United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 93d CONGRESS, SECOND SESSION

SENATE—*Wednesday, March 27, 1974*

The Senate met at 12 o'clock noon and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

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

O Lord our God, who hast so wonderfully made man and more wonderfully hast redeemed him, we thank Thee at this holy season for the wonder of Thy love. Thou dost never leave us nor forsake us.

For the life Thou givest us, with its opportunities of service and sacrifice, and for all earthly blessings we give Thee thanks. For the example of those who have tended and guided us, for those who have taught us to look to Thee for strength and wisdom, and for the enrichment of life through our fellow workers here and elsewhere we give thanks to Thee.

Above all, we praise Thee for Thy love made known to mankind in Christ Jesus, for the redemptive love of His cross, for the light immortal that shines from Him in the darkest places, and for the hope that He has brought that the kingdoms of this world are to be Thy Kingdom. Help us to accept Thy mercies with thankful hearts, and ever to walk in the way of Thy commandments; through Jesus Christ our Lord. Amen.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGE RECEIVED

As in executive session, the President pro tempore laid before the Senate a message from the President of the United States submitting nominations of members of the Federal Council on the Aging which was referred to the Committee on Labor and Public Welfare.

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

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, March 26, 1974, be dispensed with.

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

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the previous order, to which the Senate agreed, to come in at 11 o'clock tomorrow morning, be changed to 10 a.m. tomorrow.

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

ORDER TO VOTE ON EXTRADITION TREATY WITH DENMARK ON FRIDAY, MARCH 29

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the vote on the extradition treaty with Denmark, which was scheduled for 12 o'clock tomorrow, be rescinded and that the vote occur at 12 o'clock noon on Friday next.

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

Mr. HUGH SCOTT. Mr. President, if the distinguished majority leader will yield, let me say that the chief exports of Denmark are dairy products. I think, if that is true, it represents the extradition of bad eggs. [Laughter.]

COMMITTEE MEETING DURING SENATE SESSION

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

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

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the extradition treaty with Denmark, Executive U.

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

TREATY ON EXTRADITION WITH DENMARK

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Chair lay before the Senate Executive U, 93d Congress, 1st session.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider Executive U, 93d Congress, 1st session, the treaty on extradition between the United States of America and the Kingdom of Denmark, signed at Copenhagen on June 22, 1972, which was ordered to be read the second time, as follows:

TREATY ON EXTRADITION BETWEEN THE UNITED STATES OF AMERICA AND THE KINGDOM OF DENMARK

The United States of America and the Kingdom of Denmark, desiring to make more effective the cooperation of the two countries for the reciprocal extradition of offenders, agree as follows:

ARTICLE 1

Each Contracting State agrees to extradite to the other, in the circumstances and subject to the conditions described in this Treaty, persons found in its territory who have been charged with or convicted of any of the offenses mentioned in Article 3 committed within the territory of the other or outside thereof under the conditions specified in Article 4.

ARTICLE 2

The requested State shall, pursuant to the provisions of this Treaty, extradite a person charged with or convicted of any offense mentioned in Article 3 only when both of the following conditions exist:

1. The law of the requesting State, in force when the offense was committed, provides a possible penalty of deprivation of liberty for a period of more than one year; and

2. The law in force in the requested State generally provides a possible penalty of deprivation of liberty for a period of more than one year which would be applicable if the offense were committed in the territory of the requested State.

When the person sought has been sentenced in the requesting State, the detention imposed must have been for a period of at least four months.

ARTICLE 3

Extradition shall be granted, subject to the provisions of Article 2, for the following offenses:

1. Murder; voluntary manslaughter; assault with intent to commit murder.

2. Aggravated injury or assault; injuring with intent to cause grievous bodily harm.

3. Unlawful throwing or application of any corrosive or injurious substances upon the person of another.

4. Rape; indecent assault; sodomy accompanied by use of force or threat; sexual in-

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tercourse and other unlawful sexual relations with or upon children under the age specified by the laws of both the requesting and requested States.

5. Unlawful abortion.

6. Procuration; inciting or assisting a person under 21 years of age to carry on sexual immorality as a profession; contributing to the transportation out of the country of a person under 21 years of age or at the time ignorant of the purpose in order that such person shall carry on sexual immorality as a profession abroad or shall be used for such immoral purpose; promoting of sexual immorality by acting as an intermediary repeatedly or for the purpose of gain; profiting from the activities of any person carrying on sexual immorality as a profession.

7. Kidnaping; child stealing; abduction; false imprisonment.

8. Robbery; assault with intent to rob.

9. Burglary.

10. Larceny.

11. Embezzlement.

12. Obtaining property, money or valuable securities: by false pretenses or by threat of force, by defrauding any governmental body, the public or any person by deceit, falsehood, use of the mails or other means of communication in connection with schemes intended to deceive or defraud, or by any other fraudulent means.

13. Bribery, including soliciting, offering and accepting.

14. Extortion.

15. Receiving or transporting any money, valuable securities or other property knowing the same to have been unlawfully obtained.

16. Fraud by a bailee, banker, agent, factor, trustee, executor, administrator or by a director or officer of any company.

17. An offense against the laws relating to counterfeiting or forgery.

18. False statements made before a court or to a government agency or official, including under United States law perjury and subornation of perjury.

19. Arson.

20. An offense against any law relating to the protection of the life or health of persons from: a shortage of drinking water; poisoned, contaminated, unsafe or unwholesome drinking water, substances or products.

21. Any act done with intent to endanger the safety of any person traveling upon a railway, or in any aircraft or vessel or bus or other means of transportation, or any act which impairs the safe operation of such means of transportation.

