals based in the Pentagon visited the Da Nang air base to find out what equipment and aid were needed, according to the base commander, Lieut. Col. Nguyen Tan Dingh. He said they were scheduled to come again this month.

A few weeks ago two civilian employes of the Air Force—one based in Hawaii and the other in Texas—were flown to Vietnam for a short stay so they could give advice on the repair and upkeep of plants that manufacture oxygen for jet fighters. One said he had been in and out of Vietnam frequently on similar missions since 1964, the other since 1968.

Paragraph 41—This paragraph is wholly misleading. Regardless of what unidentified American and Vietnamese officials and U.S. civilians may have told Shipler, the DAO does not perfunctorily "see that the South Vietnamese get the equipment and ammunition they ask for." It is self-evident that the U.S. has not given the GVN carte blanche, but if the point needs explanation, specifics can be cited. For example, more than 200 aircraft to which South Vietnam is entitled under one-for-one replacement program have not been provided by the U.S. Since much of the defense materials provided the RVNAF comes from U.S. sources, both as required by law and in the absence of a South Vietnamese industrial base, the DAO assists the Vietnamese to relate their needs to U.S. supply sources. This is a far cry from advising them on what to ask for, as Shipler glibly suggests.

Paragraph 42–47—The case of Gerald Kosh, the Regional Liaison Officer who was captured in the Paracels and later released by the Chinese, has been written about by several journalists. His duties were described by the DOD press spokesman at the time of his capture and explained to Shipler by the Embassy press officer, who also told him there were 12 regional liaison officers in the country. Shipler was told that an RLO does not act as an advisor, engage in covert or clandestine operations or participate in combat. Shipler was skeptical and insisted that there must be more behind the work of the RLOs than the USG was willing to diclose. He was assured there was not, that an RLO was basically employed to conduct overt liaison with the RVNAF and report on RVNAF efficiency and use of military equipment and supplies. The RLO only collects and transmits information he is given by the RVNAF, so it is pointless to suggest that his "reports end up in the hands of the South Vietnamese, perhaps providing indirect advice of one sort or another." It should be noted that in some cases, U.S. law requires that audits and end-use inspections be conducted by joint U.S./Vietnamese teams. It is not uncommon for an American and South Vietnamese to make an inspection or auditing tour of a military unit together, it is often required procedure.

Paragraphs 48–49—Shipler is wrong when he reports that Americans are still stationed in every province. There are for consulates general in Vietnam in addition to the embassy in Saigon. While there are some vice consul and development officers in the provinces, many of them cover two or more provinces. Only a few DAO civilians and no military personel are stationed outside the greater Saigon area, aside from a few U.S. Marine guards at the consulates general.

Paragraphs 50–51—It is true that six Air Force generals visited South Vietnam last fall; another group came recently, they came at the request of the American Ambassador who wished to be assured that our military material aid was adequate, but frugal; that it was appropriate to the scale of attacks being mounted by the NVA/VC forces at the direction of Hanoi; that, as required by law, we should be able to report accurately and precisely to the Congress, the generals were very helpful and the Ambassador hopes they can return at approximately the same interval in the future.

ANALYSIS OF NEW YORK TIMES ARTICLE ON U.S. AID TO VIETNAM BY U.S. AMBASSADOR GRAHAM A. MARTIN—Continued

Although the Paris agreements explicitly rule out advisers to the police force, the South Vietnamese National Police continue to receive regular advice from Americans.

In a recent conversation with this correspondent, two high-ranking officers said they and their staffs met frequently with the Saigon station chief of the C.I.A. and his staff. Sometimes, they said, the C.I.A. chief asks the police to gather intelligence for him, and often they meet to help each other analyze the data collected.

A police official confirmed that in some provinces "American liaison men" who work with the police remain on the job. "There are still some, but not so many," he said.

EPISODE IN POLICE STATION

Local policemen still refer to "American police advisers," according to James M. Markham, Saigon bureau chief of The New York Times, who was detained by the police late in January after a visit to a Vietcong-held area.

Mr. Markham said that in both Qui Nhon, where he was held overnight, and Phan Thiet, where he was detained briefly while being transferred to Saigon, policemen, talking among themselves, referred to the "police adviser." In Phan Thiet, he reported, a policeman was overheard saying, "Let's get the American police adviser over here."

In the last six weeks The New York Times has made repeated attempts to interview officials in the United States Agency for International Development who are responsible for American aid to the police. Although the officials appeared ready to discuss the subject, they were ordered by the United States Ambassador, Graham A. Martin, to say nothing.

In the absence of official United States figures, the best information on police aid comes from Senator Edward M. Kennedy, who calculated that as of last June 30 the Agency for International Development and the Defense Department has spent $131.7-million over the years for police and prisons in South Vietnam. Despite a Congressional ban on such assistance enacted last December, such support has continued, according to American officials, but they say that no decision has yet been made on how to phase out the programs.

Section 112 of the new foreign aid bill reads: "None of the funds appropriated or made available pursuant to this act and no local currencies generated as a result of assistance furnished under this act may be used for the support of police or prison construction and administration within South Vietnam, for training, including computer training, of South Vietnamese with respect to police, criminal or prison matters, or for computers, or computer parts for use for South Vietnam with respect to police, criminal or prison matters."

TRAINING IN WASHINGTON

South Vietnamese policemen are reportedly still being trained at the International Police Academy in Washington, and technical contracts with private companies that provide computer services and communication equipment have not been terminated.

Senator Kennedy reported that the Nixon Administration had requested $869,000 for the current fiscal year for police computer training, $256,000 for direct training of policemen, $1.5-million for police communications and $8.8-million for police equipment, presumably weapons and ammunition, from the Defense Department.

Although these figures are not normally included in the totals for military aid, the police here have military functions, and engage in infiltration, arrest, interrogation and torture of Communists and political dissidents.

This activity violates the cease-fire agreement, which states in Article 11: "Immediately after the cease-fire, the two South Vietnamese parties will . . . prohibit all acts of reprisal and discrimination against individuals or organizations that have collaborated with one side or the other, insure . . . freedom of organization, freedom of political activities, freedom of belief."

INTERVIEWS ARE REFUSED

Not only has Ambassador Martin ordered American officials to remain silent on the subjects of military and police aid; both he and the Defense Attaché, Maj. Gen. John E. Murray, refused requests by The New York Times for interviews. Furthermore, the

Paragraphs 52–56—We will not simply say Shipler's statement that "Although the Paris Agreements explicitly rule out advisers to the police force the South Vietnamese National Police continue to receive regular advice from Americans" is inaccurate, it is utterly false and known to be so by the writer. Certainly, it is true that CIA officers connected with the Embassy meet routinely with police officials. It is hoped that this practice is followed at every Embassy in the world in a continuing effort to keep senior officials of the U.S. as well informed and as currently informed as possible. That Americans in the provinces maintaining contact with local police officials may, out of habit, still be called "advisers" does not in any way change the fact that there are no American advisers, formal or informal, or under any device or cover.

Paragraph 57—It is correct that the Ambassador issued instructions to USAID officials in Saigon not to discuss these matters with Shipler. He worked on the New York Times article for more than three weeks—in Saigon, Bien Hoa and Danang. It became obvious to U.S. mission officers from Shipler's line of questioning that he had no intention of writing a reasonably balanced story, but rather, a biased indictment of the U.S. role in Vietnam and the GVN's unreasonable obstruction of Communist objectives. Shipler, therefore, was not given the kind of cooperation the Embassy normally extends to responsible reporters, since it is simply not possible to cooperate and thereby give a platform and inferred credibility to deliberate and gross distortions calculated to deceive the American Congress and the American people. DAO contractors, incidentally, were not told to refuse to talk with Shipler, as he asserts.

Paragraphs 58–63—Here we begin to see the link forecast in Hanoi planning last fall. The figures given in the Kennedy report for overall assistance to police programs may well be accurate. We simply cannot confirm from here. It is important to record that the provisions of the Foreign Assistance Act of last December are being scrupulously complied with and at a more rapid pace than actually called for in the law itself. But the American people should be told why Hanoi is so determined to utilize every pressure at its command to destroy the police program. The answer is simple. No guerrilla subversion can exist in a closed society. It is no problem in North Vietnam or in the Soviet Union or the PRC for that matter. The guerrilla type of subversion and terror can only exist in a free and open society. In a free and open society, even one with warts, as both ours and the South Vietnamese have, the most effective deterrent against terror and subversion is an effective police force. Therefore, every effort is made by the Communists to enlist all propaganda [illegible]es against it, including the unwitting. Charges of repression, terror, brutality and corruption must be reiterated over and over, until it finally becomes imbedded in the conventional wisdom. The culmination of this process in Shipler's statement [illegible] here have military functions and engage in infiltration, arrest, interrogation and torture of Communists and political dissidents." The juxtaposition should be carefully noted. Certainly, the police engage in "infiltration arrest." How else can any free society anywhere defend itself? They engage in "interrogation." Any police system anywhere in the world does the same. And now follows innocently the word "torture." No evidence is presented, just the charge. Who is interrogated?—"Communists" and now, innocently again, "political dissidents," with no evidence presented. Then follows the flat statement, does not point out that the ICCS has no supervision whatever of instance, there is simply no creditable proof of the police actions alleged. Nor is there the slightest reference by Shipler to there being any possibility that there has been any violation on the so called PRG side.

Paragraphs 64 and 65—Shipler accurately records that the Ambassador and Major General Murray refused requests by The New York Times for interviews. The reason is obvious. To do so would permit their own reputations for integrity to be used as a plat-

ANALYSIS OF NEW YORK TIMES ARTICLE ON U.S. AID TO VIETNAM BY U.S. AMBASSADOR GRAHAM A. MARTIN—Continued

embassy told at least two private companies—Lear-Siegler, which employs a large force of aircraft mechanics here, and Computer Science Corporation, which works on military and police computer systems—to say nothing publicly about their work, according to company executives.

The official nervousness is attributed by an embassy employe to the Nixon Administration's apprehension about the inclination of Congress to cut aid to South Vietnam. The Ambassador has reportedly told several non-Government visitors recently that South Vietnam is in a crucial period and that he sees his role as unyielding support to build up and preserve a non-Communist regime.

He is reported to have pressed Washington to provide new weapons for Saigon to counteract the infiltration of troops, tanks, and artillery from North Vietnam since the ceasefire. For example, plans have been made for the delivery of F-5E fighter planes to replace the slower, less maneuverable and less heavily armed F-5's, many of which were rushed to South Vietnam in the weeks before the cease-fire.

VIOLATION IS CHARGED

Privately, officers in the International Commission of Control and Supervision scoff at the American contention that supply of the planes does not violate the Paris agreements, which permit only one-for-one replacement of weapons "of the same characteristics and properties." A high-ranking official of one of the non-Communist delegations, asked recently if he thought the United States was faithfully observing the one-for-one rule, replied, "Of course not."

There is nothing the commission can do about it without permission from both the South Vietnamese Government and the Vietcong to investigate, and permission is unlikely to be forthcoming from the Saigon side. Similarly, the commission has been unable to audit other incoming weapons and ammunition for both sides. During the first year after the cease-fire, the United States provided South Vietnam with $5.4-million worth of ammunition a week, apparently unaccompanied by pressure to restrain military activities.



Several weeks ago Elbridge Durbrow, who was Ambassador to South Vietnam from 1957 to 1961, came to Saigon and met with Ambassador Martin and General Murray. Mr. Durbrow, who denounced the Paris agreements and who declares, "I am a domino-theory man," was asked by newsmen whether the American officials had indicated that they were trying to keep South Vietnam from violating the cease-fire.

"Not from anybody did we hear that," he replied. Then, referring to General Murray, he said: "He's not that kind of man at all—just the opposite. If you are not going to defend yourself you might as well give up and let Hanoi take over."

form for promoting a campaign to grossly deceive the American Congress and the American people. Neither will permit this, although they quite freely see most reputable journalists who request interviews. As stated earlier, no instructions were issued to contractors to shun newsmen who apparently, on their own, also do not wish to be used in a campaign to deceive the American people. The comments attributed to the Ambassador, from a second hand source, are also without foundation.

Paragraph 66—The USG has never made a secret of the fact that it intends to replace some F-5A jet aircraft with faster, more maneuverable F-5Es. In the DOD press briefing of January 8, 1974, Lt. Gen. James said that this was no new information. "We have said all along," he told reporters, "that we had supplied the South Vietnamese with the F-5 Tiger One, which was the earliest F-5, and that considerable improvements had been made on subsequent models that we had contracted to provide them, and these old aircraft would be replaced on a one-for-one basis. This will be done in time. . . ." The USG does not regard replacement of some F-5A aircraft with the later F-5E as a violation of the Paris agreements. The F-5E is simply a newer version of the F-5A, which is no longer available.

Paragraphs 67 and 68—Shipler states that a high-ranking official of "one of the non-Communist delegations, asked recently if he thought the U.S. was faithfully observing the one-for-one rule," replied, "of course not." The ICCS official was quite right, but not in the way Shipler implies. As a matter of fact, the USG unfortunately has not been able in one single category to provide one-for-one replacements of all the material lost by the GVN while defending itself from continuing NVA/VC aggression since the cease-fire. Article VII of the Paris agreement specifies that the two South Vietnamese parties shall not accept introduction of troops, military advisers and military personnel including armaments, munitions and war material into South Vietnam. Both parties, however, are permitted to make periodic replacements of armaments, munitions and war material which have been destroyed, damaged, worn out or used up after the cease-fire on the basis of piece-for-piece, of the same characteristics and properties, under supervision of the Joint Military Commission (TPJMC) and of the ICCS. Article 18(c) gives the ICCS specific responsibilities regarding prohibition under article VII. The ICCS protocol specified the designation of ICCS teams at points of entry, some of which are listed in paragraph B of article 4, and some are to be designated by the two South Vietnamese parties. These pertinent sections of the Paris agreement and of the ICCS protocol have not been implemented. Designated points of entry are the "modalities" of the control and supervision of military shipments. The record shows there has been considerable unwillingness on the part of the so-called PRG to help the ICCS deploy to sites in territory controlled by the Vietcong. While the GVN has designated the additional points of entry, as required, the PRG has refused to do so. The PRG, as a matter of fact, has tried to prevent deployment of ICCS teams. For example, an ICCS helicopter taking a team in April 1973 to the entry point of Lao Bao in PRG territory was shot down claiming the lives of several ICCS members and the American crew. It is unjust for Shipler to say that the Saigon side is unlikely to grant permission to supervise replacement of weaponry for South Vietnam. The GVN has indicated its willingness, time and time again, to cooperate with implementation of the agreement and protocols provided the other side displays a similar cooperative attitude. Thus, the activities of the point of entry teams have been frustrated. At the beginning, on a unilateral basis, the Canadian and Indonesian delegations joined in involving themselves in supervision and control of military shipments and the GVN did not object to this. Shipler does not point out that the ICCS has no supervision whatever of military shipments coming into South Vietnam from the north. Nor does he mention anywhere in his article the infiltration of combat troops from North Vietnam since the cease-fire, a fact well known to him.

Paragraphs 69-70—The Shipler quotation of Ambassador Durbrow ends the article consistently on another distortion. According to other sources, Durbrow was making the point that no one could expect the South Vietnamese unilaterally to observe the cease fire if the other side ignores it completely. Most Americans, we expect, would agree.

THE NOISE CONTROL ACT OF 1972

Mr. TUNNEY. Mr. President, under the Noise Control Act of 1972, passed by the Congress in October 1972, we instructed the Environmental Protection Agency to investigate, and publicly answer, a straightforward scientific question; namely, What noise levels are requisite in defined areas under various conditions to protect the public health and welfare with an adequate margin of safety?

Under section 5 of the Noise Control Act, we required EPA to publish this "Levels Document" by October 27, 1973. This date came and went with no document. One February 1, the Environmental Defense Fund sued the Administrator of EPA to require him to publish the document.

Last week, through discovery procedures in this suit, the Environmental Defense Fund succeeded in obtaining a copy of this document in the form in which it was approved by EPA on February 27, and sent to the Office of Management and Budget for that agency's prepublication review.

I regret to say that the levels document seems to be mired in further delay at this stage—even though it has been fully approved by the agency whose research and findings we asked for.

The delay may derive from continued confusion about the purpose of this document. The purpose ought to be clear: The document was to provide scientific information to States and cities to aid their efforts "in determining the degree to which noise in the environment needs to be reduced." It was not intended by the Congress that the levels in the document be considered as Federal standards.

As EPA correctly states on page 9 of its introduction to the draft document:

> Neither Congress nor the Environmental Protection Agency has reached the conclusion that these identified levels should be adopted by states and localities. This is a decision which the Noise Control Act clearly leaves to the states and localities themselves.

EPA further states—also correctly—on page 11, that—

> The general purpose of this document is to discuss environmental noise levels requisite for the protection of public health and welfare, without consideration of those elements necessary to an actual rule-making so that state and local governments as well as the Federal Government and the private sector will have an informational point of departure for the purpose of decision-making.

I ask unanimous consent to have printed in the RECORD part of the introduction to the levels document as it was approved by EPA, which contains a summary of that Agency's findings and conclusions. I would like further, to call upon those who now have custody of this vitally important document to permit its prompt publication.

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

I. INTRODUCTION

The Noise Control Act of 1972 established by statutory mandate a national policy "to promote an environment for all Americans free from noise that jeopardizes their public health and welfare". The Act provides for a division of powers between the Federal and state and local governments, in which the primary Federal responsibility is for noise source emission control, with the states and other political subdivisions retaining rights and authorities for primary responsibility to control the use of noise sources and the levels of noise to be permitted in their environment.

In order to provide adequately for the Federal emission control requirement and to insure Federal assistance and guidance to the states and localities, the Congress has established two separate but related requirements with regard to scientific information about health and welfare effects of noise. First, the Environmental Protection Agency was called upon to publish descriptive data on the effect of noise which might be expected from various levels and exposure situations. Such "criteria" statements are typical of other environmental regulatory schemes. Secondly, the Agency is required to publish "information" as to the levels of noise "requisite to protect the public health and welfare with an adequate margin of safety".

A. Summary

The first requirement was completed in July, 1973, when the document "Public Health and Welfare Criteria for Noise" was published. The present document represents the second step. Much of the scientific material on which this document is based was drawn from the earlier "Criteria Document", while additional material was gathered from scientific publications and other sources, both from the U.S. and abroad. In addition, two review meetings were held which were attended by representatives of the Federal agencies as well as distinguished members of the professional community and representatives from industrial and environmental associations. The reviewers' suggestions, both oral and written, have received thoughtful attention, and their comments incorporated to the extent feasible and appropriate.

After a great deal of analysis and deliberation, levels were identified to protect public health and welfare for a large number of situations. They are summarized in Table 1 according to the public health and welfare effect to be protected against, the requisite sound level, and the areas which are appropriate for such protection.

In order to identify these levels, a number of considerations and hypotheses were necessary, which are listed below with reference to the appropriate appendices where they are discussed in detail.

1. In order to describe the effects of environmental noise in a simple, uniform and appropriate way, the best descriptors are the long-term equivalent A-weighted sound level (Leq) and a variation with a nighttime weighting, the day-night sound level (Ldn), (see appendix B).

2. To protect against hearing impairment, (see Appendix D):

a. The human ear, when damaged by noise, is first affected at the 4000 Hz frequency.

b. Changes in hearing level of less than 5 dB are generally not considered noticeable or significant.

c. One cannot be damaged by sounds one cannot hear.

d. Protecting the population up to a critical percentile (ranked according to decreasing ability to hear) will also protect those above that percentile, thereby protecting virtually the entire population.

3. To correct for intermittency and duration in identifying the appropriate level to protect against hearing loss, (also, see Apendix D):

a. The Equal Energy Hypothesis

b. The TTS Hypothesis

4. To identify levels requisite to protect against activity interference, (see Appendix E):

a. Annoyance, as measured by community surveys, is the consequence of activity interference.

b. Of the various kinds of activity interference, speech interference is the one that is most readily quantifiable.

TABLE 1.—SUMMARY OF MAXIMUM NOISE LEVELS IDENTIFIED REQUISITE TO PROTECT PUBLIC HEALTH AND WELFARE

Effect	Level	Area
Hearing loss	$L_{eq(24)} \leq 70$ dB	All areas.
Outdoor activity interference and annoyance.	$L_{dn} \leq 55$ dB	Outdoors in residential areas and farms and other outdoor areas where people spend widely varying amounts of time and other places in which quiet is a basis for use.
	$L_{eq(8)} \leq 55$ dB	Outdoor areas where people spend limited amounts of time, such as schoolyards, playgrounds, etc.
Indoor activity interference and annoyance.	$L_{dn} \leq 45$ dB	Indoor residential areas.
	$L_{eq(24)} \leq 45$ dB	Other indoor areas with human activities such as schools, etc.