22. Piracy; mutiny or revolt on board an aircraft against the authority of the commander of such aircraft; any seizure or exercise of control, by force or violence or threat of force or violence, of an aircraft.

23. An offense against the laws relating to damage to property.

24. (*a*) Offenses against the laws relating to importation, exportation or transit of goods, articles, or merchandise.

(*b*) Offenses relating to willful evasion of taxes and duties.

(*c*) Offenses against the laws relating to international transfers of funds.

25. An offense relating to bankruptcy law.

26. An offense against the laws relating to narcotic drugs, cannabis sativa L, psychotropic drugs, cocaine and its derivatives, and other dangerous drugs and chemicals.

27. An offense relating to the:

(*a*) spreading of false intelligence likely to affect the prices of commodities, valuable securities or any other similar interests; or

(*b*) making of incorrect or misleading statements concerning the economic conditions of such commercial undertakings as joint-stock companies, corporations, co-operative societies or similar undertakings through channels of public communications, in reports, in statements of accounts or in declarations to the general meeting or any proper official of a company, in notifications to, or registration with, any commission, agency or officer having supervisory or regulatory authority over corporations, joint-stock companies, or other forms of commercial undertakings or in any invitation to the establishment of those commercial undertakings or to the subscription of shares.

28. Unlawful abuse of official authority which results in grievous body injury or deprivation of the life, liberty or property of any person.

Extradition shall also be granted for attempts to commit, conspiracy to commit, or participation in, any of the offenses mentioned in this Article.

Extradition shall also be granted for any offense of which one of the above mentioned offenses is the substantial element, when, for purposes of granting Federal jurisdiction to the United States Government, such elements as transporting, transportation, the use of the mails or interstate facilities may also be elements of the specific offense.

Upon receipt of the request for extradition, such request may be denied by the appropriate executive authority in the requested State if that authority considers that the courts in the requested State would not impose a sentence of detention exceeding four months for the offense for which extradition has been requested.

ARTICLE 4

A reference in this Treaty to the territory of a Contracting State is a reference to all the territory under the jurisdiction of that Contracting State, including airspace and territorial waters and vessels and aircraft registered in that Contracting State if any such aircraft is in flight or if any such vessel is on the high seas when the offense is committed. For the purposes of this Treaty an aircraft shall be considered to be in flight from the moment when power is applied for the purpose of take-off until the moment when the landing run ends.

When the offense for which extradition has been requested has been committed outside the territory of the requesting State, the executive authority of the United States or the competent authority of Denmark, as appropriate, shall have the power to grant extradition if the laws of the requested State provide for the punishment of such an offense committed in similar circumstances.

ARTICLE 5

The United States shall not be bound to deliver up its own nationals and Denmark shall not be bound to deliver up nationals of Denmark, Finland, Iceland, Norway or Sweden, but the executive authority of the requested State shall, if not prevented by the laws of that State, extradite such nationals if, in its discretion, it be deemed proper to do so.

If extradition is not granted pursuant to this Article, the requested State shall submit the case to its competent authorities for the purpose of prosecution.

ARTICLE 6

Extradition shall be granted only if the evidence be found sufficient, according to the laws of the place where the person sought shall be found, either to justify his committal for trial if the offense of which he is accused had been committed in that place or to prove that he is the identical person convicted by the courts of the requesting State.

In the case of a request made to the Government of Denmark, the Danish authorities, in accordance with Danish extradition law, shall have the right to request evidence to establish a presumption of guilt of a person previously convicted. Extradition may be refused if such additional evidence is found to be insufficient.

ARTICLE 7

Extradition shall not be granted in any of the following circumstances:

1. When the person whose surrender is sought is being proceeded against or has been tried and discharged or punished in the territory of the requested State for the offense for which his extradition is requested. If the charge against a person sought in Denmark has been waived, extradition may be granted only if the conditions of applicable Danish law permit.

2. When the person whose surrender is sought has been tried and acquitted or has undergone his punishment in a third State for the offense for which his extradition is requested.

3. When the prosecution or the enforcement of the penalty for the offense has become barred by lapse of time according to the laws of either of the Contracting States.

4. If the offense for which his extradition is requested is a political offense or an offense connected with a political offense, or if the requested State has reason to assume that the requisition for his surrender has, in fact, been made with a view to try or punish him for a political offense or an offense connected with a political offense. If any question arises as to whether a case comes within the provisions of this subparagraph, it shall be decided by the authorities of the requested State.

5. If in special circumstances, having particular regard to the age, health or other personal conditions of the person concerned, the requested State has reason to believe that extradition will be incompatible with humanitarian considerations.

6. In respect of a military offense.

Extradition may be refused on any other ground which is specified by the law of the requested State.

ARTICLE 8

When the offense for which the extradition is requested is punishable by death under the laws of the requesting State and the laws of the requested State do not permit such punishment for that offense, extradition may be refused unless the requesting State provides such assurances as the requested State considers sufficient that the death penalty shall not be imposed, or, if imposed, shall not be executed.

ARTICLE 9

When the person whose extradition is requested is being proceeded against or is lawfully detained in the territory of the requested State for an offense other than that for which extradition has been requested, the decision whether or not to extradite him may be deferred until the conclusion of the proceedings and the full execution of any punishment he may be or may have been awarded.

ARTICLE 10

The determination that extradition based upon the request therefor should or should not be granted shall be made in accordance with the law of the requested State and the person whose extradition is sought shall have the right to use such remedies and recourses as are provided by such law.

ARTICLE 11

The request for extradition shall be made through the diplomatic channel.

The request shall be accompanied by a description of the person sought, information as to his nationality and residence if available, a statement of the facts of the case, the text of the applicable laws of the requesting State including the law defining the offense, the law prescribing the punishment for the offense, and a statement that the legal pro-

ceedings or the enforcement of the penalty for the offense have not been barred by lapse of time.

When the request relates to a person who has not yet been convicted or has been convicted and not yet sentenced, it must also be accompanied by a warrant of arrest issued by a judge or other judicial officer of the requesting State and by such evidence as, according to the laws of the requested State, would justify his arrest and committal for trial if the offense had been committed there, including evidence proving the person requested is the person to whom the warrant of arrest refers.

When the request relates to a person already convicted and sentenced, it must be accompanied by the judgment of conviction and sentence passed against him in the territory of the requesting State, by a statement showing how much of the sentence has not been served, and by evidence proving that the person requested is the person to whom the sentence refers.

The warrant of arrest and deposition or other evidence, given under oath, and the judicial documents establishing the existence of the conviction as well as any supplementary evidence demanded by the Danish authorities under Article 6 paragraph 2, or certified copies of these documents, shall be admitted in evidence in the examination of the request for extradition when, in the case of a request emanating from Denmark, they bear the signature or are accompanied by the attestation of a judge, magistrate or other official or are authenticated by the official seal of the Ministry of Justice and, in any case, are certified by the principal diplomatic or consular officer of the United States in Denmark, or when, in the case of a request emanating from the United States, they are signed by or certified by a judge, magistrate or officer of the United States and they are sealed by the official seal of the Department of State. Any deposition or other evidence which has not been given under oath but which otherwise meets the requirements set forth in this paragraph shall be admitted in evidence as a depcsition or evidence given under oath when there is an indication that the person, prior to deposing before the judicial authorities of the requesting State, was informed by those authorities of the penal sanctions to which he would be subject in the case of false or incomplete statements.

The requested State may require that the documents in support of the request for extradition be translated into the language of the requested State.

ARTICLE 12

In case of urgency a Contracting State may apply for the provisional arrest of the person sought pending the presentation of the request for extradition through the diplomatic channel. This application may be made either through the diplomatic channel or directly between the United States Department of Justice and the Danish Ministry of Justice. The application shall contain a description of the person sought, an indication of intention to request the extradition of the person sought and a statement of the existence of a warrant of arrest or, if convicted and sentenced, a judgment of conviction against that person, and such further information, if any, as would be necessary to justify the issue of a warrant of arrest had the offense been committed, or the person sought been convicted, in the territory of the requested State.

On receipt of such an application the requested State shall take the necessary steps to secure the arrest of the person claimed.

A person arrested upon such an application may be set at liberty upon the expiration of thirty days from the date of his arrest if a request for his extradition accompanied by the documents specified in Article 11 shall not have been received. The requesting State may request, specifying the reasons therefor, an extension of the period of detention for a period not to exceed thirty days, and the appropriate judicial authority of the requested State shall have the authority to extend the period of detention. The release from custody pursuant to this provision shall not prevent the institution of proceedings with a view to extraditing the person sought if the request is subsequently received.

ARTICLE 13

If the requested State requires additional evidence or information to enable it to decide on the request for extradition, such evidence or information shall be submitted to it within such time as that State shall require.

If the person sought is under arrest and the additional evidence or information submitted as aforesaid is not sufficient, or if such evidence or information is not received within the period specified by the requested State, he shall be discharged from custody. Such discharge shall not bar the requesting State from submitting another request in respect of the same offense.

ARTICLE 14

A person extradited under the present Treaty shall not be detained, tried or punished in the territory of the requesting State for an offense other than that for which extradition has been granted nor be extradited by that State to a third State unless:

1. He has left the territory of the requesting State after his extradition and has voluntarily returned to it;

2. He has not left the territory of the requesting State within forty-five days after being free to do so; or

3. The requested State has consented to his detention, trial, punishment or to his extradition to a third State for an offense other than that for which extradition was granted.

A person who has been set at liberty, shall be informed of the consequences to which his stay in the territory of the requesting State may subject him.

ARTICLE 15

A requested State upon receiving two or more requests for the extradition of the same person either for the same offense, or for different offenses, shall determine to which of the requesting States it will extradite the person sought, taking into consideration the circumstances and particularly the possibility of a later extradition between the requesting States, the seriousness of each offense, the place where the offense was committed, the nationality and residence of the person sought, the dates upon which the requests were received and the provisions of any extradition agreements between the requested State and the other requesting State or States.

ARTICLE 16

The requested State shall promptly communicate to the requesting State through the diplomatic channel the decision on the request for extradition, and, if granted, the period the person sought has been under detention pursuant to the request for extradition.

If the extradition has been granted, the authorities of the requesting and the requested States shall agree upon the time and place of surrender of the person sought.

If the extradition has not been effected, the requested State may set the person sought at liberty within such time as required by the law of the requested State, and the requested State may subsequently refuse to extradite that person for the same offense.

ARTICLE 17

To the extent permitted under the law of the requested State and subject to the rights of third parties, which shall be duly respected, all articles acquired as a result of the offense or which may be required as evidence shall, if found, be surrendered if extradition is granted.

Subject to the qualifications of the first paragraph, the above-mentioned articles shall be returned to the requesting State even if the extradition, having been agreed to, cannot be effected owing to the death or escape of the person sought.

ARTICLE 18

The right to transport through the territory of one of the Contracting States a person surrendered to the other Contracting State by a third State shall be granted on request made through the diplomatic channel, provided that conditions are present which would warrant extradition of such person by the State of transit and reasons of public order are not opposed to the transit.

The State to which the person has been extradited shall reimburse the State through whose territory such person is transported for any expenses incurred by the latter in connection with such transportation.