Explanation of table 1:

1. Detailed discussions of the terms L_{dn}, $L_{eq(8)}$ and $L_{eq(24)}$ appear later in the document. Briefly, $L_{eq(8)}$ represents the sound energy averaged over an 8-hour period while $L_{eq(24)}$ energy averages over a 24-hour period. L_{dn} represents the L_{eq} with a 10 dB nighttime weighting.

2. The levels identified here represent long-term annual averages of the daily level. (These are energy averages, not to be confused with arithmetic averages.)

3. Relationship of an $L_{eq(24)}$ of 70 dB to higher exposure levels.

EPA has determined that for purposes of hearing conservation alone, a level which is protective of that segment of the population at or below the 96th percentile will protect virtually the entire population. This level has been calculated to be an L_{eq} of 70 dB over a 24-hour day.

Given this quantity, it is possible to calculate levels which, when averaged over given durations, shorter than 24 hours, result in equivalent amounts of energy. For example, the energy contained in an 8-hour exposure to 75 dB is equivalent to the energy contained in a 24-hour exposure to 70 dB. For practical purposes, the former exposure is only equivalent to the latter when the average level of the remaining 16 hours per day is negligible (i.e., no more than about 60 dB* for this case).

An $L_{eq(8)}$ of 75 is considered an appropriate level for this particular duration because 8 hours is the typical daily work period. In addition, the 24-hour exposure level was derived from data on 8-hour daily exposures over a 40-year working life. In planning community noise abatement activities, local governments should bear in mind the special needs of those residents who experience levels higher than $L_{eq(8)}$ at 70 on their jobs.

These levels are not to be construed as standards as they do not take into account cost or feasibility. Nor should they be thought of as discrete numbers, since they are described in terms of energy equivalents.

* This is not to imply that 60 dB is a negligible exposure level in terms of health and welfare considerations, but rather that levels of 60 dB make a negligible contribution to the energy average of L_{eq}=70 dB when an 8-hour exposure of 75 dB is included.

As specified in this document, it is EPA's judgment that the maintenance of levels of environmental noise in the areas defined above, are requisite to protect the public from adverse health and welfare effects. Thus, as an individual moves from a relatively quiet home, through the transportation cycle, to a somewhat noisier occupational situation, and then back home again, his hearing will not be impaired if the daily equivalent of sound energy in his environment is no more than 70 decibels. Likewise, undue interference with activity and annoyance will not occur if outdoor levels are maintained at an energy equivalent of 55 dB and indoor levels at 45 dB. However, it is always assumed throughout that environmental levels will fluctuate even though the identified energy equivalent is not exceeded. Likewise, human exposure to noise will vary during the day, even though the daily "dose" may correspond well to the identified levels.

Before progressing further, it would be helpful to differentiate between the terms "levels," "exposure" and "dose". As used in this document, the word "level" refers to the magnitude of sound in its physical dimension, whether or not there are humans present to hear it. "Exposure" is used to mean those sound levels which are transmitted to the human ear, and "dose" is the summed exposure over a period of time.

TRADE UNIONS

Mr. JAVITS. Mr. President, Mr. William F. Driver, a retired high school teacher of New York City, recently wrote to me enclosing some material he had prepared back in 1942 about trade unions. The material prepared by Mr. Driver was remarkably prescient. I seek unanimous consent that Mr. Driver's material on trade unions prepared for his class in 1942 be printed in the RECORD.

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

TRADE UNIONS

MOTIVATION

Unions are basically American, practicing the method and means by which our country became a world leader—United States. In union there is strength, united we stand, divided we fall. Unions are similar to our democratic governmental structure, in organization and function. Every union member should have five major objectives and abide by them honestly. This is the workers Code of Ethics.

1—Privileges
2—Responsibilities
3—Obligations
4—Rights
5—Benefits

PARTICIPATION

Privileges

1—To be an American citizen
2—Free to organize
3—Practice democratic procedures
4—Vote to elect representatives
5—Freedom of expression
6—To be active member

Responsibilities

1—Individual responsibility for Union
2—Attend all Union meetings
3—Take advantage of privilege to vote
4—Elect responsible officers
5—Combat un-American activities
6—Prevent control by cliques
7—Report for work on time
8—Use employer's facilities as you would your own

Obligations

1—To be active member
2—Abide by Constitution
3—Vote for representation
4—Prevent subversive leadership
5—Be satisified with agreed wage
6—Produce a day's work
7—Consider employer's investment
8—Fair dealing with employer
9—Consider problems of fellow employee
10—Take an interest in your work

Rights

1—To organize
2—To assembly
3—To work
4—To have voice in union affairs
5—Fair competition for employment
6—Grievance committee
7—Right to appeal decisions

Benefits

1—Choice of representative
2—Exchange of ideas
3—Lessens discrimination
4—Collective bargaining
5—Closer employer-employee relationship
6—Less labor difficulty
7—Family health insurance
8—Pensions
9—Cost of living-scale adjustment
10—Life insurance
11—Set wage scale
12—Eliminates cut-throat competition
13—Grouping skills
14—Central agency for employment
15—Experience in parliamentary procedure
16—Limited regulated hours
17—Additional leisure time
18—Paid vacations
19—Paid holidays

SUMMARY

Union membership may no longer be considered just employee representation, for in many fields it has taken the initiative in business. For example—the unions control and operate, from union funds many banks, hospitals, insurance companies, house projects, homes for the aged, investments in Government Bonds and many other enterprises, running into millions of dollars. In many business ventures union officials seem to have been more realistic in their dealings as well may be the case of the auto workers union, which inaugurated the cost of living scale, adjusting wages to conform with fluctuating prices.

The union membership has grown so large that now under a political action committee its leadership has become a major political factor to be considered in any election.

ENERGY PRICING POLICIES AND CONSERVATION

Mr. McINTYRE. Mr. President, in the past few months we have seen the price of gasoline rise 50 percent. We have seen the Federal Energy Office actively encouraging producers to go out to find new oil supplies by allowing them to raise the price of one barrel of oil they now produce for each barrel of oil they find. We have seen unilateral price increases made by the FEO with little basis in fact. Mr. President, fortunately for us, there are still some members of the staff at the Federal Energy Office who raise their voices in opposition to these pricing policies. I should like to insert in the RECORD the following piece by Morton Mintz of the Washington Post that outlines some of that opposition.

I should also like to insert in the RECORD two other pieces from the Post that tell us we must continue to conserve energy in these difficult times. We are increasing our own, secure, domestic energy base, but at the same time it will not be enough to insure us the fuels we need. While we work to increase our secure energy sources, building new refineries, developing new supplies, and working with nations outside this hemisphere to maintain the world economy, we must diligently develop a conservation ethic. Energy is a scarce commodity. We must use it wisely.

Mr. President, I ask unanimous consent that these articles be printed in the RECORD.

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

OFFICIAL OPPOSES OIL POLICY

(By Morton Mintz)

A key Federal Energy Office official has gone on record as opposing Nixon administration price control policies on crude oil and natural gas.

His basic argument was that the policies cannot achieve what they are intended to do—increase supplies by stimulating development of new sources of oil and gas.

The dissent came in a memo last Sept. 25 by Philip L. Essley Jr., deputy assistant FEO administrator for policy analysis.

Neither Essley nor the FEO would comment on the memo, a copy of which was obtained by The Washington Post.

Since it was written, the administration has already taken one action apparently inconsistent with Essley's position—by allowing the controlled price of most domestic crude oil to rise by $1 a barrel to $5.25.

And President Nixon himself has repeatedly urged Congress—most recently on Tuesday night—to enact another change opposed by Essley, the end of price controls on natural gas.

The result of abrupt removal of price controls on either natural gas or crude oil would be "prices higher than are required to encourage the industry to expand at its maximum efficient rate," Essley said in his memo.

"This would lead to increased costs to the U.S. consumer with no related increases in energy security."

The FEO's public position on prices of petroleum products is that increases are needed in order to stimulate exploration for and development of new supplies. Until Essley's memo surfaced, the agency had spoken with a single voice on the issue.

Essley is a petroleum engineer who worked for three oil companies before joining the government in 1971. He addressed the 3½-page, single-spaced memo to his boss, William A. Johnson, but sent copies to other key officials, including energy director William E. Simon and deputy director John Sawhill.

Essley said that he favors decontrol of prices for petroleum prices but only gradually and over a long period of time.

He said there is a shortage of drilling rigs, a limit on the speed with which new ones can be built, and "an even more severe limitation on obtaining and training rig personnel," Essley said, largely because of "atrophy in the industry over the past decade."

As a result, he said, continued oil and gas price increases may not lead to further exploration and development. "If they won't," he asked, "can further increases be justified?"

Part of Essley's memo concerns the system of controlling prices on crude oil.

At the time he wrote it, the government was holding the price of most "old" crude oil—that which is already flowing or readily available—to $4.25 a barrel. The price of "new" crude, from newly discovered wells, was and is uncontrolled.

Under FEO regulations, however, a producer is entitled to exempt one barrel of "new" crude he sells. The system is supposed to provide another incentive to explore for new sources of oil, but it also means that less and less "old" oil is under price controls as this happens.

Even in September, Essley said in the memo, "we do not have effective controls on crude prices. New oil prices are exempt from control and have increased rapidly . . . Further, we have heard of situations where exorbitant prices are paid for new oil in order to increase the average price of all oil. (One report alleges that a price of $10,000 for one barrel of oil has recently been negotiated by a producer)."

Essley warned that without a change in the two-tier price system the price of crude will continue to go up.

He urged control of prices for new as well as old oil, "with gradual increases and decontrol of both over time to prevent prices from rising faster than needed for full rig utilization and drilling industry expansion at an efficient rate."

This would minimize price increases for consumers, he said.

On Dec. 1, about nine weeks after Essley wrote the memo, the FEO increased the price of "old" oil from $4.25 to $5.25. The agency has defended the $1-a-barrel increase on the ground that it will lead to increase production by inducing producers to employ secondary and tertiary productions methods that would be unprofitable at lower prices.

But at a hearing of a House Select Small Business subcommittee on Jan. 18, the FEO's Sawhill and an aide admitted they lack data either to justify the specific amount of the increase—$1—or to show whether the resulting higher profits are being plowed back to increase production.

Pavlovian Politics and Arab Oil

President Nixon was evidently caught between two opposite impulses at his Houston press conference when he talked about the end of the Arab oil embargo. There was the strong temptation to play up the good news and tell the country that its oil troubles are over. But Mr. Nixon knew, of course, that our oil troubles are anything but over; the Arabs mean to keep the shipments lower than this country had expected. As it turned out, Mr. Nixon chose his words skillfully and managed to harvest several rounds of applause from his audience without giving away any substantial part of his position. He announced, for example, that he was rescinding his "order" to close gas stations on Sundays. But the order was never anything more than a request for voluntary compliance, and it was being increasingly ignored. The important parts of the oil conservation program all stay in place—the allocations, the low speed limits, the mandatory savings in industry. Prices will continue to rise, the strongest force of all for conservation. It is unpleasant but absolutely necessary to hold down oil consumption. In view of the Arabs' public statements, this country has no reason whatever to rely on the continuity of their future oil shipments to us.

The Arab oil producers now say that they are going to end their embargo against the United States temporarily, depending upon our good behavior. Dr. Pavlov rings the bell, and the dog salivates. In order to keep the dog salivating on signal, it is necessary to give him a morsel from time to time. In the same orderly and scientific spirit, the Arabs evidently intend to train us to identify our interests with their purposes. When we are obedient, the oil will flow. When we are refractory, the oil will stop. But if the oil is stopped too long, there is a danger—from the Arabs' point of view—that Americans will learn to live without the embargoed oil. It follows that the canny Arabs do not intend to leave the oil turned off indefinitely, even though progress toward a firm peace in the Mideast continues to be very slow. But to underline their intention, the ministers mean to meet again on June 1, less than three months from now, to "review" the decision on the embargo.

The Pavlovian politics of oil requires not only continuous uncertainty regarding the embargo but, much more important, a lower flow of oil than the world was expecting. Saudi Arabia has said that it will ship 1 million barrels a day to the United States, an amount not quite sufficient to bring our oil imports back up to the level of last fall. Until last fall, American oil policy assumed relatively low prices and a massive increase in oil consumption. Most of that increase was to come from abroad and, specifically, from Saudi Arabia. The Arab exporters are now offering us the opportunity to end our present discomfort by re-establishing our dependence on them.

Everything comes down to Saudi Arabia and its position. The Saudis command vastly the largest and most accessible oil reserves in the world. It is not really a matter of a cartel, because very little depends on what the other Arab producers choose to do. Saudi Arabia is by itself a large enough element in world oil trade that when it holds down production there is a worldwide shortage, and if it pumps to capacity there will be a worldwide glut. A lot of oil exporting countries are going to be pressing the Saudis to restrict shipments in order to keep up the prices for everybody else. More dangerous, every setback in the Arabs' negotiations with Israel will immediately bring an outcry from other Arab governments and political movements to invoke the oil weapon again. With every rise in their level of frustration, and with every rebuff to the Palestinian cause, the more militant and radical Arabs will begin to lean on the Saudis to turn off the oil. Saudi Arabia, a small country in terms of population and military strength, is in no position to stand up to unlimited pressure from its neighbors. That truth needs to be kept very much in mind by Americans as they consider the stability of our future oil supplies.

Now that the Saudis are going to ship to us again, for the time being, what ought we do? First of all, we need to keep the present conservation rules in force. If we drop these precautions, after having been plainly warned that the Arab oil ministers are taking up the embargo question again in June, we are foolish to the point of negligence. Next, we ought to store at least some proportion of the new imports. Building oil storage capacity is expensive, but it is not as expensive as the anxieties and uncertainties of recent months.

The oil weapon has been a great success in terms of raising prices, dismaying consumers and disrupting economies in the industrial countries. But it has had no visible effect on the pace or direction of the peace negotiations between Israel and its Arab neighbors. The United States is trying earnestly to assist the negotiations and speed both sides toward a stable peace agreement. But it has been slow work, and it will continue to be slow work. The oil weapon has been effective for everything except the one purpose for which it was evoked. The United States can readily agree to continue to deal with both sides in good faith, but it cannot promise rapid or dramatic results. We must assume that the oil embargo may flicker on and off over the months to come. If it catches us unprepared a second time, we shall have no one to blame but ourselves.

The Oil Crisis Will Continue

(By Hobart Rowen)

The Arab oil weapon has temporarily been laid on the shelf, within easy reach by the managers of the exporters' cartel. It has not been abandoned, and it would be a mistake for the American public to delude itself into thinking that the Vienna announcement of the lifted embargo has more than marginal meaning.

So long as prices for oil remain sky-high—triple what they were prior to the embargo—and so long as production levels are carefully controlled by the oil-producing states, the oil crisis will continue.

Of course, it will be difficult to sustain public concern about the oil crisis if gasoline becomes somewhat more readily available—albeit at prices nudging 70 cents a gallon in the East.

But the most difficult problem created by high oil prices—the potential for economic recession in the industrialized world—remains unsolved.

As much as $50 billion to $60 billion must be transferred from the oil-consuming nations to the oil cartel this year to pay for the increased costs of oil—a sum which threatens vast disclocations here and abroad.

No one has yet figured out how the consuming nations will pay the bill—or how the exporting nations will use or invest the vast sums they receive—once they're paid over.

But the terms of the lifted embargo, as made public in Vienna, carefully eschew any guarantee of increased production which would tend to assure a softening in price. Iran and Algeria, to the contrary, have been arguing loudly for yet another increase in price.

The remaining potency of the oil weapon, moreover, should be seen from the Arab statement which warns that "Israel alone" will bear the responsibility for "more severe oil measures, in addition to the other various resources which the Arab world can master in order to join the battle of destiny."

Plainly, this is a threat to use not only oil itself, but oil money, as it piles up, as a bludgeon over the West. By moving large blocks of capital in and out of money markets, for example, a concerted drive by the oil cartel countries could shake Western currency markets. Demand for payment in gold, from those who have limited supplies of gold, could also weaken the financial underpinnings of the West. And large-scale industrial and commercial investments in industrialized countries could provide the Arab nations with a degree of leverage over economic prospects and job opportunities.

It is not at all far-fetched to visualize a scenario in which the embargo might be threatened again unless the industrialized countries step up their aid programs for the hard-pressed African countries who have given the Arabs political support.

Faced with the Arab nations' clearcut success in the initial round of the oil war, it is disconcerting to see the potential for joint action by the consuming nations fade away in a welter of acrimonious debate between President Nixon and Europe.

Europe—dominated by France—seems determined to pursue bilateral deals with the Arab nations. If the United States were to sacrifice principle to be assured of a steady flow of Arab oil, it could elbow the French and British or anyone else out of the way, especially with Iran and Saudi Arabia, offering them as much money and technology and certainly more security than any combination of European nations.

Because it has not succumbed to blackmail, the United States has so far not chosen this course. Hopefully, the Nixon administration will not be panicked by the new harsh language in the cartel's Vienna announcement, or by a political need for some new diplomatic "success" to offset Watergate troubles.

We can anticipate a flood of fairly optimistic assessments from the major banks and the big oil companies who are heavily engaged with the producing countries in oil and money matters. It isn't reasonable to look to bankers or oil presidents for a restatement of the need for independence from Arab oil.

But if that crucial drive gets lost in a misplaced euphoria over a slight jiggle in the use of the Arab oil weapon, it will be a shame. They have the ability to turn the oil

supply valves on and off at will. They make no pretense of their willingness to use their oil and new found wealth as political blackmail. A policy that doesn't recognize this as a fact is suicidal.

We hardly needed to be told that the embargo will be "reviewed" June 1. Only a year ago, Saudi Arabian Minister Zaki Yamani was saying that oil would never be used as a political weapon. Now, we know (or should know) that no assurance from the Mideast exporting countries means anything.

The oil cartel has created a vast uncertainty over a vital supply, with the combination of oil and money forged into a devastating weapon. So far, the Western World has evolved no effective response.

SEVENTH CIRCUIT COURT DECISION IN KING AGAINST UNITED STATES

Mr. PERCY. Mr. President, the Seventh Circuit Court of Appeals issued its decision in the case of Charles Joseph King, Jr. against the United States on March 13 of this year. Because the court decided that section 555(e) of the Administrative Procedure Act does "apply to parole release hearings and requires 'a brief statement of the grounds for denial,'" the implications of this decision are important and far reaching.

Mr. President, I ask unanimous consent that the opinion be printed in the RECORD.

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

[In the U.S. Court of Appeals for the Seventh Circuit, September term, 1973 to January session, 1974, No. 73-1387]

CHARLES JOSEPH KING, JR., PLAINTIFF-APPELLANT, v. UNITED STATES OF AMERICA, ET AL., DEFENDANTS-APPELLEES.

(Appeal from the United States District Court for the Southern District of Indiana, Terre Haute Division. No. TH 72-C-126 James E. Noland, Judge.)

Argued January 25, 1974—Decided March 13, 1974.

Before Pell, Stevens and Sprecher, Circuit Judges.

Sprecher, Circuit Judge. This appeal seeks the answer to the single narrow question: Does due process or statute require that reasons be given for the refusal of the United States Board of Parole to grant parole?

I

The plaintiff, Charles Joseph King, Jr., filed action on July 21, 1972 for declaratory judgment in the District Court for the District of Columbia against the United States, the Attorney General, the director of the Bureau of Prisons and the chairman of the United States Board of Parole. The District of Columbia court granted the defendants' motion to transfer the action to the Southern District of Indiana inasmuch as plaintiff was confirmed as a prisoner in the United States Penitentiary at Terre Haute, Indiana. 28 U.S.C. § 1404(a); *Young* v. *United States Bureau of Prisons*, 367 F.2d 331 (D.C. Cir. 1966).

In his *pro se* complaint, plaintiff alleged that he was sentenced to 15 years in the custody of the Attorney General on November 7, 1969; that he "appeared before the U.S. Board of Parole and was sent off for 2 years without cause or reason"; and prayed that the court "issue a show cause order to the U.S. Board of Parole to show why at this time" he cannot be released on parole and otherwise to declare his rights. He added:

"One cannot improve or correct the reason for denial if he is not aware of that reason. What sureness is here, that one year or one month from this time he will be any different. Why he was denied, there is all the cause in the world for him to become bitter when one is being denied justice."

The defendants filed a motion to dismiss for failure to state a claim upon which relief could be granted.[1] The district court dismissed the complaint, noting that the plaintiff "seeks a mandate from this Court ordering the respondents to show cause why petitioner was denied a parole" and concluding that "this Court will not review the decision of the Parole Board, nor will it repass on the credibility of reports and information received by the Board in making its determination."