ARTICLE 19

Expenses related to the translation of documents and to the transportation of the person sought shall be paid by the requesting State. The appropriate legal officers of the requested State shall, by all legal means within their power, assist the officers of the requesting State before the respective judges and magistrates. No pecuniary claim, arising out of the arrest, detention, examination and surrender of persons sought under the terms of this Treaty, shall be made by the requested State against the requesting State.

ARTICLE 20

This Treaty shall apply to offenses mentioned in Article 3 committed before as well as after the date this Treaty enters in force, provided that no extradition shall be granted for an offense committed before the date this Treaty enters into force which was not an offense under the laws of both States at the time of its commission.

ARTICLE 21

This Treaty shall be subject to ratification and the instruments of ratification shall be exchanged at Washington as soon as possible.

This Treaty shall enter into force on the thirtieth day after the date of the exchange of instruments of ratification. It may be terminated by either Contracting State giving notice of termination to the other Contracting State at any time and the termination shall be effective six months after the date of receipt of such notice.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by their respective Governments, have signed this Treaty.

Done in duplicate, in the English and Danish languages, both equally authentic, at Copenhagen this twenty-second day of June, 1972.

For the United States of America:

FRED J. RUSSELL

For the Kingdom of Denmark:

Mr. MANSFIELD. Mr. President, this treaty is noncontroversial. It was reported unanimously by the Committee on Foreign Relations.

I ask unanimous consent that the treaty be considered as having passed through its various stages up to and including the presentation of the resolution of ratification.

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

The resolution of ratification will be read for the information of the Senate.

The assistant legislative clerk read as follows.

Resolved, (Two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Treaty on Extradition between the United States of America and the Kingdom of Denmark, signed at Copenhagen on June 22, 1972 (Ex. U, 93–1).

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to vote on this treaty at 12 o'clock noon on Friday next.

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

Mr. MANSFIELD. Mr. President, so that Senators may have background information on the convention, I ask unanimous consent to have printed in the RECORD an excerpt from the report of the Committee on Foreign Relations which recommends that the Senate give its advice and consent to ratification of the convention.

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

PROVISIONS OF TREATY

The extradition treaty between the United States and Denmark was signed on January 22, 1972. According to the State Department, it follows generally the form and content of extradition treaties recently concluded by the United States. The treaty provides for the extradition of fugitives charged with any of the 28 offenses listed in Article 3. The most significant are offenses relating to narcotics and aircraft hijacking, as well as conspiracy to commit any of the offenses covered by the treaty.

It should be noted that Danish extradition law requires the inclusion of certain provisions not normally found in other U.S. extradition treaties. For example, Article 5 gives either party discretionary power to extradite its own nationals. In such cases, if extradition is denied, the requested state undertakes to try the individual when the offense is punishable under its own laws. In addition, Article 7 contains a provision under which either party may refuse to grant extradition if it will be "incompatible with humanitarian considerations."

Pursuant to the provisions of Article 20, the treaty will apply to offenses committed before, as well as after, the date it enters into force. Article 8 contains a limitation which permits refusal of extradition unless assurances are received that the death penalty will not be imposed for an offense which is not punishing by death in the country from which extradition is requested.

DATE OF ENTRY INTO FORCE

Denmark terminated the former extradition treaty in 1970 and, at the present, there is no treaty in force between the United States and Denmark. The pending treaty will go into effect 30 days after instruments of ratification are exchanged. It may be terminated by either country by giving six months notice.

COMMITTEE ACTION

The Extradition Treaty with Denmark was transmitted to the Senate and referred to the Committee on Foreign Relations on October 30, 1973. A public hearing was held on the treaty on March 19, 1974, at which time Mr. Knute E. Malmborg, Assistant Legal Adviser for Management and Consular Affairs, Department of State, testified in support of the treaty. Mr. Malmborg's prepared statement is reprinted below. Subsequently, during an executive session on the same day, the Committeee ordered the treaty reported favorably to the Senate for advice and consent to ratification.

LEGISLATIVE SESSION

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

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

ORDER FOR THE RECOGNITION OF SENATOR PROXMIRE TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after the joint leadership has been recognized tomorrow, the distinguished Senator from Wisconsin (Mr. PROXMIRE) be recognized for not to exceed 15 minutes.

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

CONSIDERATION OF MINIMUM WAGE CONFERENCE REPORT TOMORROW

Mr. MANSFIELD. Mr. President, I would say, if I could have the attention of the Senate, that it would be the intention to proceed to the consideration of the conference report on the minimum wage bill immediately on the conclusion of the remarks of the distinguished Senator from Wisconsin (Mr. PROXMIRE) tomorrow. We will have a period for the conduct of morning business later on in the day.

INDIAN FINANCING ACT OF 1974

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1341.

The PRESIDING OFFICER (Mr. JOHNSTON) laid before the Senate the amendment of the House of Representatives to the bill (S. 1341) to provide for financing the economic development of Indians and Indian organizations, and for other purposes, which was to strike out all after the enacting clause, and insert:

That this Act may be cited as the "Indian Financing Act of 1974".

DECLARATION OF POLICY

SEC. 2. It is hereby declared to be the policy of Congress to provide capital on a reimbursable basis to help develop and utilize Indian resources, both physical and human, to a point where the Indians will fully exercise responsibility for the utilization and management of their own resources and where they will enjoy a standard of living from their own productive efforts comparable to that enjoyed by non-Indians in neighboring communities.

DEFINITIONS

SEC. 3. For the purpose of this Act, the the term—

(a) "Secretary" means the Secretary of the Interior.