In his complaint and in his response to the defendants' motion to dismiss in the district court, the plaintiff stressed that his claim was based on failure of the Parole Board to give reasons for its denial of his application for parole. He cited the due process clause of the Fifth Amendment and the Administrative Procedure Act as giving him a right to have reasons expressed. A reasonably creditable but discursive brief was filed as plaintiff's *pro se* brief in this court.

We subsequently granted leave to Professor Patrick L. Baude of Indiana University Law School as *amicus curiae* to file a brief and present oral argument on behalf of the plaintiff. Professor Baude has argued that (1) the Fifth Amendment forbids denial of parole without a stated reason and (2) the Administrative Procedure Act requires the Parole Board to state its reasons for denying parole.

II

The district court relied upon *Brest* v. *Ciccone*, 371 F.2d 981, 983 (8th Cir. 1967) where the conclusion was that "[t]he courts have no jurisdiction and no power to . . . review or control the discretion of the Board of Parole in the exercise of its duties under § 4203."[2]

Two public bodies have taken diverse views on the question of the reviewability of the Parole Board's discretion. The Task Force on Corrections for the President's Commission on Law Enforcement and Administration of Justice recommended that reasons for the board's decision be given so that meaningful judicial review could be undertaken.[3]

On the other hand, the Proposed New Federal Criminal Code of the National Commission on Reform of Federal Criminal Laws sets forth that "discretionary action of the Board of Parole is an administrative decision not subject to judicial review on its merits." Section 3406 of the proposed code reads:[4]

"The federal courts shall not have jurisdiction to review or set aside, *except for the denial of constitutional rights or procedural rights conferred by statute, regulation or rule*, the discretionary action of the Board of Parole regarding but not limited to the release or deferment of release of a prisoner whose maximum term has not expired, the imposition or modification of conditions of a first or subsequent parole, and the reimprisonment of parolee for violation of parole conditions during the parole period." (Emphasis added).

We need not directly confront the problems of discretion or its abuse because the plaintiff has carefully limited his quest for reasons to the exceptions noted in the proposed code of "denial of constitutional rights or procedural rights conferred by statute."

Even if we agree that the district court has no jurisdiction to review the Parole Board's discretion under § 4203, it does have jurisdiction to consider at least the plaintiff's statutory claim that the Board has disobeyed a nondiscretionary command that it provide reasons for its determination after exercising its discretion. *Christian* v. *New York State Dept. of Labor*, 42 U.S.L.W. 4181, 4182, n.3 (January 21, 1974).

28 U.S.C. § 1361 provides that:

"The district courts shall have original jurisdiction of any action in the nature of mandamus to compel an officer or employee of the United States or any agency thereof to perform a duty owed to the plaintiff."

Whether the district court has jurisdiction to consider the plaintiff's constitutional claim in view of plaintiff's argument that the requisite amount in controversy (28 U.S.C. § 1331) is established by the possibility of his gaining earlier freedom, need not be addressed by us in view of our disposition of plaintiff's constitutional claim (Part IV hereof).[5]

Before considering plaintiff's constitutional and statutory claims, it may be helpful to review some recent administrative developments.

III

The Administrative Conference of the United States, created by the Administrative Procedure Act (5 U.S.C. § 573), consisting in part of all of the heads of independent regulatory agencies, executive departments and other administrative agencies (§ 573(b)) and empowered to "adopt such recommendations as it considers appropriate for approving administrative procedure" (§ 575(a)(1)), adopted the following recommendation on June 9, 1972:[6]

"A statement of reasons for the deferral or denial of parole should in all instances be given the prisoner. In some cases the Board can simply adopt as its own decision the examiner's recommendation.[7] The cases where this is not appropriate may well be so voluminous[8] as to require the use of a checklist form, such as that with which the Board is now experimenting,[9] but there should in each such case be added at least a sentence or two of individualized explanation."

The Conference further recommended that the Parole Board "should develop a body of fully reasoned decisions—whether granting, denying or deferring parole—in typical or recurrent fact situations" in order to "serve as time-saving precedents and as the raw material for the subsequent formulation of standards." Finally, in this area, the Conference recommended that the Board's decision should be public inspection.[10]

In the preparation leading up to the Conference's recommendations, it developed the advantages inherent in giving reasons,[11] as well as the "pitfalls to be avoided."[12]

The Parole Board has taken the position that it will experiment with giving reasons on a limited basis if doing so does not cause "extensive delays in the delivery of parole decisions to inmates, resulting in rehabilitative damage outweighing any advantages."[13] The Board has published a list of 27 unweighted factors which guide its decision whether to grant or deny parole,[14] but the Administrative Conference believes that "a more specific formulation of the standards of decision should be possible after the development of a body of reasoned decisions."[15]

The Administrative Conference recommendations relating to the giving of reasons are the culmination of a long period of dissatisfaction with Parole Board procedure in this regard. Professor Kenneth Culp Davis has said:[16]

"Because no one ever knows the reason for any decision of the board, no prisoner is ever told why the board has denied parole . . . Even the most flagrant abuse of discretion is likely to go uncorrected . . . Withholding reasons is likely to harm the rehabilitation process."

Several states have instituted judicially or legislatively inspired requirements of reasons for the denial of parole.[17]

The administrative trend is toward greater procedural safeguards in the parole release hearing, including the stating of reasons for denial, but the plaintiff can succeed only if such statement is constitutionally or statutorily mandated.

Footnotes at end of article.

IV

It is no longer necessary to draw a hard and fast line between affording the full panoply of procedural due process or giving none. Categorization of "rights" as opposed to privileges or acts of grace or clemency has ceased being a touchstone.

Full procedural due process is required during a criminal prosecution; some but not full due process must be accorded thereafter during parole revocation proceedings. Parole release proceedings have not been as clearly identified.

Morrissey v. *Brewer*, 408 U.S. 471, 480–482 (1972) has established the benchmarks for parole revocation:

". . . [T]he revocation of parole is not part of a criminal prosecution and thus the full panoply of rights due a defendant in such a proceeding does not apply to parole revocations. . . . Revocation deprives an individual, not of the absolute liberty to which every citizen is entitled, but only to the conditional liberty property dependent on observance of special parole restrictions.

". . . [D]ue process is flexible and calls for such procedural protections as the particular situation demands. . . .

* * * * *

"We see, therefore, that the liberty of a parolee, although indeterminate, includes many of the core values of unqualified liberty and its termination inflicts a 'grievous loss' on the parolee and often on others."

The Court then determined the minimum requirements of due process, which included "a written statement by the factfinders as to the evidence relied on and the reasons for revoking parole." 408 U.S. at 489. Subsequently, the Court held that parole revocation hearings could be conducted without the participation of counsel. *Gagnon* v. *Scarpelli*, 411 U.S. 778 (1973).[18]

The district court and circuit courts are now entering the area of what, if any, due process is required in parole release hearings.[19] The Second Circuit Court of Appeals held in the pre-*Morrissey* case of *Menechino* v. *Oswald*, 430 F.2d 403, 404, 412 (2nd Cir. 1970) that a parole release interview "represents an aspect of state prison discipline, not an adjudication of rights in an adversary proceeding," and does not entitle a prisoner to notice, hearing or "specification of the grounds and underlying facts upon which the determination was based."

A panel of the Fifth Circuit also in a pre-*Morrissey* decision in *Scarpa* v. *United States Board of Parole*, 468 F.2d 31 (5th Cir. 1972) held in effect that the interest of the prisoner is the same in a release hearing as in a revocation hearing. The panel decision was overturned by the court *en banc* which held that "[i]f the Board refuses to grant parole, Scarpa has suffered no deprivations." 477 F.2d 278, 282 (5th Cir. 1973).[20] The *Scarpa* judgment was vacated by the Supreme Court and remanded for consideration of mootness. 414 U.S. 809 (1973).

A district court has held that due process requires the Board of Parole to disclose to the prisoner the grounds on which parole is denied. *United States ex rel. Johnson* v. *Chairman of New York State Board of Parole*, 363 F. Supp. 416 (E.D. N.Y. 1973).

We have held that in-prison disciplinary proceedings leading to the revocation of good-time credits require some "written statement of the disposition of the charge." *United States ex rel. Miller* v. *Twomey*, 479 F.2d 701, 716 (7th Cir 1973). On the other hand, in *Farries* v. *United States Board of Parole*, 484 F.2d 948, 949 (7th Cir. 1973), we cited *Menechino* v. *Oswald*, *supra*, for the proposition that "a prisoner need not be accorded a hearing on his application [for parole] or provided with a statement of reasons."[21] Petitioner argues that *Menechino* is no longer acceptable authority because it was decided before *Morrissey*.

Although a substantial argument can be made that some modicum of due process should attend the denial of the expectation of conditional freedom on parole inasmuch as its termination after having been granted inflicts a "grievous loss" of a "valuable liberty" (*Morrissey* v. *Brewer*, 308 U.S. 471, 482 (1972)), we need not meet the constitutional challenge in view of the construction we place upon the Administrative Procedure Act in Part V hereof.

V

The Administrative Procedure Act (APA) applies to each "agency" which means "each authority of the Government of the United States." 5 U.S.C. § 551(1). Congress created the United States Parole Board in the Department of Justice, consisting of eight members to be appointed by the President by and with the consent of the Senate. 18 U.S.C § 4201. There is no language in the APA exempting the Parole Board from its application.[22]

In *Hyser* v. *Reed*, 318 F.2d 225, 236–37 (D.C. Cir. 1963) Mr. Chief Justice (then Judge) Burger wrote the *en banc* opinion holding that § 554 of the APA did not apply to parole revocation proceedings inasmuch as that section applies by its terms "in every case of adjudication required by statute to be determined on the record after opportunity for an agency hearing." 5 U.S.C. § 554(a). The court said:

"These words limit coverage of the Administrative Procedure Act to agencies which are required by their own statute of creation to *adjudicate*, after *hearing*. Our conception of the functions of the Board, discussed in this opinion, leads us to the conclusion that the Board does not adjudicate, nor is it required to hold hearings, in the sense that those words are employed in the Administrative Procedure Act." (Emphasis in original).

The *Hyser* court did not consider § 555(e) which provides as follows:

"Prompt notice shall be given of the denial in whole or in part of a written application, petition, or other request of an interested person made in connection with any agency proceeding. Except in affirming a prior denial or when the denial is self-explanatory, the notice shall be accompanied by a brief statement of the grounds for denial."

Section 555 applies "according to the provisions thereof" and the provisions of § 555(e) apply to a "written application, petition, or other request of an interested person made in connection with any agency proceeding." To be considered for parole a prisoner must make a written application.[23]

The term "agency proceeding" is far broader than the "adjudication after hearing" considered in *Hyser*. Agency proceeding is defined to include rule-making, licensing and adjudication. Adjudication is defined as "agency process for the formulation of an order." 5 U.S.C. § 551(5)(7)(9)(12).[24]

A parole release hearing or interview is an "agency proceeding" with the Congressional intent:[25]

"This subsection affords the parties in any agency proceeding, *whether or not formal or upon hearing*, the right to prompt action upon their requests, immediate notice of such action, and a statement of the actual grounds therefore. The latter should in any case be sufficient to apprise the party of the basis of the denial." (Emphasis supplied).[26]

The application of § 555(e) to parole release hearings has not been squarely adjudicated. The few opinions dealing with the applicability of the APA in addition to *Hyser* have either denied the application to parole release hearings of the judicial review sections (5 U.S.C. §§ 701–706), *Hiatt* v. *Compagna*, 178 F.2d 42, 45 (5th Cir. 1949), *aff'd by equally divided court*, 340 U.S. 880 (1950), or have approved such application, *Hurley* v. *Reed*, 288 F.2d 844, 845–846 (D.C. Cir. 1961); *Sobel* v. *Reed*, 327 F. Supp. 1294, 1301–1302 (S.D. N.Y. 1971).

We hold that § 555(e) does apply to parole release hearings and requires "a brief statement of the grounds for denial."

We reverse the district court's order of dismissal and remand this cause to determine whether in fact the plaintiff's application was in writing and if so to take further proceedings consistent with this opinion.[27]

REVERSED AND REMANDED.

FOOTNOTES

[1] One of defendants' grounds for dismissal was that under 18 U.S.C. § 4202 plaintiff would not become eligible for parole until he had served one-third, or five years, of his 15 year sentence. In plaintiff's response, however, he stated that he had been sentenced under § 4208 and was eligible for parole prior to serving one-third of the sentence.

[2] 18 U.S.C. § 4203(a) provides in part: "If it appears to the Board of Parole from a report by the proper institutional officers or upon application by a prisoner eligible for release on parole, that there is a reasonable probability that such prisoner will live and remain at liberty without violating the laws, and if in the opinion of the Board such release is not incompatible with the welfare of society, the Board may in its discretion authorize the release of such prisoner on parole."

[3] TASK FORCE REPORT: CORRECTIONS 86 (1967): "Some record of the proceedings and the reasons for the board's decision should be made so that, where a denial of parole is challenged in court, meaningful review is possible. Courts would presumably be concerned primarily with the adequacy of parole board procedures; experience with appellate review of sentencing decisions indicates that even if courts assumed the power to review parole decisions on the merits, reversals on the ground of an abuse of discretion would be rare."

[4] FINAL REPORT OF THE NATIONAL COMMISSION ON REFORM OF FEDERAL CRIMINAL LAWS: PROPOSED NEW FEDERAL CRIMINAL CODE § 3406 and Comment, at 303–304 (1971).

[5] *Cf.* 28 U.S.C. § 2255, providing for the exercise of federal jurisdiction over motions in the nature of habeas corpus by "[a] prisoner in custody under sentence of a court established by Act of Congress claiming the right to be released upon the ground that *the sentence was imposed* in violation of the Constitution or laws of the United States. . . ." with *Preiser* v. *Rodriguez*, 411 U.S. 475, 500 (1973), where the Supreme Court held that "when *a state prisoner* is challenging the very fact of duration of his physical imprisonment and the relief he seeks is a determination that he is entitled to immediate or speedier release from that imprisonment, his sole federal remedy is a writ of habeas corpus." (All emphasis added).

[6] Administrative Conference Recommendation 72–3: Procedures of the United States Board of Parole (adopted June 9, 1972), 25 AD. L. REV. 531, 534 (Fall, 1973).

[7] A report on "Federal Parole Procedures" submitted to the Administrative Conference on January 1, 1972, included an appendix detailing a study of Parole Board files which indicated that each file submitted to the Board includes a summary prepared by the Board member or examiner who conducts the parole interview or hearing. The document summarizes the contents of the file and the impressions of the interview and concludes with a recommendation as to parole, stating reasons for or against. 25 AD. L. REV. 459, 512 (Fall, 1973).

[8] The U.S. Board of Parole consists of eight members and employs a staff of eight examiners. It conducts about 17,000 proceedings a year relating to the grant or denial of parole, involving about 12,000 prison interviews. . . ." 25 AD. L. REV. 531 (Fall, 1973).

[9] In discussing with the Informal Action

Committee of the Administrative Conference the recommendation which was later adopted by the Conference, the Chairman of the Parole Board advised the Committee that the Board was experimenting with a check-list form "for giving reasons, through the case-worker, to inmates denied parole." The check-list contained prepared reasons, both in the generic terms of the statutory criteria as well as in more specific terms, and a category headed "Other" for different or special reasons, 25 AD. L. REV. 517, 525 (Fall, 1973).

[10] 25 AD. L. REV. 531, 534 (Fall, 1973). The recommendation also provided that the prisoner's name could be deleted "to avoid a clearly unwarranted invasion of privacy."

[11] "Giving reasons for denying parole is desirable for both rehabilitational and legal reasons. A prisoner may feel less resentful of a negative decision if he knows the reasons for it, and in planning his activities in the institution he ought to understand clearly what will help him to obtain an early parole. When the nature of his crime is such that early parole is not likely in any event, he should be protected from unrealistic hopes that can only lead to disappointment and bitterness. All this is the job of a prison counselor in any case, but the Parole Board can make that job much easier by formally stating its reasons.

"From the legal standpoint, requiring a statement of reasons makes it possible to check abuse or error. There is no way to discover if the Board is denying parole for an unconstitutional or improper reason if the Board never gives reasons for its decisions. It is not to impugn the good faith or competence of the Board to suggest the possibility that in some cases it might rely on reasons for denying parole that the courts would feel were improper or unconstitutional if they knew of them." Johnson, "Federal Parole Procedures," report submitted to the Administrative Conference of the United States on January 1, 1972, 25 AD. L. REV. 459, 484–85 (Fall, 1973).

[12] "There are three pitfalls to be avoided in the giving of reasons. First, it would be disastrous to introduce any further delay into parole decision-making. One of the most frequent criticisms of the Board today is that it keeps prisoners in suspense for too long. It would be better not to give reasons at all than to give them and spend weeks or months drafting them. Second, it is vital that the reasons be written to give the prisoner a fair and candid statement of why he is not being paroled, and not merely to satisfy the courts. Nothing would be gained by giving reasons if the Board retained a legal staff to draft them with an eye to justifying the decision in the event of litigation. The Board must state why it is denying parole, and not necessarily how it feels the denial might be most persuasively justified in court. Third, the reasons must be reasonably specific. It does no good to tell a prisoner he is being denied parole because he is a danger to society unless he is told why he is so regarded, and whether there is anything he can do to convince the Board otherwise." 25 AD. L. REV. 459, 485 (Fall, 1973).

[13] Memorandum dated February 16, 1972 by the Chairman of the Parole Board, 25 AD. L. REV. 517, 525 (Fall, 1973). Senator Percy has suggested that giving reasons would not delay the delivery of a decision if the decision were required within a short time and detailed reasons were required within a longer period of time. Percy, "Blueprint for a Criminal Justice System," 119 CONG. REC. No. 47 (March 27, 1973).

Rules of the United States Board of Parole (1971) pp. 14–16; 25 AD. L. REV. 496–97 (Fall, 1973):

"'The following factors are considered by the Board in its decision making.

"A. Sentence Data.

"1. Type of sentence.

"2. Length of sentence.

"3. Recommendations of Judge, U.S. Attorney and other responsible officials.

"B. Facts and Circumstances of the Offense.

"1. Mitigating and aggravating factors.

"2. Activities following arrest and prior to confinement, including adjustment on bond or probation, if any.

"C. Prior Criminal Record.

"1. Nature and pattern of offenses.

"2. Adjustment to previous probation, parole and confinement.

"3. Detainers.

"D. Changes in Motivation and Behavior.

"1. Change in attitude toward self and others.

"2. Reasons underlying changes.

"3. Personal goals and description of personal strengths or resources available to maintain motivation for law-abiding behavior.

"E. Personal and Social History.

"1. Family and marital.

"2. Intelligence and education.

"3. Employment and military experience.

"4. Leisure time.

"5. Religion.

"6. Physical and emotional health.

"F. Institutional Experience.

"1. Program goals and accomplishments in areas:

"(a) Academic.

"(b) Vocational education, training or work assignments.

"(c) Recreation and leisure time use.

"(d) Religion.

"(e) Therapy.

"2. General adjustment:

"(a) Inter-personal relationships with staff and inmates.

"(b) Behavior, including misconduct.

"3. Physical and emotional health, and treatment.

"G. Community Resources, Including Release Plans.

"1. Residence; live alone, with family, or others.

"2. Employment, training, or academic education.

"3. Special needs and resources to meet them.

"H. Use of Scientific Data and Tools.

"1. Psychological and psychiatric evaluations.

"2. Pertinent data from the uniform parole reporting system.

"3. Other statistical data.

"4. Standardized tests".

[15] Administrative Conference Recommendation 72–3: Procedures of the United States Board of Parole (adopted June 9, 1972), 25 AD. L. REV. 531 (Fall, 1973).

[16] DAVIS, DISCRETIONARY JUSTICE: A PRELIMINARY INQUIRY 128, 131 (1969). See also, Gaylin, *No Exit*, HARPER'S MAGAZINE 86 (November, 1971), wherein the author claims knowledge of routine parole being granted to Jehovah's Witnesses between 1967–1970 and denied to other war resisters because the Witnesses were considered to be "True Cos."

[17] New Jersey: *Monks* v. *New Jersey State Parole Board*, 58 N.J. 238, 249, 277 A. 2d 193, 199 (1971). Michigan and Wisconsin: DAWSON, THE DECISION TO GRANT OR DENY PAROLE: A STUDY OF PAROLE CRITERIA LAW AND PRACTICE, 1966 WASH. U. L. Q. 243, 302. Illinois: ILL. REV. STATS. 1973, c. 38, § 1003–3–5(f) (Commentary: "This section requires the Board to state the basis of its decision in its own records and in its notice to the applicant.")