(b) "Indian" means any person who is a member of any Indian tribe, band, group, pueblo, or community which is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs and any "Native" as defined in the Alaska Native Claims Settlement Act (85 Stat. 688).

(c) "Tribe" means any Indian tribe, band, group, pueblo, or community, including Native villages and Native groups (including corporations organized by Kenai, Juneau, Sitka, and Kodiak) as defined in the Alaska Native Claims Settlement Act, which is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs.

(d) "Reservation" includes Indian reservations, public domain Indian allotments, former Indian reservations in Oklahoma, and land held by incorporated Native groups, regional corporations, and village corporations under the provisions of the Alaska Native Claims Settlement Act.

(e) "Economic enterprise" means any Indian-owned (as defined by the Secretary of the Interior) commercial, industrial, or business activity established or organized for the purpose of profit: *Provided*, That such Indian ownership shall constitute not less than 51 per centum of the enterprise.

(f) "Organization", unless otherwise specified, shall be the governing body of any Indian tribe, as defined in subsection (c) hereof, or entity established or recognized by such governing body for the purpose of this Act.

(g) "Other organizations" means any non-Indian individual, firm, corporation, partnership, or association.

SEC. 4. No provision of this or any other Act shall be construed to terminate or otherwise curtail the assistance or activities of the Small Business Administration or any other Federal agency with respect to any Indian tribe, organization, or individual because of their eligibility for assistance under this Act.

TITLE I—INDIAN REVOLVING LOAN FUND

SEC. 101. In order to provide credit that is not available from private money markets, all funds that are now or hereafter a part of the revolving fund authorized by the Act of June 18, 1934 (48 Stat. 986), the Act of June 26, 1936 (49 Stat. 1968), and the Act of April 19, 1950 (64 Stat. 44), as amended and supplemented, including sums received in settlement of debts of livestock pursuant to the Act of May 24, 1950 (64 Stat. 190), and sums collected in repayment of loans heretofore or hereafter made, and as interest or other charges on loans, shall hereafter be administered as a single Indian Revolving Loan Fund. The fund shall be available for loans to Indians having a form of organization that is satisfactory to the Secretary and for loans to individual Indians who are not members of or eligible for membership in an organization which is making loans to its members: *Provided*, That, where the Secretary determines a rejection of a loan application from a member of an organization making loans to its membership from moneys borrowed from the fund is unwarranted, he may, in his discretion, make a direct loan to such individual from the fund. The fund shall also be available for administrative expenses incurred in connection therewith.

SEC. 102. Loans may be made for any purpose which will promote the economic development of (a) the individual Indian borrower, including loans for educational purposes, and (b) the Indian organization and its members including loans by such organizations to other organizations and investments in other organizations regardless of whether they are organizations of Indians: *Provided*, That not more than — per centum of loans made to an organization shall be used by such organization for the purpose of making loans to or investments in non-Indian organizations.

SEC. 103. Loans may be made only when, in the judgment of the Secretary, there is a reasonable prospect of repayment, and only to applicants who in the opinion of the Secretary are unable to obtain financing from other sources on reasonable terms and conditions.

SEC. 104. Loans shall be for terms that do not exceed thirty years and shall bear interest at (a) a rate determined by the Secretary

of the Treasury taking into consideration the market yield on municipal bonds: *Provided*, That in no event shall the rate be greater than the rate determined by the Secretary of the Treasury taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturity, plus (b) such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purpose: *Provided*, That educational loans may provide for interest to be deferred while the borrower is in school or in the military service.

SEC. 105. The Secretary may cancel, adjust, compromise, or reduce the amount of any loan or any portion thereof heretofore or hereafter made from the revolving loan fund established by this title and its predecessor constituent funds which he determines to be uncollectable in whole or in part, or which is collectable only at an unreasonable cost, or when such action would, in his judgment, be in the best interests of the United States: *Provided*, That proceedings pursuant to this sentence shall be effective only after following the procedure prescribed by the Act of July 1, 1932 (47 Stat. 564, 25 U.S.C. 386a). He may also adjust, compromise, subordinate, or modify the terms of any mortgage, lease, assignment, contract, agreement, or other document taken to secure such loans.

SEC. 106. Title to any land purchased by a tribe or by an individual Indian with loans made from the revolving loan fund may be taken in trust unless the land is located outside the boundaries of a reservation or a tribal consolidation area approved by the Secretary. Title to any land purchased by a tribe or an individual Indian which is outside the boundaries of the reservation or approved consolidation area may be taken in trust if the purchaser was the owner of trust or restricted interests in the land before the purchase, otherwise title shall be taken in the name of the purchasers without any restriction on alienation, control, or use. Title to any personal property purchased with a loan from the revolving loan fund shall be taken in the name of the purchaser.

SEC. 107. Any organization receiving a loan from the revolving loan fund shall be required to assign to the United States as security for the loan all securities acquired in connection with the loans made to its members from such funds unless the Secretary determines that the repayment of the loan to the United States is otherwise reasonably assured.

SEC. 108. There is authorized to be appropriated, to provide capital and to restore any impairment of capital for the revolving loan fund $50,000,000 exclusive of prior authorizations and appropriations.

SEC. 109. The Secretary shall promulgate rules and regulations to carry out the provisions of this title.

TITLE II—LOAN GUARANTY AND INSURANCE

SEC. 201. In order to provide access to private money sources which otherwise would not be available, the Secretary is authorized (a) to guarantee not to exceed 90 per centum of the unpaid principal and interest due on any loan made to any organization of Indians having a form or organization satisfactory to the Secretary, and to individual Indians who are not members of or eligible for membership in an organization which is making loans to its members; and (b) in lieu of such guaranty, to insure loans under an agreement approved by the Secretary whereby the lender will be reimbursed for losses in an amount not to exceed 15 per centum of the aggregate of such loans made by it, but not to exceed 90 per centum of the loss on any one loan.