[18] We have applied the same conclusion to parole release hearings. *Ganz* v. *Bensinger*, 480 F.2d 88 (7th Cir. 1973).

[19] The 12,000 annual parole interviews are commonly called "hearings" although they average only 10–15 minutes each and the only persons present are the member or examiner, a stenographer, the inmate and his institutional counselor. 25 AD. L. REV. 459, 468 (Fall, 1973).

[20] The majority of the *en banc* court also held that the full panoply of due process protections does not attach "every time the government takes some action which confers a new status on the individual or denies a request for a different status." 477 F.2d 278, 282. This does not take account of the *Morrissey* standard that some if not all procedural requirements may be available to the prisoner.

[21] In that case we reversed the summary dismissal of a *pro se* petition for mandamus where a federal prisoner claimed that his parole was denied because of religious discrimination.

[22] "Exemptions from the . . . Administrative Procedure Act are not lightly to be presumed." *Marcello* v. *Bonds*, 349 U.S. 302, 310 (1955); *Brownell* v. *Tom We Shung*, 352 U.S. 180, 185, (1956). See also *Renegotiation Board* v. *Bannercraft Clothing Co., Inc.*, 42 U.S.L.W. 4203, 4208 (February 19, 1974).

[23] Report submitted to the Administrative Conference of the United States on January 1, 1972, "Federal Parole Procedures," 25 AD. L. REV. 459, 480 (Fall, 1973).

[24] The holding in *Hyser* that an order denying parole is not an "adjudication required by statute to be determined on the record" within the meaning of § 554(a) did not purport to consider whether such an order is an "adjudication" as defined in § 551(7). If, as we hold, the Board is an "agency" as defined in § 551(1), we think the statutory definitions of "adjudication" and "order" lead inescapably to the conclusion that a parole release hearing is an agency proceeding.

[25] S. Doc. No. 248, 79th Cong., 2d Sess. 206, 265 (1946).

[26] In *Washington* v. *Hogan*, 287 F. 2d 332, 334 (3rd Cir. 1960), the court in holding that a parolee was not entitled to counsel at a parole revocation hearing simply said "Nor can we believe that the Administrative Procedure Act, 5 U.S.C. § 1005 [now § 555], was ever intended to cover this kind of a case." The right to counsel appears, however, not in § 555(e), but in § 555(b). Professor Davis has taken the position that § 555(b) applies to Parole Board release hearings (DAVIS, ADMINISTRATIVE LAW TREATISE 376 (1970 Supp.) and that § 555(e) also does (DAVIS, DISCRETIONARY JUSTICE: A PRELIMINARY INQUIRY 129 (1969)).

[27] If the district court finds that the plaintiff's application was in writing and that 5 U.S.C. § 555(e) therefore applies, the district court may seek to determine the matter of its timing in order to insure that this requirement will not delay the delivery of parole hearing decisions.

1974: THE YEAR OF DOUBLE NUMBER INFLATION

Mr. HUMPHREY. Mr. President, the Consumer Price Index released this morning confirms what the housewife and the consumer have been telling us for the last several months—that the rate of inflation is accelerating. In November, the Consumer Price Index rose 0.8 percent; in December 0.5 percent; in January, 1.0 percent and in February 1.3 percent. At a compound annual rate, the rise in the CPI for February amounted to 16.8 percent.

The largest price increases occurred in the food component of the CPI. The price of food purchased for home consumption rose by almost 3 percent in February alone. I believe that retail food price increases bear some examination. First, in the last month, both cattlemen and egg producers have complained that although the price of their products has fallen sharply at the wholesale level, there has been almost no evidence of this

drop in the grocery store. In fact, some cattlemen have claimed that consumer resistance to high beef prices is so strong that if retail stores do not lower their beef prices soon, many of them will have to go out of business. In hearings before my Subcommittee on Consumer Economics in the next couple of months I intend to investigate the reasons for the relatively wide farm-retail price spread.

Another discrepancy which bears investigation was pointed out to us by Leonard Woodcock, president of the United Automobile, Aerospace, and Agricultural Implement Workers of America—UAW.

Mr. Woodcock presented data showing that in the past year the price of food staples has risen very sharply while the price of what could be called luxury foods has been much more stable. The following table, presented to the Joint Economic Committee by Mr. Woodcock last month, shows that prices for flour, potatoes, dried beans and eggs have risen at rates of 30 to 50 percent while the prices for steak, veal cutlets and lamb chops have risen less than 20 percent.

RETAIL PRICE OF SELECTED FOOD ITEMS

Percentage change from October 1972 to October 1973

Porterhouse steak	17.3
Veal cutlets	17.6
Rib roast	18.3
Lamb chops	10.7
Butter	21.4
Layer cake	14.3
Lettuce	0.0
Frankfurters	42.3
Bologna sausage	37.5
Eggs	56.6
Dried beans	37.6
Margarine	35.0
Flour	56.2
Potatoes	31.1

Source: U.S. Bureau of Labor Statistics.

A staff study conducted for the Subcommittee on Consumer Economics, concluded that in 1973 the poor suffered one-fourth more inflation than the relatively well-to-do. The statistics presented by Leonard Woodcock confirm our conclusions. During food hearings which I mentioned earlier, I also intend to pursue the question of differential increases in prices for staple commodities, which account for the largest part of the food budgets of the poor, and for luxury items, consumed largely by the well off.

Mr. President, the working men and women of America are seeing the value of their paychecks erode from day to day. While wages increased only modestly in the last year, the price of all the goods which they must purchase jumped sharply. The real earnings statistics released this morning showed that in February, real spendable earnings were 4.5 percent below last February. I realize that part of the inflation is inevitable, because of crop conditions and worldwide demand for food and raw commodities. But what I do not believe to be inevitable is the large and widening margins between the farm and retail level, and the apparent differential price increases that push the price for food for the poor up more rapidly than the food of the rich. As chairman of the Subcommittee on Consumer Economics, I intend to pursue these serious issues.

ENERGY CONSERVATION IN CONSTRUCTION

Mr. JAVITS. Mr. President, Dr. Oscar E. Lanford, general manager of the New York State University Construction Fund, recently addressed the School of Architecture and Planning at Howard University discussing the activities of the New York State University Construction Fund and the need for energy conservation in construction. I ask unanimous consent that his address be printed in the RECORD.

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

ADDRESS BY DR. OSCAR E. LANFORD

I very much appreciate the invitation to be here with you today for it is both a privilege and an opportunity for me. It is a privilege because of the long record of very effective service in higher education which Howard University has rendered for a century and this is my first invitation to visit your campus. It is an opportunity because my visit enables me to tell you some of my thoughts about the education of architects and engineers and something about the State University of New York and its capital development program.

I trust you realize that I appear before you as a layman—not an architect. During my many years in university teaching, research, and more recently, administration, it has been my lot to work with many architects and also to ponder the consequences, both good and bad, of many design decisions made by countless architects and planners. Consequently, I have become something of an amateur critic of academic architecture whose only portfolio is an experience of over three decades spent in university academic work.

Winston Churchill once remarked, "We shape our buildings and thereafter they shape us". If one accepts this statement—and surely there is much truth in it—one is impressed with the great responsibility placed upon the architect and those who contribute to his professional education. Perhaps, if Churchill had lived two decades longer than he did, he might have developed his theme in terms of the relationship between energy conservation and the practice of architecture. How many architects have considered this problem at all? My own experiences lead me to suspect that few architects have given serious consideration to energy conservation in any building they have designed until very recently. And even after the energy crisis hit the nation, most practicing architects were proceeding with a "business as usual" attitude in their profession. Perhaps, too, Mr. Churchill would have had some pithy statement about the genuineness of the current energy shortage. For in America today, almost everyone has already made up his or her mind about that matter—surely everyone in this nation's capitol from whence comes almost all of our news today has done so.

However, irrespective of whether we individually belong to the "yes, there is a legitimate energy shortage" group or to the "no, it's all contrived" group, there is one point on which I think we could all agree, namely, we, as a nation, must stop wasting energy; we must reduce our energy consumption per capita; and we must develop sources of energy other than those upon which we are primarily dependent today.

We are told that approximately 40% of our national energy consumption is used in industry—25% in transportation and 35% is consumed in residential and commercial buildings. Thus, in my view, the energy crisis places the architectural and engineering professions squarely in the midst of the energy problem.

Indeed, if we have learned anything during the few months in which we have been experiencing an energy shortage—whether real or contrived—it is that the architect will no longer be able to design buildings as he once did; that he will have to design buildings that use much less energy than those we have today.

The New York State University Construction Fund is now designing a prototype low energy building to be constructed at the Agricultural and Technical College at Farmingdale, New York. And the United States General Services Administration has two similarly conceived structures underway in New Hampshire and in Michigan. To the best of my knowledge, these are the only three low energy projects underway in the United States, but I'm sure many more will be coming along soon. The low energy building at Farmingdale, which the Fund is planning, will not require any energy for heating, as such, when it is illuminated and fully occupied in the winter. At the present time, this building, which is still in the design stage, is such that the energy requirement for air conditioning in summer operation will still be substantial, but it will be possible to occupy the building without the operation of the air conditioning if the nation's power supply becomes critically low.

These considerations remind me that the energy crisis—which is causing so many hardships—is, in some respects at least, a blessing in disguise in that it is providing a challenge to architecture unlike any in the recent history of the profession. It is making it necessary for architects to rethink the problems of design from the standpoint of energy consumption, as well as the energy required to produce the materials of which the building is constructed. It is making it necessary for architects to join forces with mechanical engineers to solve energy problems by translating thermo-dynamic theories into viable heating and cooling systems for contemporary society's needs.

To be sure, gearing new buildings to the use of energy derived from the fossil fuels is necessary today to achieve our short-range goal of coping with the oil crisis. However, we must look beyond that.

Within the next decade, given the proper leadership on the federal governmental level, we could become totally self-sufficient in energy. This will not happen by Presidential edict. It will happen only if our government provides the necessary economic stimulus for scientists and architects to explore the utilization of other energy sources—oil shales, off-shore oil, our vast coal reserves, solar and wind, as well as power from fusion and fission. I believe that we can beat the energy crisis in half of that time if government ascribed to it the same high priority that was given to the Manhatton Project during World War II or more recently, to putting a man on the Moon.

Learning to live with fossil fuel shortages and designing our buildings accordingly is not beating the energy crisis. If this is all we are to do, we can expect recurring crises every time an Arab state decides to indulge in oil diplomacy. Beating the energy crisis requires that we eliminate waste and discover alternative energy sources that can be harnessed, economically, to meet the needs of people. And this can be done.

Implicit in all this is the realization that the mechanical systems in large buildings we are now using in the United States will, in one way or another, become obsolete once such discoveries are made. In some cases, it will be possible to rehabilitate them to achieve lower energy requirements; in other instances it will be necessary to replace them with new systems or perhaps structures.

Thus, within the next few decades, the United States may well be in for major changes in thrust of the architectural profession. To accomplish these things, more

architects and engineers will be needed, of every race, color, creed or national origin. I am told the American Institute of Architects says that only some 15 percent of the buildings in the United States were designed by architects. Architects agree that this is not an unreasonable estimate. Well, thanks to the energy crisis there are bound to be some changes made unless we want to continue to live at the mercy of oil-producing countries.

Prices of gas and oil are skyrocketing and we are told that the oil companies are reaping enormous profits. I can understand that if one has to pay more for fuel, one is going to use less, and perhaps some price increases are necessary to curb usage, but I fail to see the morality in permitting oil companies to pile up profit upon profit as a result of the current crisis. If it is necessary for the people to pay more for fuel, they should receive a return on their purchases in the form of future protection against recurring fuel crisis.

Therefore, I suggest that the Federal Government impose, promptly, an excess profits tax on all the oil companes, and that the revenue from these taxes be used to establish an Energy Research and Development Fund that will support scientific efforts to develop energy substitutes for oil.

I would also urge the Federal Government to make funds available to schools of architecture and engineering to train students, and to provide refresher courses for professional architects and engineers, in the design of low energy buildings. This will require an inter-disciplinary approach, involving the use of much more of the basic sceience than architects normally study, I suspect. I do not believe that it can be done otherwise. Nor do I believe that architects and engineers can continue to work so nearly independently of one another as many have been doing up to now.

Thus, as we begin to realize that it will take an all-out effort, an inter-disciplinary effort, to ensure that we will never again be faced with the kind of energy crisis with which we are wrestling today, the oil crisis may well change the character of architecture and engineering as professions as these involve building design.

We have recognized this at the State University Construction Fund, where we are spending a great deal of time and effort now to determine the most effective means of coping with the energy crisis in existing facilities and in those facilities that are still in the design stage. We are finding that the energy consumption of some existing buildings can be reduced as much as 30% by changing the mode of operation of the building and that energy saving of 50% are possible in a building where low energy is a major goal of the design process.

Let me tell you about the State University Construction Fund, which while well known in New York State, is perhaps not so well known in Washington. I really can't tell you why it is called a Fund, since in fact, it is a corporation employing some 170 persons, charged with the design, construction and financing of all capital projects for State University of New York. Some of you may know that we are responsible for construction of the largest state university system in the world.

State University of New York consists of 35 separate campuses, controlled by a single Board of Trustees, headed by a Chief Executive Officer. The University includes four comprehensive university centers, thirteen colleges of arts and science, five agricultural and technical colleges, and a variety of professional schools, including the College of Environmental Science and Forestry at Syracuse, two free-standing medical schools, etc., etc., etc.

These facilities constructed by the "Fund" have made possible not only the great expansion of the enrollment and academic programs which has occurred in the last ten years, but also have enabled the University to attract renowned educators in various disciplines.

The Construction Fund came into being in 1962, when Governor Rockefeller recommended and the State Legislature authorized the creation, "within the State University" of the State University Construction Fund as "a corporate governmental agency constituting a public benefit corporation".

This action stemmed from a 1960 report entitled, "Meeting the Increasing Demand for Higher Education in New York State," known as the Heald Report, after the chairman of a special committee established by the Legislature, Dr. Henry Heald, which asserted that "Within a relatively few years . . . higher education in America has been propelled into a distinctly new era by a combination of powerful world-wide forces. There has been an accelerated pace of human events, an explosion of knowledge, a surge of population, an almost unbelievable breakthrough in science and technology . . . "These developments made it imperative for the State University to meet the unprecedented need of extending opportunities for public higher education to "the burgeoning numbers of our youth."

Against this background, the Fund's objectives were clear. Its responsibilities, as outlined by the Legislature, were "to provide academic buildings, dormitories, and other facilities for the state-operated institutions, so that the university can double its enrollment in the next ten years".

In fact, during the period in question (1962–1972) State University of New York much more than doubled its enrollment from 66, 137 students in 1962 to 167,074 students in 1972.

Shortly after its establishment, to fulfill its role with effectiveness, the Fund adopted three major criteria which were to apply to every one of its buildings:

TIMING—facilities had to be read for use on time as programed by the University—that is the time schedule was determined by SUNY long range academic plan.

QUALITY—excellence in architecture and construction had to be achieved on every campus.

COST—facilities were to be constructed within predetermined budgets, commensurate with the type of project programed.

The Fund's experience over almost twelve years gives evidence not only of the validity but of the effectiveness of these criteria.

From its very inception, the Fund has been committed to encouraging the kind of creativity that yields academically functional, architecturally sound, and aesthetically pleasing facilities by utilizing the resources of professionals in private practice. In the implementation of its very large design and construction program, it has employed many of America's leading planners, achitects and engineers to undertake the planning and design, and supervise the construction of its various projects. The professional staff of the Fund, drawn from the best available talent, has been charged with expediting the complex decision-making process inherent in so unprecedented an undertaking.

Since its establishment, the Fund has supervised the completion of 1,240 separate projects, valued at $1.5 billion. As of the end of 1973 another 164 projects, valued at $364 million, were under construction; 15 projects, valued at $55 million, were in process of award; and 107 projects, valued at $216 million were under design.

The Fund is committed to developing designs that are realistic and workable. Its comprehensive campus plans for each campus have three vital characteristics:

1. They contain Action Programs which articulate and schedule all actions and elements required for the physical expansion of campuses to satisfy the academic plans of the State University.

2. They identify a design vocabulary for the environment of each campus, suited to site and academic purpose of the State University.

3. They provide the basis for evaluation of the economic and functional feasibility of campus design proposals.

The Fund's master plans are more than locational guides for facilities on the campuses. They define the quality of the campus environment and provide aesthetic continuity. The Fund's comprehensive plans for campus development identify and keep current scope, costs and scheduling of all planning, construction and acquisition as well as community-related projects (i.e., utilities) necessary to satisfy academic goals. They provide perspective for testing the fiscal impact of decisions and elements in campus development.

The Fund is convinced that the quality of architecture is not solely dependent on the amount of money available for construction. Thus, we establish a budget for a project and present that budget to the architect as a design objective. In the early years, many were not convinced that the Fund could succeed in demanding, by contract, that an architect design to meet budget specifications or he would have to redesign at his own expense. The profession simply did not work that way. However, through the efforts of the Fund, many architects have come to recognize the discipline implied in such an approach as an opportunity for the general enhancement of their profession. And they have come to recognize a realistic budget limitation as an additional parameter that increases the challenge and heightens the sense of creative resolution.

The Fund—representing the owner—provides the necessary client input: program, budget, performance criteria. At the same time, it creates a climate that allows the professional to practice responsibility and effectiveness. Thereafter, the Fund maintains supervisory contact with the professional to ensure that the University academic requirements, as well as the Fund's budget, schedule and design criteria are met.

A word about funding—after all that's our name—! Surprising as it may seem, the entire $2 billion worth of buildings which we have finished, or are in process, are paid for without resort to State tax revenues. Actually, the financing process is complex. In principle, it works as follows: As soon as a building is completed, bonds are sold publicly to get the money to pay for the building. The bonds are for thirty years and are paid off with revenues from University income—i.e., mainly tuition, hospitals and other lesser sources. The bond holder's security is that all moneys received by the University are reserved first for debt service on the bonds. Reserves left over each year, after each year's debt services are used towards University operating costs. At the end of thirty years, SUNY owns the buildings free and clear.

It seems to me SUNY's Construction Fund illustrates dramatically what a government agency can do when it is determined to do something—when the people really want something to happen.

Now, there is another area in which the Fund, and the State of New York through the Fund, is pioneering. It is the area of providing equal employment opportunity.

Last summer, as some of you may know, the Fund conducted a Summer Intern Program for Minority Student Architects and Engineers. This was a pilot project in which a group of you participated. Some members of the group worked in our Albany office and some were on the site of the new Health Sciences Center being built at the Stony Brook campus.

This summer program resulted not only

from the Fund's need for temporary manpower, but also from a recognition of the severe shortage of minority persons among professional architects and engineers in the State of New York—a shortage, I am told, which extends throughout the United States.

Through this program, we sought to provide the students with an experience that would be beneficial to them and to the Fund. We hoped this experience would intensify their own commitments to the highest professional standards in Architecture and Engineering. And it was our hope too that the Fund's Intern Program would constitute a significant contribution to advancing opportunities for minority architects and engineers.

I am delighted to be able to tell you—on the basis of our experience to date—that the program was an eminent success. Not only did the students perform excellently in doing the kind of work the Fund needed to have done; they also showed professional zeal and devotion to this work.

We hope the students' own professional commitments were increased and their horizons widened by this kind of summer experience.

At this time—subject to the availability of funds—we expect to conduct another Summer Intern Program this year, for another group of architectural and engineering students.

You may ask whether we can provide additional opportunities for the students who participated in the 1973 program. Our present plans call for us to try to place them—over the summer months—with architectural and engineering firms engaged on Fund projects.

Thus, we hope to be assisting two groups of students—those who already completed one program with us, and those who will be going into the 1974 program. They in turn will be assisting the staff of the Fund and hopefully of private architectural and engineering firms.

Again, subject to the availability of funds, we hope to continue on this basis in the years ahead. I think you can well appreciate the cumulative effect on this approach.

So far as I know, the New York State University Construction Fund is the first and only government agency anywhere in the country to embark on this kind of program. We are doing this because we want to achieve something—because we believe that government has a responsibility to utilize its own facilities in providing equal employment opportunity—because we believe that this is an important means by which we can help advance not only the individuals concerned but the professions of architecture and engineering.

But being the first agency to do something like this is not a very comfortable feeling. I would like to see many other governmental agencies—on the Federal, State and Municipal levels—embark upon similar programs. I see no reason why this program would not be applicable in principle to students in any professional program. Other types of governmental agencies can do it if they want to do it. All have appropriate projects that can be executed by temporary summer employees to the benefit of the agency.