SEC. 202. The Secretary shall fix such premium charges for the insurance and guarantee of loans as are in his judgment adequate to cover expenses and probable losses, and deposit receipts from such charges in the Indian Loan Guaranty and Insurance Fund established pursuant to section 217(a) of this title.

SEC. 203. Loans guaranteed or insured pursuant to this title shall bear interest (exclusive of premium charges for insurance, and service charge, if any) at rates not to exceed such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable taking into consideration the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States.

SEC. 204. The application for a loan to be guaranteed hereunder shall be submitted to the Secretary for prior approval. Upon approval, the Secretary shall issue a certificate as evidence of the guaranty. Such certificate shall be issued only when, in the judgment of the Secretary, there is a reasonable prospect of repayment. No loan to an individual Indian may be guaranteed or insured which would cause the total unpaid principal indebtedness to exceed $100,000. No loan to an economic enterprise (as defined in section 3) in excess of $100,000, or such lower amount as the Secretary may determine to be appropriate, shall be insured unless prior approval of the loan is obtained from the Secretary.

SEC. 205. Any loan guaranteed hereunder, including the security given therefore, may be sold or assigned by the lender to any financial institution subject to examination and supervision by an agency of the United States or of any State or the District of Columbia.

SEC. 206. Loans made by any agency or instrumentality of the Federal Government, or by an organization of Indians from funds borrowed from the United States, and loans the interest on which is not included in gross income for the purposes of chapter 1 of the Internal Revenue Code of 1954 as amended, shall not be eligible for guaranty or insurance hereunder.

SEC. 207. Any loans insured hereunder shall be restricted to those made by a financial institution subject to examination and supervision by an agency of the United States, a State, or the District of Columbia, and to loans made by Indian organizations from their own funds to other tribes or organizations of Indians.

SEC. 208. Loans guaranteed hereunder may be made by only lenders satisfactory to the Secretary, except as provided in section 206. The liability under the guaranty shall decrease or increase pro rata with any decrease or increase in the unpaid portion of the obligation.

SEC. 209. Any loan made by any national bank or Federal savings and loan association or by any bank, trust company, building and loan association, or insurance company authorized to do business in the District of Columbia, at least 20 per centum of which is guaranteed hereunder, may be made without regard to the limitations and restrictions of any other Federal statute with respect to (a) ratio amount of loan to the value of the property; (b) maturity of loans; (c) requirement of mortgage or other security; (d) priority of lien; or (e) percentage of assets which may be invested in real estate loans.

SEC. 210. The maturity of any loan guaranteed or insured hereunder shall not exceed thirty years.

SEC. 211. In the event of a default of a loan guaranteed hereunder, the holder of the guaranty certificate may immediately notify the Secretary in writing of such default and the Secretary shall thereupon pay to such holder the pro rata portion of the amount guaranteed and shall be subrogated to the rights of the holder of the guaranty and receive an assignment of the obligation and security. The Secretary may cancel the uncollectable portion of any obligation, to which he has an assignment or a subrogated right under this section: *Provided*, That proceedings pursuant to this sentence shall be effective only after following the procedure prescribed by this Act of July 1, 1932 (47 Stat. 564, 25 U.S.C. 386a). Nothing in this subsection shall be construed to preclude any forbearance for the benefit of the borrower as may be agreed upon by the parties to the loan and approved by the Secretary. The Secretary may establish the date, not later than the date of judgment and decree of foreclosure or sale, upon which accrual of interest or charges shall cease.

SEC. 212. When a lender suffers a loss on a loan insured hereunder, including accrued interest, a claim therefor shall be submitted to the Secretary. If the Secretary finds that the loss has been suffered, he shall reimburse the lender therefor: *Provided*, That the amount payable to the lender for a loss on any one loan shall not exceed 90 per centum of such loss: *Provided further*, That no reimbursement may be made for losses in excess of 15 per centum of the aggregate of insured loans made by the lender: *Provided further*, That before any reimbursement is made, all reasonable collection efforts shall have been exhausted by the lender, and the security for the loan shall have been liquidated to the extent feasible, and the proceeds applied on the debt. Upon reimbursement, in whole or in part, to the lender, the note or judgment evidencing the debt shall be assigned to the United States, and the lender shall have no further claim against the borrower or the United States. The Secretary shall then take such further collection action as may be warranted, or may cancel the uncollectable portion of any debt assigned pursuant hereto. The Secretary may establish a date upon which accrual of interest or charges shall cease.

SEC. 213. Whenever the Secretary finds that any lender or holder of a guaranty certificate fails to maintain adequate accounting records, or to demonstrate proper ability to service adequately loans guaranteed or insured, or to exercise proper credit judgment, or has willfully or negligently engaged in practices otherwise detrimental to the interests of a borrower or of the United States, he may refuse, either temporarily or permanently, to guarantee or insure any further loans made by such lender or holder, and may bar such lender or holder from acquiring additional loans guaranteed or insured hereunder: *Provided*, That the Secretary shall not refuse to pay a valid guaranty or insurance claim on loans previously made in good faith.

SEC. 214. Any evidence of guaranty or insurance issued by the Secretary shall be conclusive evidence of the eligibility of the loan for guaranty or insurance under the provisions of this Act and the amount of such guaranty or insurance: *Provided*, That nothing in this section shall preclude the Secretary from establishing, as against the original lender, defenses based on fraud or material misrepresentation or bar him from establishing, by regulations in force at the date of such issuance or disbursement, whichever is the earlier, partial defenses to the amount payable on the guaranty or insurance.

SEC. 215. Title to any land purchased by a tribe or by an individual Indian with loans guaranteed or insured pursuant to this title may be taken in trust, unless the land is located outside the boundaries of a reservation or a tribal consolidation area approved by the Secretary. Title to any land purchased by a tribe or an individual Indian which is outside the boundaries of the reservation or approved consolidation area may be taken in trust if the purchaser was the owner of trust or restricted interests in the land before the purchase, otherwise title shall be taken in the name of the purchaser without any restriction on alienation, control, or use. Title to any personal property purchased

with loans guaranteed or insured hereunder shall be taken in the name of the purchaser.

SEC. 216. The financial transactions of the Secretary incident to or arising out of the guarantee or insurance of loans, and the acquisition, management, and disposition of property, real, personal, or mixed, incident to such activities, shall be final and conclusive upon all officers of the Government. With respect to matters arising out of the guaranty or insurance program authorized by this title, and notwithstanding the provisions of any other laws, the Secretary may—

(a) sue and be sued in his official capacity in any court of competent jurisdiction;

(b) subject to the specific limitations in this title, consent to the modification, with respect to the rate of interest, time of payment on principal or interest or any portion thereof, security, or any other provisions of any note, contract, mortgage, or other instrument securing a loan which has been guaranteed or insured hereunder;

(c) subject to the specific limitations in this title, pay, or compromise, any claim on, or arising because of any loan guaranty or insurance;

(d) subject to the specific limitations in this title, pay, compromise, waive, or release any right, title, claim, lien, or demand, however acquired, including, but not limited to, any equity or right of redemption;

(e) purchase at any sale, public or private, upon such terms and for such prices as he determines to be reasonable, and take title to property, real, personal, or mixed; and similarly sell, at public or private sale, exchange, assign, convey, or otherwise dispose of such property; and

(f) complete, administer, operate, obtain, and pay for insurance on, and maintain, renovate, repair, modernize, lease, or otherwise deal with any property acquired or held pursuant to the guaranty or insurance program authorized by this title.

SEC. 217. (a) There is hereby created an Indian Loan Guaranty and Insurance Fund (hereinafter referred to as the "fund") which shall be available to the Secretary as a revolving fund without fiscal year limitation for carrying out the provisions of this title.

(b) The Secretary may use the fund for the purpose of fulfilling the obligations with respect to loans guaranteed or insured under this title, but the aggregate of such loans which are insured or guaranteed by the Secretary shall be limited to $200,000,000.

(c) All funds, claims, notes, mortgages, contracts, and property acquired by the Secretary under this section, and all collections and proceeds therefrom, shall constitute assets of the fund; and all liabilities and obligations of such assets shall be liabilities and obligations of the fund. The Secretary is authorized to make agreements with respect to servicing loans held, guaranteed, or insured by him under this title and purchasing such guaranteed or insured loans on such terms and conditions as he may prescribe.

(d) The Secretary may also utilize the fund to pay taxes, insurance, prior liens, expenses necessary to make fiscal adjustments in connection with the application and transmittal of collections, and other expenses and advances to protect the Secretary for loans which are guaranteed or insured under this title or held by the Secretary, to acquire such security property at foreclosure sale or otherwise, and to pay administrative expenses.

SEC. 218. The Secretary shall promulgate rules and regulations to carry out the provisions of this title.

TITLE III—INTEREST SUBSIDIES AND ADMINISTRATIVE EXPENSES

SEC. 301. The Secretary is authorized under such rules and regulations as he may prescribe to pay as an interest subsidy on loans which are guaranteed or insured under the provisions of title II of this Act amounts which are necessary to reduce the rate payable by the borrower to the rate determined under section 104 of this Act.

SEC. 302. There are authorized to be appropriated to the Secretary (a) to carry out the provisions of sections 217 and 301 of this Act, such sums to remain available until expended, and (b) for administrative expenses under this Act not to exceed $20,000,000 in each of the fiscal years 1975, 1976, and 1977.

TITLE IV—INDIAN BUSINESS GRANTS

SEC. 401. There is established within the Department of the Interior the Indian Business Development Program whose purpose is to stimulate and increase Indian entrepreneurship and employment by providing equity capital through nonreimbursable grants made by the Secretary of the Interior to Indians and Indian tribes to establish and expand profit-making Indian-owned economic enterprises on or near reservations.

SEC. 402. (a) No grant in excess of $50,000, or such lower amount as the Secretary may determine to be appropriate, may be made to an Indian or Indian tribe.

(b) A grant may be made only to an applicant who, in the opinion of the Secretary, is unable to obtain adequate financing for its economic enterprise from other sources: Provided, That prior to making any grant under this title, the Secretary shall assure that, where practical, the applicant has reasonably made available for the economic enterprise funds from the applicant's own financial resources.

(c) No grant may be made to an applicant who is unable to obtain at least 60 per centum of the necessary funds for the economic enterprise from other sources.

SEC. 403. There are authorized to be appropriated not to exceed the sum of $10,000,000 for each of the fiscal years 1975, 1976, and 1977 for the purposes of this title.

SEC. 404. The Secretary of the Interior is authorized to prescribe such rules and regulations as may be necessary to carry out the purposes of this Act.

TITLE V

SEC. 501. Concurrent with the making or guaranteeing of any loan under titles I and II and with the making of a grant under title IV of this Act, the purpose of which is to fund the development of an economic enterprise, the Secretary shall insure that the loan or grant applicant shall be provided competent management and technical assistance consistent with the nature of the enterprise being funded.