It is one thing for government to pass laws compelling people to comply with equal employment opportunity laws and regulations. It is another thing for government to move ahead itself—with vision and determination—to implement EEO programs in its various agencies.

I do not need to say that government has an obligation to the people—all the people—to embark upon such undertakings. And it is my hope that before long, the Fund will no longer be the only agency to conduct a Summer Intern Program for minority professionals, but that a wide range of other governmental agencies will have joined in this much-needed effort in a variety of professions, trades and crafts.

ENCOURAGING SIGNS IN EUROPEAN-AMERICAN RELATIONS

Mr. HUMPHREY. Mr. President, in the past few days there have been some encouraging signs that Europeans and Americans have recognized the urgent need of working together on problems of mutual concern. The transatlantic feuding and the flared tempers have finally ceased and it seems that real progress is being made in resolving differences in the economic, political, and military fields. I do not believe that signs of greater European-American cooperation are a result of the often acrimonious and divisive public debate of the past few weeks. But the recent pronouncements from London and Bonn in addition to the President's remarks in Houston indicate a new willingness for allies to deal with their differences in an atmosphere of cooperation rather than conflict.

I can point to three specific signs of encouragement—three signs which indicate that steady diplomacy is perhaps replacing public outburst.

The first is the announcement by the United States and West Germany that they have reached agreement in the very difficult negotiations provided for in the Jackson-Nunn amendment to the Military Procurement and Authorization Act concerning the offset costs of maintaining American troops in Europe. It is clear that both Secretary Shultz and German Finance Minister Helmut Schmidt have concluded an agreement which will fulfill the intent of the Congress that the Federal Republic assume a greater share in offsetting the cost of American troops stationed in Germany. I supported this amendment because I believe it was an acceptable alternative to unilateral cuts in our European forces proposed by the distinguished Senator from Montana, Senator MANSFIELD.

The second encouraging sign this week was the very frank and forthright speech of Mr. James Callaghan, the newly appointed British Foreign Secretary. In his first major policy statement, Mr. Callaghan stated flatly:

> We repudiate the view that Europe will emerge only after a process of struggle against America.

He went on to say that he was sure that the European Community would not want their dialog with the Arabs to hamper Secretary Kissinger's Middle East negotiations.

These remarks not only indicate a willingness on the part of the British to calm the atmosphere, but also a desire that the often-stated European doctrine of endless struggle with the United States in order to secure a European identity be abandoned. It is clear to Mr. Callaghan and others that European self-esteem and economic prowess need not be built on a foundation of hostility to American diplomatic initiatives and interests. Mr. Callaghan is not a man to gloss over the differences between the United States and members of the European Community. But he wants to resolve these differences in a framework of consultation and negotiation, instead of confrontation.

The most recent indication of a renewed atmosphere on both sides of the Atlantic is an announcement that Chancellor Brandt's government has proposed to the eight other members of the European Community that the EEC's Political Consultation Group meet with American officials in advance of sending formal policy proposals to the ministers of the nine. This far-reaching proposal touches on a major issue which has troubled both the United States and European nations: the lack of prior consultation before important policy decisions are made.

Although this proposal is not entirely new, its acceptance by other members of the Community would go a long way to meeting this need for prior consultation. If accepted by all sides, the German proposal would certainly require a response from our Government for a similar consultation arrangement on this side of the Atlantic.

I am pleased that Secretary Kissinger will stop in Bonn on his way to Moscow. This is not only a symbolic gesture, it will provide him with an opportunity to explain American positions on the Middle East and other areas directly to Mr. Scheel and Chancellor Brandt. This stopover signals American intention to substitute quiet diplomacy for some of the public statements made here which did little to promote a European-American dialog. I would urge the Secretary that on his return from Moscow he stop over in London and Paris before returning home. Both Britain and France, as well as West Germany, are anxious to be kept informed of Soviet-American relations as well as other matters affecting the alliance.

Mr. President, I ask unanimous consent that three news articles appearing recently in the New York Times, discussing the three events I have mentioned in my remarks, be printed in the RECORD.

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

[From the New York Times, Mar. 20, 1974]

UNITED STATES AND BONN SET BASIS OF NEW PACT ON COST OF TROOPS

(By David Binder)

WASHINGTON, March 19.—The United States and West Germany reached agreement in principle today on a renewal of payments by Bonn to offset the cost of stationing American forces in Germany, the Treasury Department announced today.

The agreement by the Secretary of the Treasury, George P. Shultz, and the West German Finance Minister, Helmut Schmidt, who is here on a visit, ended seven months of difficult negotiations over payments of $2.2-billion to $3-billion. The lower figure was believed closer to the sum agreed on today.

It also appeared to put aside, at least one of the knotty issues—long a problem and particularly so recently—that are currently disturbing the United States relations with Western Europe.

Since last summer Congressional critics of the Nixon Administration's military policies have been demanding a sharp reduction in United States forces in Europe or, barring that, at least more substantial compensation from the Europeans for the maintenance of the troops.

ECONOMIC CONFRONTATION

Last Friday President Nixon declared that if Congress "gets the idea that we are going to be faced with economic confrontation and hostility" from Western Europe, "you will find it almost impossible to get Congressional support for continued American presence at present levels of the security front."

The new offset pact is bound to help the United States balance of payments as well, monetary specialists observed, even though the international currency market is dominated by floating rates. Last year the United States had a slight surplus, but this year it is expected to have a deficit because of the vast increase in oil prices.

Mr. Shultz and Mr. Schmidt sealed their agreement after almost two hours of talks. Earlier Mr. Schmidt conferred with Secretary of State Kissinger on current problems of the Atlantic alliance and remarked afterward, "What we have today is a minor stir."

He was the third senior Western European official to speak in conciliatory terms of relations with the United States since President Nixon accused the Europeans Friday of disrupting Atlantic ties.

When the negotiations on the offset agreement began last fall the United States was asking $3-billion to cover the cost of maintaining 225,000 men in West Germany from July, 1973 to July, 1975.

PREVIOUS AGREEMENT

The previous two-year pact provided $2.5-billion in West German payments, one part in the purchase of United States bonds and the rest in the form of arms purchases and renovation of American barracks and other facilities.

This time the United States asked that the bulk of the payments be in the form of arms purchases. The Germans were resistant on both the size and the form of the demands. The shape of the agreement could not immediately be learned; Mr. Schmidt indicated to newsmen that it was based on a fresh proposal he had brought from Bonn.

In the conciliatory response to Mr. Nixon in which Mr. Schmidt joined the French Foreign Minister, Michel Jobert commented in the same vein Sunday and today Britain's new Foreign Secretary, James Callaghan, spoke vigorously in the House of Commons on the desirability of "intimate cooperation with the United States."

Asked by reporters to characterize the status of Atlantic affairs, Mr. Schmidt smiled broadly and recalled the struggle 12 years ago over United States-West German attempts to introduce multilateral forces in the North Atlantic Treaty Organization—a project defeated by France.

In view of that, he said, the current arguments over whether a lack of consultation is disturbing United States relations with Europe "should not be treated as too important."

Concerning the offset negotiations, which began last fall with the United States asking full compensation for the cost, estimated at $3-billion, of maintaining United States forces in 1974–75, Mr. Schmidt said he and Mr. Kissinger had "a nice, detailed conversation." He added: "We are very polite gentlemen—we didn't even mention one figure."

The Finance Minister and Secretary Shultz indicated later that there would be further negotiations before agreement could be concluded. West Germany paid $2.5-billion to the United States in the previous arrangement, covering the two years that ended last July.

DIALOGUE STILL DEADLOCKED

Despite the mollifying remarks by European officials, the deadlock in the "Atlantic dialogue" appeared to be much as it was last week when Mr. Nixon accused the Western Europeans of stalling on political and economic cooperation while moving along with the United States on defense policy.

Yesterday the French Ambassador, Jacques Kosciusko-Morizet, declared that "the ball is in the American court" as far as progress on political-economic cooperation with Western Europe is concerned. Today the State Department spokesman, George S. Vest, said. "It is now up to them," meaning the Europeans.

Mr. Vest explained that the United States regarded the nine-month effort to draft a joint declaration of principles on the relations between the nine European Economic Community members and the United States was incidental. "The declaration is a symbol, not a substance," he added.

The substance desired by the United States, he said, "is close consultation. He said the United States is waiting for an answer on consultations."

[From the New York Times, Mar. 20, 1974]

NEW GOVERNMENT IN BRITAIN URGES CLOSER U.S. TIES

(By Alvin Shuster)

LONDON, March 19—The new Labor party Government, in its first major statement on foreign policy, today adopted a conciliatory approach to relations with the United States and said that Europe should engage in the "fullest and most intimate" cooperation with Washington.

James Callaghan, the Foreign Secretary, also said in the House of Commons that President Nixon's recent criticisms of the Common Market countries had had the "effect of inducing a greater sense of realism" in Europe. He cautioned against "anti-American tinge" in European political statements.

"We repudiate the view that Europe will emerge only after a process of struggle against America," Mr. Callaghan declared.

In a wide-ranging speech, he also said that Britain would not try to wreck the European Economic Community in pursuing Labor party pledges for a "fundamental renegotiation" of Britain's membership in the Common Market. Britain will move for improved terms without seeking confrontation or even changes in the basic market treaty, he said.

REASSURANCE FOR PARTNERS

He thus cleared up at least one question bedeviling Britain's partners, who have wondered whether the Labor party would rush into the Common Market and begin demanding changes in the basic accords. Many officials in Europe had said that an effort to reopen the basic terms of Britain's entry would raise formidable legal issues and would not be possible.

According to Mr. Callaghan's explanation, Britain will try patiently to change the market within existing rules to obtain such goals as a reduction in contributions to the community's budget and to avoid price rises under its farm policy. Only if that approach fails, he said, will Britain raise the question of amending the basic treaty.

"We shall be willing to take adequate time for our important discussions and negotiations, although they cannot be dragged out indefinitely," the Foreign Secretary said.

In short, he suggested that Britain would be taking her time in the talks. The effect, however, will be further to delay movement toward unity in Europe because, as Mr. Callaghan noted, Britain will not "carry forward further processes of integration" pending the outcome of most of the negotiations.

Discussing Europe's relations with the United States, Mr. Callaghan had some words of caution for Britain's partners on their decision earlier this month to make an independent approach to the Arab countries with an offer of long-term economic and technical cooperation.

American officials, including Secretary of State Kissinger, complained bitterly about a lack of consultation before that move and argued that it could undermine delicate negotiations for peace in the Middle East.

In phrases soothing to American ears, the Foreign Secretary said Europe should avoid actions that would hamper Mr. Kissinger's efforts in the Middle East. He said that Britain welcomed a dialogue between the Economic Community and the Arabs but added that the nine-nation community "should explore the problem further with the United States so that we may finally dispose of the misunderstandings that have unfortunately arisen."

Britain did not endorse the offer to the Arabs because of the absence of a government here in the period following the general election. The implication in Mr. Callaghan's remarks was that the approach should proceed but only after more discussion with Washington about its scope and timing.

"I assume that neither the community nor the Arab states themselves would want their dialogue to hamper Dr. Kissinger's efforts to secure a measure of peace in the Middle East," he said.

The Labor spokesman's tone today was in sharp contrast to what American officials had recently been hearing from Edward Heath, the former Conservative Prime Minister, who took Britain into the market. While he often stressed the need for good British-American relations, Mr. Heath complained that the United States lacked understanding of Europe's problems, and he often supported Paris at the expense of relations with Washington.

Mr. Callaghan seemed to be endorsing a Washington view that Mr. Heath repeatedly rejected—that the United States should be given concessions on trade and monetary issues in exchange for providing much of Europe's defense. Sir Alec Douglas-Home, the foreign Secretary in the Tory Government, again denounced this position in the debate today.

In his speech Mr. Callaghan said that it was not possible to sustain a close defense alliance with the United States "without parallel cooperation on matters of trade, money and energy."

Despite the conciliatory words, there are potential trouble spots in British-American relations. The Labor party, for example, has talked of asking the United States to withdraw its nuclear submarines from their base in Holy Loch, in Western Scotland.

Moreover, it has pledged to cut military spending, a move that would be opposed by the United States, which is trying to prod Europe into spending more for its own defense. Some nationalization projects, including laws dealing with offshore oil, could involve American companies and stir trans-Atlantic tensions.

Mr. Callaghan noted some of the difficulties ahead. He said his remarks should not be interpreted as meaning that "Europe should become a satellite of the United States."

[From the New York Times, Mar. 21, 1974]

BONN BIDS EUROPE GIVE U.S. ACCESS TO POLICYMAKING

(By Craig R. Whitney)

BONN, March 20.—West Germany is discussing with its eight Common Market partners a proposal to answer American complaints that Europe does not consult Washington adequately before making important decisions.

Government officials here say that the German proposal, broached to the French in Paris today and to be discussed with the British tomorrow and Friday, will be put to high American officials in Bonn this weekend, if all goes well.

[In Washington, the State Department announced that Secretary of State Kissinger would stop over in Bonn for talks Sunday on his way to Moscow.]

The German proposal is that the Common Market's Political Consultation Group, which prepares the important decision papers for the ministers, should invite American officials to meet with it on obviously far-reaching matters before these are given to the ministers for final decision.

HITCHES FORESEEN

According to diplomats here, however, there are some hitches. "The proposal has been made before, within the Common Market, but the French have always vetoed it," one said today. Foreign Minister Walter Scheel sent one of his section heads, Günther van Well, to Paris today to discuss this with the French.

The German proposal goes to the heart of the charges by Secretary of State Kissinger and President Nixon that the Common Market has ignored Washington's economic and political interests in important initiatives.

The most spectacular American criticisms followed the European decision March 4 to make a long-term offer of economic and technical cooperation to the Arab countries. Mr. Kissinger and Mr. Nixon complained that the United States had not had a chance to influence the decision.

The Germans say that their proposal would give the Americans a chance to do what Mr. Kissinger says they have been frustrated in doing: to have a say in European decisions affecting American interests before they become final.

COMPLAINTS BAFFLED BONN

The Germans have been particularly hurt and baffled by the recent American complaints because, since Jan. 1, West Germany has held the chairmanship of the Common Market Council. The French take it over in July.

The American reaction to the German plan is uncertain, since the proposal would leave the decision on what is an important matter involving American interests to the Europeans. "If it were formally made as a proposal, we'd consider it," one American expert said.

The Germans consider that support for this and other proposals from the new British Government is certain. The Foreign Secretary, James Callaghan, who is due in Bonn tomorrow, said in London yesterday that Europe should engage in the "fullest and most intimate" cooperation with Washington. Britain did not give her assent with the others because she was between governments at the time.

The French originated the proposal, which cannot even get underway until the British endorse it, and this gives the Americans a certain leverage on Paris through London.

Bonn's compromise initiative is thought to have little to do with yesterday's agreement in principle between West Germany and the United States on offsetting the costs of American troops stationed here. As long ago as late January, Chancellor Willy Brandt said he expected such an agreement by this month.

TARGET: THE FRENCH

American officials have made it clear the main target of the recent blasts from Washington is not the Germans but the French. "Everyone knows what the problem really is," one Western diplomat said here today. "It's the French veto over actions the other eight partners would be only too happy to take, and their weakness in not standing up more to the French."

German diplomats here have plaintively been telling local and foreign journalists ever since the crisis in Atlantic relations blew up after Mr. Kissinger's last visit March 3 and 4 that Bonn is caught in a painful squeeze between Paris and Washington.

To the French, they say, Germans go too far in even informing Washington of coming European decisions—as Bonn says it did, over a period of many weeks, in the case of the Arab initiative. To the Americans, on the other hand, consultation means not just being told about what is coming, but being given a chance to make suggestions. "In between is the poor Federal Republic," a German diplomat said of his country's position.

The West German Foreign Office view is that the American-European relationship would improve if Mr. Kissinger made more use of existing traditional diplomatic channels, like the American embassies in Europe.

And there is widespread bafflement in Bonn about why Mr. Kissinger and President Nixon have taken such a harsh tone recently in commenting on Atlantic relations, although Mr. Nixon seemed to moderate his tone at a news conference last night in Houston. "In politics, tactics are a necessary instrument, but a dangerous one," one German diplomat said. "One must keep tactics within limits."

KISSINGER TO VISIT BONN

WASHINGTON, March 20.—Secretary of State Kissinger plans to resume United States contacts with the nine-member European Economic Community Sunday at a meeting in Bonn with Foreign Minister Walter Scheel of West Germany.

The contacts, which started 11 months ago after Mr. Kissinger's efforts had been stalled on the issues of consultations and "partnership," both of which, the Nixon Administration contends, have been lacking.

The announcement of Mr. Kissinger's meeting with Mr. Scheel, who now holds the rotating chairmanship of the Common Market Council, was made by the State Department this evening.

Mr. Kissinger will stop in Bonn on his flight to Moscow, where he is scheduled to spend three days discussing strategic arms, the Middle East and trade.

The State Department spokesman, George S. Vest, said that Mr. Kissinger and Mr. Scheel would devote most of their meeting to relations between Europe and the United States and East-West questions. Last night, President Nixon said he expected that the stalled discussions with the European nine would resume again and that the two sides would "work out the differences that we have in the economic and political field."

WHY NOW?

Mr. BIDEN. Mr. President, the taken-for-granted nature of citizenship and the vagaries of human nature often react, in the catalyzing presence of national crises, to cause a wide range of feelings about one's country. A case in point are the present turbulent days, which find the name "American" invoked as a shield or a rallying cry, a blessing or an epithet. Yet for all the diversity of response in the face of trouble, from "carping self-flagellation," which tendency the Secretary of Defense recently criticized, to patriotic bullheadedness, which he himself occasionally manifests, the vested interest of the native-born in the progress of their homeland reflects a common presumptuousness. There is a certain blindness which occludes the perception and appreciation of birthrights, be they inherited wealth or the coparceny of citizenship.

To compensate for that built-in distortion in perspective that afflicts all native sons, in these times, I recommend to my colleagues a recent article from the Boston Globe by Joy Gerville-Reache for an uplifting reading experience. In it the author, an editorial writer for the Christian Science Monitor, recounts the recent occurence of an oath-taking ceremony at the John McCormack Federal Building in Boston, in which 59 foreign nationals, herself included, became naturalized citizens of the United States.

All 59 of us stood with right hand raised, while the oath of allegiance was administered. The oath-taking strengthened the desire to belong by making me feel wanted. Then the judge spoke, and what he said was warm and moving. He told us that his grandparents were Italian immigrants.

"The great strength of this country," Judge Tauro began, "is caused by occasions such as this, when men and women such as yourselves, filled with hope, high expectation and determination, join hands in voluntary association with native Americans in an oath of allegiance to the United States of America."

Two aspects of being an American in particular—the duties of democracy and the privilege of prosperity—are often clearly known by an immigrant population while the indigenous people often lack the detachment necessary to put the role of allegiance to the Nation in the proper focus. The constant renewal of conscious commitment to the American experiment is perhaps the singlemost important infusion which America receives from its immigrant citizens. As Joy Gerville-Reache explains it.

It's a matter of feeling rather than cold reasoning. Some of my American friends have asked: "Why do you want to join us, particularly now?"

It's hard to say in cut and dried terms. It's a sense of the time being right. Seven years ago, when I came here from Europe, I couldn't have done it. Even two years ago I couldn't.

But now, whatever the turmoil besetting the United States, I want to belong. I don't want to go on living, working and paying taxes here as an outsider. I don't love my country of origin any less because of this. Instead of criticizing America, as I once did, I want to do my part to help, however small my contribution might be.

The verbalization of her aspirations is, to my taste, a contribution of grand proportions; and by passing along Joy Gerville-Reache's words to my Senate colleagues, perhaps I might contribute a measure of sunshine to brighten the dark feelings of the Nation which overcast our deliberations so often of late.

Mr. President, I ask unanimous consent to have "Becoming an American, 1974" from the February 22 Boston Globe printed at this point in the RECORD.

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

[From the Boston Globe, Feb. 22, 1974]

BECOMING AN AMERICAN, 1974

(By Joy Gerville-Reache)

I'm one of 59 immigrants just sworn in as American citizens here in Boston.

Some of my American friends have asked: Why do you want to join us, particularly now?

It's hard to say, in cut and dried terms. It's a sense of the time being right. Seven years ago, when I came here from Europe, I couldn't have done it. Even two years ago I couldn't.

But now whatever the turmoil besetting the United States, I want to belong. I want to participate, to vote. I don't want to go on living, working and paying taxes here as an outsider.

I don't love my country of origin any less because of this, but my affections have

broadened. Instead of criticizing America, as I once did, I want to do my part to help, however small my contribution might be. Deep inside I know that this is the thing to do. It's a matter of feeling rather than cold reasoning.

The oath-taking ceremony has strengthened the desire to belong by making me feel wanted.

I had expected a dingy courtroom and a hustle of officialdom, but it wasn't like that. Under a fresh coat of paint District Courtroom No. 2 at Boston's John W. McCormack Building was light and dignified. This was the first sitting in it since the redecorating.

One by one the new citizens filed in: all ages and many different ethnic origins. The youngest was a smiling Asian girl, 7 or 8 years old, who was accompanied by her adopted American mother.

Two officials of the Justice Department greeted each of us with patient, gentle courtesy. Sitting on my right was a beautiful Asian woman, next to her an Irishman. A woman behind me patted me on the shoulder: "You British, too?" On my left was a Portuguese girl from the Azores.

Half an hour before the sitting was due to start we signed our citizenship papers on a table in the center of the room. After the signing two women wearing the peaked caps of the American Legion handed each of us a tiny Stars and Stripes.

There was a last-minute arrival—a girl in her 20s with long, dark hair falling over her shoulders. She might have been Italian or Portuguese. The clerks, who had helped with the signing had left, but the girl wasn't scolded for being late. As patiently as before the two officials reopened their briefcases and found the documents for her to sign.

Promptly at 10 a.m. the judge was ushered in. He noticed the huddle of friends of the new citizens pressed against the door and invited them to move up the room to a space still awaiting chairs after the recent redecorating. A friend of mine found a seat in the witness box.

All 59 of us stood with right hand raised while the oath of allegiance was administered.

Then the judge spoke, and what he said was warm and moving. He told us that his grandparents were Italian immigrants. I learned afterwards that he was Judge Joseph L. Tauro, whose father is Chief Justice of the Massachusetts Supreme Judicial Court. His grandfather was a shoemaker by trade.

"The great strength of this country," Judge Tauro began, "is caused by occasions such as this when men and women such as yourselves, filled with hope, high expectation and determination, join hands in voluntary association with native Americans in an oath of allegiance to the United States of America."

His grandparents, he said, came to the U.S. with no funds. "But nonetheless they had great wealth: that of health, courage, determination, faith in the American dream and faith in the virtue of hard work and in the satisfaction of doing a job well, both as a matter of personal pride and as a means for elevating the living standard of their family. I remember them well, with great love and, as I get older, increasing respect.

"But occasions such as this," the judge continued, "bring home the point that there really wasn't anything unusual about my grandparents. They were typical of hundreds of thousands of foreign-born men and women who left their home in search of something better and in the process so greatly enriched the quality of life in America.

"They were typical of you, ladies and gentlemen, all of differing backgrounds, different training and different traditions, but, nonetheless, sharing a common purpose: a dedication to the principles and ideals of this great country and a determination to preserve and enhance those principles and ideals for generations to come."

"My fellow Americans, I welcome you," he concluded.

Thank you, Judge Tauro, for making us feel wanted.

Thank you, America.

FIFTIETH ANNIVERSARY OF WOODROW WILSON'S DEATH OBSERVED BY WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

Mr. HUMPHREY. Mr. President, on February 3 the 50th anniversary of Woodrow Wilson's death was observed by guests of the Woodrow Wilson International Center for Scholars in the Great Hall of the Smithsonian.

The International Center for Scholars, established by the Woodrow Wilson Memorial Act of 1968, is a "living memorial" to President Wilson. In the 3 years it has been in existence, the Center has sponsored research by 100 fellows from 24 countries. In the coming year, the Center will bring historians from abroad to work on the American Revolution as a world event and will bring people from State and local governments from every major region of the country and from abroad to write a series of studies on the problems of the future of the American federal system.

The International Center was only one of the many living memorials to President Wilson represented at this anniversary observance. People from the Woodrow Wilson Foundation, the Woodrow Wilson House, the Woodrow Wilson National Fellowship Foundation, and the Woodrow Wilson Birthplace Foundation, joined in this celebration of the timeless contribution Woodrow Wilson made to the life of this Nation and the world. The two main speakers, Ambassadors Daniel P. Moynihan and George F. Kennan, uphold the traditions of dedication to public office, personal integrity, and the pursuit of international understanding and responsible participation in world affairs that President Wilson has personified for so many.

In his speech, Ambassador Moynihan asked the haunting question:

> What will be more wondrous in two years time: that the Republic has survived two centuries, or that in a mere two centuries it has wholly lost the power to celebrate that survival?

Yet I believe that this evening of commemoration, the many living memorials to Woodrow Wilson represented, and the evidence of the continuing inspiration of his life and ideas in the statements made, indicate that we have not lost the power to celebrate the survival of the best traditions of the Republic.

At a time when the integrity of public officials is being called into question, Americans met to celebrate, in Ambassador Kennan's words:

> The image of the man himself . . . the stern sense of duty, the high concept of public office; the total personal integrity; the dedication to public interest.

The words of Woodrow Wilson himself were recalled:

> If there be one principle clearer than another it is this: that in any business whether of government or merchandising, somebody must be trusted . . . The best rulers are always those to whom great power is entrusted in such a manner as to make them feel that they will surely be abundantly honored and recompensed for a just and patriotic use of it, and to make them know that nothing can shield them from full retribution for every abuse of it.

At a time when we are being reminded by daily events that leaders everywhere ignore at their peril the problems of the vast majorities of their people, Woodrow Wilson's sense of responsibility to the people should be reasserted as an urgent message.

Ambassador Moynihan pointed out:

> Woodrow Wilson once began an address to an occasion such as this by saying that when he thought of mankind he did not think of men in dinner jackets . . . One would like to know . . . just what, if not men in dinner jackets, Wilson did think of when he thought of mankind. It is clear that once he entered politics he came more and more to think of the working masses whose party he was soon to lead . . . He came to think, surely, of mankind as inclusive of persons who spoke other than English . . .

At a time when we have come to realize that arms limitation and negotiated settlement of conflicts are not just the dreams of idealists, but necessities, Woodrow Wilson's dedication to a peaceful world order is given a new relevance. As Ambassador Kennan stated:

> I could, of course, point to specific insights in Woodrow Wilson's philosophy that seem to me to have been of great importance not just for the people of his time but even more for us. These would be in particular the insights relating to the uses of war, in its modern aspect, as a weapon of policy—his very proper distrust of the value of total military victory—his skepticism of the reality and permanence of a victor's peace, imposed on other people by the force of arms; and his immensely penetrating and significant recognition that modern war is not just an instrument with which you do ghastly things to other people, but an instrument which, however successful in the military sense, does ghastly things to you as well: to the texture of your own civilization, to the integrity of your own ideals, to the humanity of your youth, to your image of your own society.

We are reminded by both Ambassador Moynihan and Ambassador Kennan that Woodrow Wilson's was a life of tragedy and failure as well as of immense accomplishments. Such a recognition is appropriate in commemorating a man who took his ideals into the international and domestic political arenas.

Only if we realize that the struggles for international peace, for truly representative government responsive to the needs of the people, and for a compassionate and responsible role in world affairs are continuous and filled with disappointments can we fully appreciate the continuing inspiration of Woodrow Wilson. Only if we dedicate ourselves to continuing these struggles, to the hard work of realizing the principles on which this country was founded, can we find the power to celebrate 200 years of survival as a republic.

Mr. President, I ask unanimous consent that the introductory remarks by Dr. James H. Billington, director of the Woodrow Wilson International Center for Scholars, the address by Ambassador

Moynihan and the address by Ambassador Kennan be printed in the RECORD.

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

INTRODUCTORY REMARKS BY DR. JAMES H. BILLINGTON

INTRODUCTION OF AMBASSADOR DANIEL P. MOYNIHAN

It is perhaps unusual to commemorate the anniversary of a death. But the image of life out of death was not foreign to Wilson. The American Congress in the Woodrow Wilson Memorial Act of 1968 determined that the 28th president should be officially remembered with an new kind of living memorial. It may thus be appropriate that a man who died with faith 50 years ago is commemorated by a gathering of some of us who live with hope today.

Though we all wish that many others who are not here tonight could be with us, it is not, I think, presumptuous to speak of you who are here as something of a composite human commemoration of Wilson's rich and varied legacy.

There are, first of all, Dean and Mrs. Sayre and the other descendants of this devoted family man; there are President and Mrs. William Bowen of Princeton, and other distinguished representatives from the several universities at which this great educator studied, taught, and administered; there are representatives of many academic disciplines to remind us that Wilson was president of two learned societies. There is a galaxy of figures from both the legislative and executive branches of our government to honor his political legacy—and a wealth of distinguished ambassadors to commemorate his international outreach.

There is Mrs. Allen Dulles, whose husband was with Wilson at Versailles; three Grayson brothers, whose father was at Wilson's side when the cheering stopped and the end came; and—appropriately to the vision of those last years—the highest U.S. official in the United Nations, Undersecretary General Bradford Morse.

Of course, the commemoration of Wilson did not begin with the creation of this official national memorial; and it is a pleasure to welcome here tonight leading executives from those institutions that have so long and well honored his name: the Woodrow Wilson Foundation; the Woodrow Wilson House, the Woodrow Wilson National Fellowship Foundation, the Woodrow Wilson Birthplace Foundation, and the Woodrow Wilson International Center.

Mr. Pendleton Herring, current chairman of the Woodrow Wilson Foundation, discovered and donated to the Center the bronze bust of Wilson in academic garb. Arthur Link, the editor of that foundation's great project, the publication of the papers of Woodrow Wilson, has provided us all not only with the written record of an eloquent president, but with an impeccable model of historical scholarship.

Finally, though I do not wish to speak here tonight about the programs and purposes of our Center rather than the man it commemorates, I would like to hail the fellows and staff who are with us tonight and are in a very real sense the bricks and mortar out of which our "living memorial" to Wilson is shaped. We are continuously grateful to the Congress which created and continues to support this enterprise—as well as to private and corporate donors and supporters. We are indebted to the Chairman of our Board, William J. Baroody for constant encouragement and support—as well as to other members of the Board of Trustees. I would like to recognize those who are with us tonight: Mr. William Batten, Dr. Ronald Berman, Mr. Robert Bork, Mrs. Donald Lethbridge (for the Librarian of Congress), Mr. John Richardson (for the Secretary of State), Dr. Paul McCracken, Mr. Harry McPherson, Jr. I would also like to recognize and thank the Chairman of our Advisory Council, Mr. David Packard.

This Center owes a special debt to the first Chairman of the Board, Senator Hubert Humphrey, an indefatigable founding father with a continuing interest in all we do; to our past board members, and especially to the first director Ben Read and his wife Nan, who brought the Center into being—as well as to Jean and Al Meisel, who served as his deputy and acting director.

Another very special founding father is Ambassador Daniel Patrick Moynihan, Vice-Chairman of the Board of Trustees and our first speaker tonight. Just in from New Delhi, he is the clear winner of any reunion-type prize that might be awarded to the alumnus returning from the longest distance.

Ambassador Moynihan does not entirely fit such familiar descriptions of Wilson as "a southerner of Scottish stock, stern Presbyterian, raised in villages in the South . . ." But the company of Wilsonian admirers has always been rich and varied; and if one looks beyond the passing peculiarities of time and place to things that matter and endure, there is a special appropriateness to Mr. Moynihan's appearance here tonight.

For America remembers Wilson largely as a governor and president; and Mr. Moynihan has been an advisor to both governors and presidents. The world remembers Wilson as the statesman who saw beyond his time that democracy and national dignity were inseparable goals—for all people; and Mr. Moynihan comes to us tonight as the man who honorably and officially represents the world's second largest democracy to the world's largest on the other side of the world.

ADDRESS BY DANIEL P. MOYNIHAN

Dr. Billington—

Woodrow Wilson once began an address to an occasion such as this by saying that when he thought of mankind he did not think of men in dinner jackets. This is not precisely so recorded by Arthur Link, but I was taught it by Ruhl Bartlett, and so much more of the same as to qualify as a third generation Wilsonian, studious of texts, but accepting as equally of apocrypha that evoke the spirit and the mystery of the man, as the literal and undemanding facts. I will speak, as it were, from a mixture of both, for there is a Wilson who to any such as I still summons one to belief and disbelief and to a search for understanding of things necessary if not possible to know.

One would like to know, for it would matter, just what, if not men in dinner jackets, Wilson did think of when he thought of mankind. It is clear that once he entered politics he came more and more to think of the working masses whose party he was soon to lead. (I have argued elsewhere that the role of the International Labor Organization in his view of the League system was larger than generally appreciated, as was also the role of the ILO in the defeat of the Covenant.) He came to think, surely, of mankind as inclusive of persons who spoke other than English, and on his great Western tour in quest of the Covenant, would say so with a candor now quite lost to American public life.

Do you know where Azerbaijan is? (He asked his audience speaking of the Peace Conference in San Francisco on September 18, 1919). Well, one day there came in a very dignified and interesting group of gentlemen from Azerbaijan. I did not have time until they were gone to find where they came from, but I did find this out immediately, that I was talking to men who talked the same language that I did in respect of ideas, in respect of conceptions of liberty, in respect of conceptions of right and justice. . . .

It is at such points, of course, that one inclines to quarrel with Wilson: How can he ask us to believe that he believed such things? Worse: What if indeed he did? And for a new generation influenced at most by what I should suppose is now an attenuated Wilsonianism there are vastly greater difficulties of his concluding assertion: and I did find this out, that the Azerbaijanis were, with all the other delegations that came to see me, metaphorically speaking, holding their hands out to America and saying, "You are the disciples and leaders of the free world; can't you come and help use?"

I suppose there are among us those who would be willing to advise the Azerbaijanis on the correct pricing policies for crude oil, but for the rest. . . . no, we fall back in disbelief. Even such as I do, who were taught, if anything, to move forward in acceptance.

What then does it matter what he thought of mankind? It matters because therein resides the essence of his quest for legitimacy in the world order, a quest which still eludes us, and which, if I am not altogether wrong, honesty requires that we acknowledge cannot any longer be successfully pursued in Wilsonian terms.

There is no mystery here. Wilson's was a profoundly optimistic, Christian view of man's condition. His vision of a world order was a religious vision: of the natural goodness of man prevailing through the Holy Ghost of reason. That it were Calvinist I will not contest; the distinctions are small, given the gulf between belief and disbelief, and it was neither reformed nor unreformed in its fundamentally Christian conviction that such visions are not in fact attained on earth. Or at very least, in its susceptibility to such conviction.

We gather on the anniversary of his death in Washington in 1924, but of course he died in the public sense on his way back from Pueblo, Colorado, on the night of September 25th, 1919. He was only once ever again to speak in public, on Armistice Day in 1923, a few weeks before the final end. The Pueblo speech is to be reread: the last of that Western tour. It is surely a premonition, an evocation almost of death. A speech from the Cross. A speech to be sure by a Presbyterian St. Jerome, contesting texts to the very end, but a Passion withal. It is a premonition of his own death, and a prophecy, I suppose, of the death of the Western civilization that would not be saved, excepting always that those who believed would be saved, the City would not be saved: the City would be lost now to war and rumors of war.

The Biblican iambic, the New Testament ecstacy in that extempore speech are as moving as anything in the language of the American presidency.

"Again and again, my fellow citizens, mothers who lost their sons in France have come to me and, taking my hand, have shed tears upon it not only, but they have added, 'God bless you, Mr. President!' Why, my fellow citizens, should they pray God to bless me? I advised the Congress of the United States to create the situation that led to the death of their sons. I ordered their sons oversea. I consented to their sons being put in the most difficult parts of the battle line, where death was certain, as in the impenetrable difficulties of the forest of Argonne. Why should they weep upon my hand and call down the blessings of God upon me? Because they believe that their boys died for something that vastly transcends any of the immediate and palpable objects of the war. They believe, and they rightly believe, that their sons saved the liberty of the world. They believe that wrapped up with the liberty of the world is the continuous protection of that liberty

by the concerted powers of all civilized people. They believe that this sacrifice was made in order that other sons should not be called upon for a similar gift—the gift of life, the gift of all that died—and if we did not see this thing through, if we fulfilled the dearest present wish of Germany and now dissociated ourselves from those alongside whom we fought in the war, would not something of the halo go away from the gun over the mantelpiece, or the sword? Would not the old uniform lose something of its significance? These men were crusaders. They were not going forth to prove the might of the United States. They were going forth to prove the might of justice and right, and all the world accepted them as crusaders, and their transcedent achievement has made all the world believe in America as it believes in no other nation organized in the modern world. There seems to me to stand between us and the rejection or qualification of this treaty the serried ranks of those boys in khaki, not only these boys who came home, but those dear ghosts that still deploy upon the fields of France.

He tells of visiting a cemetery in France where French women tended American graves.

"France was free and the world was free because America had come! I wish some men in public life who are now opposing the settlement for which these men died could visit such a spot as that. I wish that the thought that comes out of those graves could penetrate their consciousness. I wish that they could feel the moral obligation that rests upon us not to go back on those boys, but to see the thing through, to see it through to the end and make good their redemption of the world. For nothing less depends upon this decision, nothing less than the liberation and salvation of the world."

What is one to make of this? Was he right? We have almost given off asking such questions, much less answering. But this, surely, is clear. It was very late in the history of the West to put any large public question in such terms. Carl J. Friederich and Charles Blitzer are correct, surely, that with the religious revival of the 17th Century, and the wars of that Century, "Once again, and for the last time, Life was seen as meaningful in religious, even theological, terms. . ." For the last time. A half century from Wilson, official belief is trivialized to the point of contempt and contemptibility. What will be more wondrous in two years time: that the Republic has survived two centuries, or that in a mere two centuries it has wholly lost the power to celebrate that survival. But one is not to pity the Bicentennial Commissioners, if there are any left, for their fumblings mirror our general fate. Nor for that matter lament the loss of the halo round the gun over the mantlepiece. A world without God, Woodrow Wilson's or whosoever's, is necessarily a world without pity. Senitment is not the same, and its origin is in fear not faith.

The world does not share his faith, much as individually we might wish otherwise; and we do not share his optimism. But we *can* share his sense of personal and national honor, his ethic of effort, his nerve of failure, his attention to the large capacities of the American people. It is the hope of our Center—his Center—to do that.

INTRODUCTORY REMARKS BY DR. JAMES H. BILLINGTON

INTRODUCTION OF AMBASSADOR GEORGE F. KENNAN

Woodrow Wilson reminded Americans at the beginning of this century that there was a moral grain to the universe and that democratic institutions had to be shaped—and could only be reshaped—by cutting with and not against that grain. Whereas earlier historians and politicians were inclined to deprecate the Wilsonian approach as impractical idealism, there is a new tendency following Arthur Link to speak of it as a higher form of realism.

No man has done more to lift American thinking about international affairs since World War II to this "higher realism" than our second and last speaker tonight, George F. Kennan.

He introduced a new generation of Americans to an honest acknowledgement of national interest that would become more moral in substance as it became less moralistic in rhetoric. He argued early and hard—working with architects of our post-war foreign policy like Governor Harriman (who is with us here tonight) and in his own famous "Mr. X" article—for a tougher view of Stalin's Russia than the euphoria of the times then favored.

As one who shared Wilson's Calvinism and was educated by Wilsonian teachers and curricula, George Kennan was perhaps uniquely equipped to urge Americans after a second world war to avoid that deformation of Wilsonianism which he characterized as the "moralistic-legalistic" approach, without descending into amoral cynicism.

George Kennan is an outstanding example of the Wilsonian link between the world of ideas and the world of affairs.

Joining the foreign service in the mid-twenties when much of America seemed to be repudiating Wilsonian internationalism, Mr. Kennan went on to fill a host of distinguished posts, including those of ambassador to the USSR and Yugoslavia Yet he was always a scholar not just of Russia and its relations with America, but particularly in the inter-war period also of Germany and (specially recently) also of France.

He proved in the late 60's a particularly eloquent and insistent defender of scholarly values against the tendency of many to follow the fads of youth and so use hallowed educational institutions for either political or psychotherapeutic purposes. For George Kennan the historical pursuit of truth has never been derailed by the hysterical pursuit of relevance. Precisely for that reason, he always brings something new—and usually stubbornly original—to any exchange of ideas.

Among American writers and intellectuals today, he is that rarest of all phenomena: a seminal thinker who has the style of an artist and the depth of a theologian. It is a pleasure and privilege to present a Wilsonian for all seasons, an extraordinary ambassador to the universal republic of letters; the honorable George F. Kennan.

ADDRESS BY GEORGE F. KENNAN

SALUTATION

It comes as a rather unexpected jolt—one feels one's self, in fact, somewhat taken aback—to be turning once more, amid all the passions and preoccupations of our own time, to the once familiar but now, for many people, somewhat obscured figure of Woodrow Wilson,—now this extraordinary man who once clothed—or was clothed by—the highest office of this land. It is not that it was really so long ago. His presidency occurred during what I might call the politically-conscious lifetime of many of us who are still around. And it certainly could not be said that the period of his presidency was a dull or uneventful one in the life of the nation. On the contrary, it coincided with what I personally believe to have been the most crucial and in a sense the most fateful years in the history of modern Western civilization; and he was obliged to shape American policy in the face of the greatest single catastrophe—namely, the First World War—that this civilization has ever faced. No American statesman, unless it be Lincoln, had ever faced a heavier responsibility.

But so stormy has been the development of our world environment and of our country itself, in the fifty years that have passed since Wilson's death—so traumatic have been the happenings of this period—so many have been the curtains raised by intervening events between our present concerns and our historical memory—and so great, finally, is our present bewilderment, so poorly do we understand what has happened to us over these past five decades, where we have come from, and where we are going—that it is not easy to establish, when suddenly called upon to do so, the relationship between Wilson's experience—his aspirations, his achievements, his failures—and the various predicaments that mark our situation today.

It is not hard, of course, to recall to memory the main circumstances of that experience, and the personality by which it was borne. There is something unforgettable, in fact, about the figure itself; the fine, strong, lively face, with the grey eyes and the prominent, determined, chin; the impeccable, elegant attire; the impressive public presence, in which vigor and cheerfulness and affability were combined, as few others could combine them, with a perfect courtesy and dignity, and, finally, the firm oratorical competence: the intellectual ascendency, the lucidity and polish and grace of public utterance. No man, in modern time, to my mind, ever better looked, or acted, the part of an American president.

We even see, now, in the light of the excellent historical literature that has recently become available to us, something of the immensely complex composition of the inner man: the richness of contradiction that marked his personality—the mixture of the cold and the warm, the practical and the visionary, the wise and the naive, the ambitious and the selfless. And we see the comparable contradictions in his political style: the elaborate deference and attention to the Congress, on the one hand, (Wilson showed a greater punctiliousness in this respect, I believe, than had any president for a hundred years before him), and yet, on the other hand, at times, a deep distrust of the whole legislative and political establishment, national and international, and a persistent tendency to go over the heads of that esablishment and to appeal to the masses of the people with a view to making them his allies against all these intervening powers and principalities.

We see, too, a man whose intuitive judgments on points of principle were very often, in the light of history, extremely perceptive and accurate—a man who was at his best when he was putting these judgments forward and moving to establish them in the public mind, and who was by no means unreasonable or impractical or unconstructive in working out with others the application of these determinations of principle, once they had been accepted, but a man who, at the same time, was easily put off and made uncertain and caused to flounder if his declarations of principle were challenged and frustrated, if he was forced to compromise what he thought was, on principle, sound and right.

And we see, finally, the great loneliness of this man as a statesman—a loneliness which to some extent, perhaps, was inseparable from the high office he occupied but which, for personal reasons, seems to me to have been particularly acute in his case. He described that loneliness himself, consciously or subconsciously, in the beautiful tribute to Abraham Lincoln which he delivered, at the latter's birthplace, in 1916. It was a very lonely spirit, he said then, speaking of Lincoln,

". . . that looked out from underneath those shaggy brows and comprehended men without fully communing with them, as if, in spite of all its genial efforts at comradeship, it dwelt apart, saw its visions of duty where no man looked on. There is a very holy and very terrible isolation for the conscience of every man who seeks to read the destiny in affairs for others as well as for himself, for a nation as well as for individuals. That privacy no man can intrude upon."

All this, as I say, we see in the man. And it is also not difficult to recall the salient features of the experience that flowed from the interaction of this personality with the challenges and events of his time. One remembers the excellent contributions to the internal development of American society that marked the initial years of his presidency, the many perceptive and forward-looking reforms with respect to finance and business and labor and agriculture. One remembers, too, the long struggle, during the first years of the World War, to persuade the Congress to improve the defenses of the country for the event that it should be dragged, by the force of circumstances, into a war it did not desire. These seem to me to have been among his finest, certainly his most successful, efforts.

Wilson did his utmost to keep the country out of that First World War. He saw, up to 1917, no clear American interest in the things that the warring parties professed to be fighting for. With the causes of the war, he said, less than a year before our entry into it, "we are not concerned. The obscure fountains from which its stupendous flood has burst forth we are not interested to search for or explore." But there were forces that threatened now to sweep the country into the war: our commitment to the principles of neutrality; the pro-Entente sympathies of much of the Eastern establishment; the heavy-handed stupidities of the German High Command: these were forces outside his control. He saw them coming, and struggled against them. He struggled against them, above all, by trying desperately to bring the war to an end at the time when it should have ended—in 1916, before we could be dragged into it, and before old Europe could complete the destruction of the cream of its youth, and complete the tearing of itself to pieces. We see how hard he worked to get the warring Powers to accept the idea of a compromise peace, how little responsive they proved to be, intoxicated as they were with their military fixations and extra-vagant war aims, and how little real loyalty and support he received at this moment from some of those in his entourage to whom he looked for just these things. And one sees him swept, then, by these forces which were too much for him—which would have been too much for anybody—into the maelstrom of war—compelled, against his will, to lead the country into a vast conflagration the causes of which he did not fully understand or respect and in the outcome of which he had only a dimmed and doubtful confidence—compelled to associate himself and his people with allies now partially blind with the passions of war, their vision distorted by bitterness, hatred, fear, and in some instances cupidity, confronting adversaries similarly motivated and similarly committed.

And now, he was faced with the task of finding an adequate rational for a war effort we had not been able to avoid. The ostensible reasons for our involvement were, when closely examined, ironic and absurd. It was a curious procedure, on the face of it, to vindicate one's neutral rights by abandoning all neutrality. What sense did it make, one could ask, to sacrifice the totality of one's neutrality in the name of protecting a portion of it? Of couse, the defense of neutral rights was not the only reason for our entry. But precisely because the real reasons were ones outside of our own control, prcisely *because* the country was brought to war by forces over which it was not the conscious master, and because this helplessness was too great to be confessed—because the recognition of it could never have provided an adequate basis for war moral in a great democratic nation—Wilson had not choice but to cast about for a better, more plausible and more inspiring concept of what we were fighting for, even if it had to be somewhat forced and not fully consistent with his previous positions.

He did his best. He proceeded to formulate and enunciate (and no one could have done it more eloquently) a concept of war aims and hopes for the postwar future that could justify not only *our* war sacrifices and losses but the much greater ones of our allies and associates as well. The result of this effort was the famous vision with which we are all familiar; the great vision of a world without war, of an international society based on law and liberal justice, and organized for their support, a society where force would be ruled out as the arbiter of events, and where the strong would accept a benevolent responsibility for the weak.

He had entertained this concept even earlier, before we were obliged to enter the war. He had hoped, at that time, to make this country the instrument of its realization precisely by keeping us aloof from the war—by preserving the vigor of our economy, by preserving our freshness, our fidelity to our own ideals, our innocence, if you will, as the great reserve of strength and hope for the creation of a new world. Now he was forced to alter this image and to persuade people that we could successfully pursue this same vision not by keeping out of the war but precisely by getting into it. And he was also forced, as the war approached its end, to try to enlist behind this vision the assent and enthusiasm of embittered, over-wrought allies, still consumed by the passions of the struggle and the dreams of revenge.

All this was of course too much. No man could have accomplished it. Fifty years later, a great many people would come to understanding, in the light of the development of nuclear weaponry that the vision he put forward might be not just the dream of an idealist but was the price for the survival of civilization. In 1918, few could see this—few, particularly, who sat in the seats of power. The vision had no greater commendation than his own faith—his own persuasiveness. And you all know the outcome—that endlessly tragic outcome: the rebuff in Paris at the hands of the Allied leaders; the desperate effort to save the concept of the League of Nations even if it had to be at the cost of acceptance of a German peace treaty that accorded neither with his hopes nor with what he conceived himself to have promised the Germans in his Fourteen Points speech; then the crushing, to him almost inconceivable and unendurable, blow of the emergent opposition to the League itself in the American Senate; finally, his desperate effort to take his case to the country, to enlist the support of common people across the country—of those popular masses in whose enlightenment and idealism and confidence in himself he had always so touchingly believed—to enlist this support against the obstruction of the legislators; and then, of course, the breakdown of his health in the midst of this western speaking tour, the final rejection of the Treaty, and the sad last years: a man broken in body and spirit, the greatest work of a lifetime seemingly destroyed, possibilities for usefulness, which only a short time before had seemed of transcendent and universal importance, now suddenly and irrecoverably lost.

My friends: I have never been an admirer of all of Woodrow Wilson's political philosophy. Insofar as it continued to affect the minds of people down to our own age, I have felt obliged to take issue, more than once, with elements of it from the academic lecture platform. But I can think of no career in our public life more tragic than this—tragic in the classical Greek sense of man as the victim of his own contradictions—the plaything of forces within himself, yet beyond his control.

* * * * *

Well, then, where does this leave us? How do we relate this figure, this experience, to our own time? Tragedy, it would seem, yields no specific, concrete answers to anything, particularly not the passing problems of a later age. Tragedy sits there, sphinxlike and enigmatic, brooding over its human victims, hugging its secret to itself.

I could, of course, point to specific insights in Woodrow Wilson's philosophy that seem to me to have been of great importance not just for the people of his time but even more for us. These would be in particular the insights relating to the uses of war, in its modern aspect, as a weapon of policy: —his very proper distrust of the value of total military victory—his skepticism of the reality and permanence of a victor's peace, imposed on other people by the force of arms; and his immensely penetrating and significant recognition that modern war is not just an instrument with which you do ghastly things to other people, but an instrument which, however successful in the strict military sense, does ghastly things to you, as well; to the texture of your own civilization, to the integrity of your own ideals, to the humanity of your youth, to your image of your own society.

I could, as I say, talk about these things. They deserve attention. But from the standpoint of our inquiry tonight, as we look back over this fifty-year interval that separates us from the moment of Wilson's death, there is something more central and more important: and that is the image of the man himself, as he stood there in the midst of all his strivings. For in that image there were elements—the stern sense of duty, the high concept of public office; the total personal integrity; the dedication to public interest; and above all, the persistent, never-flagging effort to formulate an elevated concept of the purposes of this nation and of its function in the pattern of world history, to articulate this concept before the people at large and bring them to share it; in short, to encourage Americans to take a higher and more inspiring view of themselves as a people—all of these were elements in the Wilsonian image applicable today not just to those in high office but to all of us who take any part at all in the public affairs of the country, —elements timeless in their value, as applicable to any one age in the life of a democratic society as to any others, —elements which only at their peril will people of our time stamp as old-fashioned or outdated.

It is not for us to harbor certainties about what really constituted success or failure in the work of an earlier statesman. We understand too poorly the stuff of our own time to be the perfect judges of the relationships between cause and effect in another one. What stands out in Woodrow Wilson—that we can respect, and hold in memory, and draw wisdom from, was primarily the texture of the effort, in itself. It was an effort more important in its intrinsic quality, and in its eloquence as an example, than in its tangible and visible results.

It can be said of Woodrow Wilson that he gave to the interests of the country, and of the world, as he perceived them, everything that God had given him in the way of natural endowment: his intelligence, his

physical strength, his idealism, his belief in the national community of which he was a part, and his capacity for faith in something higher than any national community at all.

What more could anyone ask?

Let the man who is conscious of no failures in his own life reproach Woodrow Wilson for the ones attributed to him. Let the man who thinks he has made a finer effort than this look condescendingly, if it pleases him, on the gallant and tragic figure that has occupied our thoughts this evening.

DEATH OF CHET HUNTLEY

Mr. BAYH. Mr. President, yesterday our country and, indeed, mankind lost a great son in the passing of Chet Huntley.

I have heard and read the various tributes that have been made about Mr. Huntley. Most appropriately, I have asked myself, after hearing and reading all these thoughtful expressions, how one really describes a departed friend. How do we picture a man who one feels was a giant of a human being.

Certainly it is impossible to do so by weighing the volumes of words and prose. It is difficult to get a true picture of such an imposing and wonderful person as was Chet Huntley. It requires the broad brush of a landscape artist combined with the talents of a technician looking into the infinite detail of the heart through his microscope.

Mr. President, I thought perhaps a few personal notes might be appropriate, not that the thoughts of any one of us can truly describe the loss we have suffered collectively and, indeed, truly to describe the feelings that any one of us might have had with reference to the man who is no longer with us.

But, Mr. President, Chet Huntley was known to millions of Americans. For 14 years, he was an integral part of their lives, a frequent visitor in the living rooms of America, through the medium of television, sharing moments of joy, moments of sorrow, moments of triumph, and moments of defeat.

Mr. President, I consider myself fortunate to have known Chet Huntley personally and to count him as my friend. My wife Marvella and I have shared many a joy-filled moment, many a time of thoughtfulness and pleasure with Chet and his beautiful and vivacious and loving wife Tippy who, more than anyone else, feels his loss.

I feel a very personal sense of loss in the news of Chet's death yesterday at his home outside of Bozeman, Mont. I am sure that all Members of the Senate will want to join in expressing their deep sympathy to Tippy and the other members of the family.

Those of us who knew Chet personally, which includes many millions of TV viewers, saw in him the finest qualities of this great Nation.

He was honest, courageous, warm, hardworking, decent, and patriotic. Few men in public life have ever had a greater impact on our people and the times in which they lived and worked. It is to Chet Huntley's great credit that he reported on the issues, events, and personalities of his time in a forthright and unbiased manner, looking at all sides of every question.

It is to Chet Huntley's eternal credit that despite the immense power to mold public opinion that was his each night, he remained a humble man.

He once explained what he was attempting to accomplish in these words:

Perhaps the best I might hope is that by some accident of voice, tone, or arrangement of words, I did, on a few occasions, excite, exhort, annoy or provoke a few of my fellow beings to think—and to think with their heads, not their viscera.

Chet Huntley did not shrink from controversy. He did not attempt to sugar coat the bitter pill of bad news, nor did he despair when things looked grim. He had enormous faith in the basic goodness, the toughness in the face of adversity and the resiliency of this great country.

This faith was eloquently expressed at the close of his final television newscast for NBC on July 31, 1970. Speaking to all Americans, he said:

You have bolstered my conviction that this land contains an incredible quality and quantity of good common sense and it's in no danger of being led down the primrose path by a journalist. At the risk of sounding presumptuous, I would say to all of you: be patient and have courage for there will be better and happier news one day if we work on it.

Chet Huntley was a shining example of that quality which he attributed to his beloved country, for he was a man with an incredible quality and quantity of commonsense. America is better because Chet Huntley worked and lived among us.

ADJOURNMENT TO 9 A.M. TOMORROW

Mr. BAYH. Mr. President, I move, in accordance with the previous order, that the Senate stand in adjournment until 9 a.m. tomorrow.

The motion was agreed to; and at 6:11 p.m. the Senate adjourned until tomorrow, Friday, March 22, 1974, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate March 21, 1974:

THE JUDICIARY

Murray M. Schwartz, of Delaware, to be U.S. district judge for the district of Delaware vice Caleb M. Wright, retired.

DEPARTMENT OF JUSTICE

John L. Briggs, of Florida, to be U.S. attorney for the middle district of Florida for the term of 4 years. (Reappointment.)

S. John Cottone, of Pennsylvania, to be U.S. attorney for the middle district of Pennsylvania for the term of 4 years. (Reappointment)

Nathan G. Graham, of Oklahoma, to be U.S. attorney for the northern district of Oklahoma for the term of 4 years. (Reappointment)

Laurence C. Beard, of Oklahoma, to be U.S. marshal for the eastern district of Oklahoma for the term of 4 years. (Reappointment)

Ollie L. Canion, of Louisiana, to be U.S. marshal for the eastern district of Louisiana for the term of 4 years. (Reappointment)

Clinton T. Peoples, of Texas, to be U.S. mashal for the northern district of Texas for the term of 4 years vice William C. Black, resigned.

NATIONAL CREDIT UNION BOARD

James W. Jamieson, of California, to be a Member of the National Credit Union Board for a term expiring December 31, 1979, vice William E. Young, term expired.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Subject to qualifications provided by law, the following for permanent appointment to the grades indicated in the National Oceanic and Atmospheric Administration:

To be lieutenant commander

Warren K. Taguchi
Lowell R. Goodman
Abram Y. Bryson, Jr.
Robert D. Hopkins
David J. Goehler

To be lieutenant

David W. Yeager
Thomas W. Ruszala
Kenneth H. Underwood
James A. Watkins
Craig S. Nelson
Gerald W. Stanley
Allan F. Divis

To be lieutenant (junior grade)

Joseph J. Kapler
Roger W. Mercer
Donald D. Winter
Anthony A. Armstrong
Gregory V. Segur

To be ensign

David J. Tennesen.
Susan R. Ellis.
Michael A. Gzym.

IN THE AIR FORCE

The following officer for temporary appointment to the grade of brigadier general in the U.S. Air Force under the provisions of chapter 839, title 10 of the United States Code:

To be brigadier general

Col. Edward B. Burdett, [redacted]FR, Regular Air Force.

IN THE NAVY

The following-named officers of the United States Navy for permanent promotion to the grade of lieutenant (junior grade) in the line and staff corps, as indicated, subject to qualification thereof as provided by law:

LINE

Adams, Adrian J.
Adams, Robin L.
Alderman, John P.
Allen, David M.
Allen, Michael N.
Almquist, Thomas V.
Anderson, Kenneth G.
Anderson, Richard A.
Arnold, Kenneth B.
Atkinson, John S., Jr.
Ayers, Carleton R., II
Ayres, Kermit A.
Battle, Frank J.
Bauer, Robert W.
Beardsley, Wayne L.
Beck, George H.
Beckers, Thomas M.
Belcher, Robert D.
Benedict, William L.
Bennett, Robert W., Jr.
Berkowitz, Ann L.
Botton, Kenneth V.
Bowles, Ira L., III
Boyd, William L.
Boyle, John E., III
Brandt, Charles R.
Brattain, Herbert Keith
Brigde, Frederic L.
Brooks, Ross Newton, Jr.
Bruckman, David E.
Bruninghaus, Ronald P.
Buchanan, Herbert L., III
Buchspics, Kenneth L., Jr.
Buckner, John O.
Buzzel, Brian V.
Byerley, Stephen C.
Caldwell, Warren L., Jr.
Campbell, Gary L.
Campbell, Richard L., Jr.

Canfield, Stephen R.
Carmody, Michael J.
Carroll, Edward B., Jr.
Carter, Leslie R.
Catarella, Philip D., II
Carveny, Alvin E.
Chappel, Leroy W.
Christianson, Donald T.
Church, Harry F., III
Clark, Ray W.
Clark, Ronald
Columbia, Timothy F.
Connelly, Joseph B.
Coppotelli, Lawrence J.
Cottrel, William R.
Cross, Charles D.
Cuzzocrea, John L.
Daly, John F., Jr.
Damar, Leroy C.
Daugherty, Edward B., III
Davis, Douglas N.
Day, Edward W., Jr.
Degruise, Jerome J.
Dejaegher, Richard H.
Derusso, Michael P.
Devlin, David P.
Dickinson, Nancy L.
Digeorge, Frank P., III
Dimambro, Ronald E.
Dimmette, Joel Powell, Jr.
Dinkins, James E.
Disy, Edward G., Jr.
Dolan, Robert D.
Dougherty, James B.
Driscoll, Edmund F.
Dryden, Richard A.
Eissler, William R.
Elkins, James E.
Ellerman, Dean William, Jr.
Elles, Christopher J.
Ersek, David A.
Fagan, John M.
Farley, David L.
Feallock, William J., III
Federico, Philip J.
Feldman, Brian D.
Ferguson, Margaret A.
Foster, John I., Jr.
Freeland, Thomas L.
Frump, David A.
Gammage, Patrick Odell
Garifalos, James E., II
Gebel, Michael W.
Geel, Richard A.
Glantzmann, Christopher F.
Glassberg, Arnold M.
Glatzmaier, Gary A.
Gogolin, James H.
Goldman, Michael J.
Goldstein, Abraham J.
Gomez, Daniel S.
Goodnight, Lyman Evans, III
Grabiel, Marolee
Graham, David Joseph
Greeves, Mary Lou
Gregory, Troy Richard
Groff, Lawrence L.
Gustafson, David L.
Guthrie, Robert H.
Gutridge, Wallace Glen
Guzman, Thomas A.
Gyles, Leon L.
Haddock, James M.
Hamilton, James A.
Hamm, Thomas R.
Hammond, John T.
Hampton, Bruce N.
Harding, Richard W.
Harding, Robert O.
Hare, Sidney W.
Harrison, John N.
Haskins, Michael L.
Hatcher, Russell L., Jr.
Hedden, Charles R.
Hesser, John B., Jr.
Hicks, Leonard L.
Hill, Steven C.
Hobgood, Gordon B., Jr.
Hodges, Tedd W.
Hogg, Edward L.
Holdredge, Robert L.
Holeva, Carl
Hollingsworth, Arnold G.
Hopkins, Hubert D., Jr.
Horn, Robert G.
Horne, Richard A.
Hubbard, Allen L.
Hudson, William A.
Hugill, Joseph R.
Humphries, Wofford F., III
Hyland, Joel T.
Interholzinger, Jared F.
Israel, John E.
Jacobs, Jan C.
Janis, Henry J., Jr.
Jankura, Edwin S., Jr.
Jaroncyk, William, Jr.
Jarrell, Carolyn Elaine
Jody, Phillip L.
Johnson, Herman R.
Johnson, William F.
Johnston, Phillip L.
Jolls, John D.
Jones, Glenn E.
Jones, James A.
Justice, William K.
Kapinos, James M.
Kaucher, James E., Jr.
Kazmer, Vincent P.
Keller, William B.
Kelley, Richard G., Jr.
Kelly, Patrick W.
Ketron, Michael G.
King, John P.
Kluever, Patrick R.
Koehler, Kohn A., III
Kooker, Frederick M.
Koski, Carlos I.
Kraemer, Francis X., Jr.
Krug, William G.
Kryske, Lawrence M.
Kutcher, Robert J.
Labrecque, Lester Ray
Lambert, Robert B.
Lamkin, Harry B., III
Lanier, Richard J.
Lautares, Peter G., II
Lawhon, James C.
Lawrence, Russell G.
Lazarowitz, Morris E.
Leake, Beverly F.
Leard, Ernest L.
Lewis, Stephen L.
Lichwala, Stanley J.
Lindquist, Robert F., Jr.
Lippincott, William R.
Lipscomb, Gary Edwin
Logan, Johnnie M.
Long, Robert H.
Luigs, Robert W.
Lulu, Michael J.
Lunning, Robert M.
Lyons, Joseph F., Jr.
Maak, John E.
Mac Bean, Thomas P.
MacDonald, Thomas L.
Mackin, Thomas G.
MacLeod, David J.
Magee, Terry Edward
Magnino, John D.
Maloney, Robert S., III
Marco, Phillip Carmen
Marecic, Terrence J.
Marosek, Conrad F.
Martin, Ronald R.
Mathis, Michael G.
May, Robert M.
Mayberry, Jack B.
McCarty, Gordon L.
McClellan, Patrick M.
McCormick, Margaret Ellen
McGalliard, Gene R.
McGilvrary, Paul E.
McKeever, David V.
McKelvey, Edward L.
McKennan, David J.
Michell, William R.
Middleton, James M., Jr.
Miller, Craig S.
Miller, Peter, Jr.
Miskelly, Elizabeth T.
Mitchell, David E.
Mitchell, Joseph A., II
Mocock, William R.
Montemarano, Anthony S.
Montgomery, Henry E., Jr.
Moody, Richard A.
Moon, William S.
Moore, Richard E., II
Moseley, James R.
Moulton, David Wales
Murphy, Brian F.
Murphy, Peter J.
Murray, George M.
Naff, Peter B.
Neely, Judith Anne
Nelson, Victor P.
Nibbs, Alan M., Jr.
Niemczyk, Robert R.
Noland, James T., Jr.
Nolen, Ulysses L.
Oatley, Eugene T.
Oberg, David A.
O'Brien, William S.
Offerle, Robert A.
O'Hara, Timothy L.
Olde, Frederick G., III
Owen, John E. J., II
Pachuta, Mark T.
Page, Elton T., III
Pales, Michael F.
Palm, Jerry J.
Pampe, Robert A.
Pappas, Gregory W.
Parker, David J.
Parker, Jay P.
Patterson, Ricky L.
Patton, James W.
Paulus, Richard A.
Penix, Larry E.
Penn, Michael Gene
Peterman, Ronald R.
Peterson, Neil G.
Peterson, William J., Jr.
Phillips, David E.
Pieper, Charles P., Jr.
Pine, John S.
Poorman, Kenneth A.
Porter, Thomas P.
Prather, David W.
Prendergast, Timothy E.
Purcell, Colleen Ann
Puryear, Eric P.
Quadri, Anton Stefan
Quigley, Thomas K.
Renner, Ronald M.
Renton, Irvine A., III
Rhodes, Thomas W., Jr.
Rice, Elijah E.
Richards, Charles C.
Richardson, James D.
Richardson, William R.
Richmond, Donald R.
Ricksecker, William Grant
Ridgway, Donald C.
Roach, David G.
Robart, Gregory P.
Robinson, Alan Russell
Roehrs, Stephen L.
Roshelli, Ronald J.
Ross, Robert J.
Rutan, Andrew C.
Sackett, Craig P.
Sakre, Larry L.
Schaffer, Jack T.
Schalk, John E.
Scheerhorn, Ned A.
Schmidt, Jonathan B.
Schoonover, Robert A.
Schoonmaker, Catherine D.
Schultz, George W.
Schultz, Ronald H.
Schwiering, David A.
Scott, Roderick G.
Seabrooks, John R.
Sharp, Larry R.
Shavereric, Bruce
Shemanski, Clem J., Jr.

Shirkey, Jack M.
Sherk, Glenn E.
Shumlas, John A.
Silvers, Richard A.
Skewis, Ronald J.
Smith, Gary W.
Smith, Linda Mae
Smith, Richard T.
Smith, Stephen W.
Smith, Steven M.
Snell, Stephen F.
Snigg, Steven W.
Snow, Richard M.
Sonntag, Steven J.
Sontheimer, Richard F.
Sowers, James R.
Spencer, Charles H., Jr.
Steinert, Charles S.
Stites, Lloyd, T., Jr.
Stockton, Steven L.
Stovall, Robert M.
Stratman, Robert A.
Stribling, Thomas C.
Stuckert, Bruce T.
Stuetzer, F. John
Sturz, Frederick C.
Sumner, Robert L.
Sumners, Robert M.
Taylor, Christopher J.
Taylor, Milton D.
Taylor, Paul E.
Tennison, Thomas E.
Thies, Denzil D.
Thomas, Ronald M.
Thompson, Charles R.
Thomson, William J.
Todd, David K.
Trabona, Robert J.
Travis, Cecil L., Jr.
Turnbull, Steven Scott
Tynan, Edward P.
Vanderslice, John A., III
Vaneaton, Harley J., Jr.
Visage, Samuel J., Jr.
Voss, James W.
Wadington, Clair A.
Waddell, Ray K.
Wahl, Harry A.
Wallin, Jeffrey E.
Warr, Paul M.
Watson, Samuel R.
Watt, Alexander Y., Jr.
Weatherly, James M.
Westmoreland, William Donald
Westover, Steven B.
White, Grover Lee, III
Wiechert, Annette M.
Wilant, Mark L.
Williams, Scott K.
Wilson, Michael E. N.
Wingo, Theodore O.
Wold, John S.
Wood, David R.
Wood, Marcelle E., Jr.
Wright, Wilbur G.
Yourth, Ronald D.
Zmuda, Raymond A., Jr.

SUPPLY CORPS

Archer, Marvin D.
Bailey, Everett A.
Balint, David L.
Ball, Edgar S., Jr.
Barrs, Jack C.
Bellairs, Jacques T.
Benson, Edwin R., III
Bonafede, James M.
Connolly, John J.
Corack, Edward W.
Duffey, Thomas O.
Dura, John J.
Eastlund, Lon E.
Edwin, James R.
Flohr, Larry E.
Forman, James M.
Gilbert, Jack A.
Grant, Charles W.
Griggs, Joe L.
Hall, Stephen C.
Hartman, Larry D.
Hatfield, Franz
Henke, Louis, III
Hinkel, Shelby, Jr.
Hoffman, Lee D.
Howard, John
Joslin, Richard M.
Kern, Thomas M.
Kidd, John W.
Lafley, Alan G.
Lankenau, Gary W.
Lewis, Monty G.
Lorenc, Edward L.
Maas, Robert D.
Marczynski, Alfons C.
Martin, Graham H.
Martinec, Dennis P.
Mayo, Thomas J.
Mitchell, Kent R.
Reeve, Robert E.
Reily, James D., Jr.
Rorex, Thomas A.
Royer, Frank E.
Schwartz, Allen B.
Shelton, Betty J.
Smitherman, William T.
Tarleton, George L.
Taylor, Richard S.
Thomes, James K.
Vinson, Charles M.
Walters, James S.
Ward, James M.
Ward, John D.
Weidemann, James L.
Wolf, David S.
Wong, Frederick G.
Wong, Lincoln, M. H.
Yahres, James M.
Yates, David S.
Yount, Mark L.

CIVIL ENGINEER CORPS

Boothe, Thomas M.
Chamberlin, Paul D.
Clark, James W.
Harrison, Daniel J.
Kleven, Courtney C.
Redmonjones, David M.
Seltzer, George H., III

MEDICAL SERVICE CORPS

Barina, Fred G., Jr.
Breton, Robert W.
Carroll, Robbert M.
Finke, Ronnie Lee
Hummel, James R.
Kolesar, Joseph Thomas
Lane, John C.
Love, Douglas, Jr.
McCaig, Joe M.
Peters, Anthony J., III
Ryan, Alan B.
Santore, Orlando J.
Siddle, David L.

NURSE CORPS

Bird, Meredith S.
Broad, John R.
Cornelius, Mary G.
Eversole, Donna R.
Fiddler, Iris Elaine
Foley, Barbara A.
Fortier, Elaine S.
Graham, Alfred E.
Hadley, Donna K.
Haley, Kathleen A.
Hamer, Terry L.
Hodges, Gail L.
Honeywell, Joseph L.
King, Susan G.
Korns, Barbara J.
Lancaster, Donna M.
Leifeld, Deanna R.
Loftus, Maragret M.
Loveridge, Lois E.
Mack, Sharon
Mitchell, Henry, Jr.
Norrick, Albert J.
O'Connell, Linda G.
Peterson, Janet L.
Roy, Terry D.
Sample, Priscilla
Schemmer, Carol L.
Spangler, Catherine E.
Sullivan, Peggy J.
Wilkins, Karen L.
Williams, Edward I.

The following named officers of the United States Navy for temporary promotion to the grade of lieutenant commander in the line and staff corps, as indicated, subject to qualification therefor as provided by law:

Edwards, Buford Ray
Newton, David Lee
Wang, You Lue

CHAPLAIN CORPS

Rupp, Lloyd Gary

DENTAL CORPS

Barco, Martin T.
Budnikas, Peter K.
Cecil, James C., III
Jones, Harold L.
Kurtz, Glenn A.
McLaughlin, John M.
Meharra, Ernest W.
Neuner, Robert F.
Ponsler, James R.
Tytell, Mark P.

MEDICAL SERVICE CORPS

Kendrick, Billy W.

NURSE CORPS

Hooker, Florentina B.

The following named officers of the United States Navy for temporary promotion to the grade of lieutenant in the line and staff corps, as indicated, subject to qualification therefor as provided by law:

Buzzell, Brian B.
Cordes, Donald Larry
Cutler, Michael J.
Duignan, Michael J.
Ege, Robert Frederick
Ekl, John C.
Elleson, Stephen D.
Gragg, Charles H.
Hamilton, Thomas D.
Jones, Bryce Edward
Klinker, John Wayne
Lakser, Lawrence J.
Riley, Michael A.
Rogerson, Edward S.
Ryan Michael Kevin
Siedschlag, Daniel D.
Starnes, Charles N.
Stultz, Philip Edward
Weyrick, Philip F.
Wort, Jonathan Palmer

SUPPLY CORPS

Kennington, James H.
Robertson, Jimmy W.

MEDICAL SERVICE CORPS

Davis, Richard W.
Eckstein, Michael D.
Hand, Brian Chandler
Humphrey, Charles R.
Kirkpatrick, John C.
Longacre, Don Thomas

NURSE CORPS

Puchle, Eugene W.
Thorr, Faye Ann

James C. Baker, U.S. Naval Reserve, for temporary promotion to the grade of commander in the Medical Corps subject to qualification therefor as provided by law:

James Allen Mittag for temporary appointment in the grade of commander in the Medical Corps of the Reserve of the United States Navy subject to qualification therefor as provided by law.

Daniel D. McConnell, United States Navy, for transfer to and appointment in the Judge Advocate General's Corps in the permanent grade of lieutenant (junior grade) and temporary grade of lieutenant.

The following named officers of the United States Navy for transfer to and appointment in the Supply Corps in the permanent grade of lieutenant (junior grade):

Carroll, Joseph D.
Delappa, John E.
Kosar, Peter G.
Rowland, Curtis A.

Charles S. Rivers, Jr., United States Navy, for transfer to and appointment in the Supply Corps in the permanent grade of lieutenant (junior grade) and temporary grade of lieutenant.

The following named officers of the United States Navy for transfer to and appointment in the Supply Corps in the permanent grade of ensign:

Cafaro, Patrick R.
Russell, George L.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 21, 1974.

DEPARTMENT OF JUSTICE

William J. Mulligan, of Wisconsin, to U.S. attorney for the eastern district of Wisconsin for the term of 4 years.

John L. Buck, of Pennsylvania, to be U.S. marshal for the middle district of Pennsylvania for the term of 4 years.

COMMISSION ON CIVIL RIGHTS

Arthur S. Flemming, of Virginia, to be a member of the Commission on Civil Rights.

DEPARTMENT OF LABOR

Abraham Weiss, of Maryland, to be an Assistant Secretary of Labor.

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

EXTENSIONS OF REMARKS

SUMMER PAINTING TRIPS IN WEST VIRGINIA ATTRACT BROAD CROSS-SECTION OF ASPIRING ARTISTS

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, March 21, 1974

Mr. RANDOLPH. Mr. President, people are aware that vacations call for a change of scene and relaxation. Curbed by the energy crisis, many persons are looking close to home for an opportunity to participate in simple pleasures and unhurried pastimes. This summer, the West Virginia Department of Natural Resources will sponsor a season of painting trips to remote and scenic areas of the Mountain State. An article by the talented instructor for these outings, William Gerhold, appears in the April issue of its colorful magazine, "Wild, Wonderful West Virginia."

Mr. Gerhold is a West Virginia artist whose paintings reflect the mood of the mountains and the feelings associated with the land of America and its people. He is an artist-teacher. For the past 12 years he has taught at Marietta College, where he is chairman of the Art Department. Mr. Gerhold's paintings have been selected as the Best West Virginia Landscape in the 1971, 1972, and 1973 Forest Festivals; in the latter 2 years, he also won Best of Show Awards. Among other honors, he has received awards in two Central Ohio Watercolor Society exhibitions during 1973, and three awards in the 1973 Appalachian Arts and Crafts Festival.

Artist-Teacher-Author William Gerhold, in his article on the summer painting excursions, has caught the tang and flavor of the great outdoors. I ask unanimous consent that the article be printed in the Extensions of Remarks so that many persons—artists and outdoorsmen alike—can share the promise of the creative and comforting experiences he describes.

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

PAINTING ON LOCATION IN THE WILD, WONDERFUL WEST VIRGINIA MOUNTAINS

(By William Gerhold)

How would you like to take a trip with a group of mostly strangers, get up early in the morning, paint all day long by a beaver pond, a waterfall or on a mountain top, fix supper for 24 people, have your day's work criticized by those 24 people and then do this all over again for fourteen consecutive days? This past summer sixty individuals representing thirteen states did just this during three separate two-week summer painting classes that were based in the new Canaan Valley State Park near Davis, West Virginia. These classes were the result of the joint efforts of the author and the Division of Parks and Recreation of the West Virginia Department of Natural Resources.

The response to these on location painting classes was such that an additional class, for a total of four, will be offered during the summer of 1974.

The idea behind these classes is to create, as inexpensively as possible, an ideal group learning situation in which an individual can intensely concentrate on creative efforts without distraction in a setting of unique natural beauty. Consequently, the classes were designed to share shopping, cooking, and dish washing chores as well as the deluxe cabins which accommodate the classes. Last summer's results included a gratifying "Spirit de corps", a sense of mutual accomplishment, new friends and, most significantly, tremendous progress in artistic skills. The economic value of this approach can be understood by the fact that each individual ate for two weeks for a mere $15.00 (the husband of one class member suggested that the instructor write an article titled, "What Inflation?"). Before the reader assumes that the diet was spartan, dreary and otherwise undistinguished, it should be understood that when people in a group take turns having menu responsibilities, and when many of these people are housewives in addition to creative and competitive spirits, good and sometimes gourmet things happen at the dinner table. In short, not only was the food cheap but it was most tasty.

The Canaan Valley area is one of extremely rare beauty. The Canaan Valley itself is a freak of nature. Geophysically it should be 800 miles north in Canada. There are no poisonous snakes, no poison ivy, few stinging insects, abundant wildlife, much clean air and miles and miles of unoccupied wilderness. This Potomac Highland area includes such well known attractions as the Dolly Sods Wilderness Area, The Monongahela National Forest, Blackwater Falls State Park, The Canaan Valley Ski Area, Cathedral State Park (with virgin hardwood forests), Seneca Rocks, the Allegheny Front and it is within 30 miles of Spruce Knob, the highest point in West Virginia.

The painting activities of the classes may encompass some or all of these locations during a two-week period. Where one paints on any given day, is largely up to the individual. On many mornings there will be as many directions taken as there are vehicles. For example, the "June Commune", the self-invented nickname of the 1973 June class, painted above and below Blackwater Falls, on Dolly Sods, on several farms in the Canaan Valley, along both the Blackwater River and Red Creek (outstandingly clear trout streams) and various other locations. Subject matter included beaver ponds, abandoned farms, majestic rock formations, wind sculptured pine trees, tumbling mountain rapids, waterfalls, canyons, eagles, hawks, geese, deer, a 19th Century mill, country stores and several citizens of this Allegheny mountain country. This pattern is typical for each of the classes.

If one prefers to paint in almost complete isolation, it is possible. The author once painted for thirteen consecutive days on an abandoned farm deep in the Canaan Valley and it was on the thirteenth day that a fellow human was encountered. He happened to be a member of the Washington, D.C. Ski Club who was re-exploring the area in which he had hunted for twenty years.

Although this Pontomac Highland region is remote and sparsely settled it is easily accessible. For example, Washington, D.C. is 180 miles to the east, the Roanoke or Lynchburg area is approximately 175 miles to the south, Columbus, Ohio, is 280 miles west and Pittsburgh is 140 miles north. Two members of last summer's August class flew into Elkins, West Virginia from Chicago via commercial airlines, were met at the airport and chauffeured the last 35 miles by a fellow class member. They left Chicago at 8:50 A.M. and joined the group in the Canaan Valley State Park less than six hours later.

The typical day's schedule starts "about" 7:00 A.M. If a group breakfast has been agreed upon (frequently, the group preference has been for each individual to fix whatever he or she wants) the cooks will "arise" a bit earlier. During the breakfast hour, "fixings" are placed on a table and each person "constructs" their own lunch. The noon meal normally consists of various kinds of sandwiches and fruit. Departure for the day's painting is "about" 8:00 A.M. Usually, class members have decided the evening before with whom and where they are going. Everycal mountain weather. The trick is to be one quickly learns how to dress for the typi- warm enough at the outset and be able to peel layers as the day warms. Desirable equipment for this kind of "on location" painting would include: 1. an easily portable painting kit which might contain, in addition to specific painting materials, a knife, insect repellant, sun tan lotion, and a piece of plastic (perhaps two, for sitting and/or covering things in case of a shower); 2. a drawing board with a rope or strap attached for carrying over one's shoulder. (Each morning the author will have freshly stretched watercolor paper covered with cardboard on both sides of the drawing board); 3. a canteen (for drinking as well as painting); and 4. a light, telescoping easel. Additionally, this painter carries in a foot locker in the rear of his Chevy Blazer (4-wheel drive vehicle), reserve paint, staple tacker, pads and blocks of paper, plastic sheets, a blanket, binoculars, a 35mm camera with high speed black and white and color film, a polaroid camera, hatchet and miscellaneous support items. It is most important to have a wide brimmed hat and good, tough shoes. A lack on either "end" can make the day miserable.

The group reconvenes about 5:30–6:00 P.M., shortly thereafter a sitdown meal is served. The dinners are usually prepared by two persons. The cooking responsibilities are shared and rotated, as are the dishwashing