SEC. 502. For the purpose of providing the assistance required under section 501, the Secretary is authorized to cooperate with the Small Business Administration and ACTION and other Federal agencies in the use of existing programs of this character in those agencies. In addition, the Secretary is authorized to enter into contracts with private organizations for providing such services and assistance.

SEC. 503. For the purpose of entering into contracts pursuant to section 502 of this title, the Secretary is authorized to use not to exceed 5 per centum of any funds appropriated for any fiscal year pursuant to section 302 of this Act.

Mr. JACKSON. Mr. President, the purpose of this measure is to provide capital on a reimbursable basis to help develop and utilize Indian resources, both physical and human, to a point where the Indians will fully exercise responsibility for the utilization and management of their own resources and where they will enjoy a standard of living from their own productive efforts comparable to that enjoyed by non-Indians in neighboring communities.

S. 1341 has been amended by the House in several respects, most of the amendments being technical. However, the House did make some substantive changes. Where the Senate version allowed the Secretary in his discretion to cancel the debts of Indians or Indian tribes owed the United States, the House added language that would require the Secretary to report the intended cancellation to the Congress, and if the Congress by concurrent resolution disapproves, the cancellation shall not become effective. The Interior and Insular Affairs Committee believes this restriction upon the Secretary necessary to preserve the authority of Congress to disapprove a proposed cancellation in a manner that is not subject to Presidential veto.

The House also deleted the provision that would have prevented the Secretary from collecting on a loan that is delinquent from per capita funds owned by the Indian borrower received after the loan was made.

The House further amended the measure by increasing the authorization for the loan guaranty and insurance program from $10,000,000 to $20,000,000. The House committee believes that this increase is justified in light of the request made by the Department of the Interior at the House hearings.

The House also added a new title V which would direct the Secretary to work with the Small Business Administration and Action to use their technical and managerial skills to develop a viable economic community on Indian reservations. This amendment is needed because the lack of business, financial, and management skills has been a reason for this failure.

Mr. President, I have discussed these amendments with the ranking minority member, Mr. FANNIN, and he concurs in my view that they are good additions to the Senate-passed bill. I think they will strengthen the measure and make it a more useful program for the benefit of our American Indian citizens.

Therefore, Mr. President, I move that the Senate concur in the amendment of the House to S. 1341.

The motion was agreed to.

Mr. MANSFIELD subsequently said: Mr. President, I ask unanimous consent that the action by the Senate on S. 1341 earlier today be vacated and that the message again be laid before the Senate.

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

The Chair laid before the Senate the amendment of the House of Representatives.

Mr. MANSFIELD. Mr. President, I move that the Senate concur in the amendment of the House with an amendment as follows:

In section 102, insert 50 per centum in the appropriate space left blank by action of the House of Representatives.

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

The motion was agreed to.

The amendment of the House, as amended, reads as follows:

Strike out all after the enacting clause, and insert: That this Act may be cited as the "Indian Financing Act of 1974".

DECLARATION OF POLICY

SEC. 2. It is hereby declared to be the policy of Congress to provide capital on a reimbursable basis to help develop and utilize Indian resources, both physical and human, to a point where the Indians will fully exercise responsibility for the utilization and management of their own resources and where they will enjoy a standard of living from their own productive efforts comparable to that enjoyed by non-Indians in neighboring communities.

DEFINITIONS

SEC. 3. For the purpose of this Act, the term—

(a) "Secretary" means the Secretary of the Interior.

(b) "Indian" means any person who is a member of any Indian tribe, band, group, pueblo, or community which is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs and any "Native" as defined in the Alaska Native Claims Settlement Act (85 Stat. 688).

(c) "Tribe" means any Indian tribe, band, group, pueblo, or community, including Native villages and Native groups (including corporations organized by Kenai, Juneau, Sitka, and Kodiak) as defined in the Alaska Native Claims Settlement Act, which is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs.

(d) "Reservation" includes Indian reservations, public domain Indian allotments, former Indian reservations in Oklahoma, and land held by incorporated Native groups, regional corporations, and village corporations under the provisions of the Alaska Native Claims Settlement Act.

(e) "Economic enterprise" means any Indian-owned (as defined by the Secretary of the Interior) commercial, industrial, or business activity established or organized for the purpose of profit: *Provided*, That such Indian ownership shall constitute not less than 51 per centum of the enterprise.

(f) "Organization", unless otherwise specified, shall be the governing body of any Indian tribe, as defined in subsection (c) hereof, or entity established or recognized by such governing body for the purpose of this Act.

(g) "Other organizations" means any non-Indian individual, firm, corporation, partnership, or association.

SEC. 4. No provision of this or any other Act shall be construed to terminate or otherwise curtail the assistance or activities of the Small Business Administration or any other Federal agency with respect to any Indian tribe, organization, or individual because of their eligibility for assistance under this Act.

TITLE I—INDIAN REVOLVING LOAN FUND

SEC. 101. In order to provide credit that is not available from private money markets, all funds that are now or hereafter a part of the revolving fund authorized by the Act of June 18, 1934 (48 Stat. 986), the Act of June 26, 1936 (49 Stat. 1968), and the Act of April 19, 1950 (64 Stat. 44), as amended and supplemented, including sums received in settlement of debts of livestock pursuant to the Act of May 24, 1950 (64 Stat. 190), and sums collected in repayment of loans heretofore or hereafter made, and as interest or other charges on loans, shall hereafter be administered as a single Indian Revolving Loan Fund. The fund shall be available for loans to Indians having a form of organization that is satisfactory to the Secretary and for loans to individual Indians who are not members of or eligible for membership in an organization which is making loans to its members: *Provided*, That, where the Secretary determines a rejection of a loan application from a member of an organization making loans to its membership from moneys borrowed from the fund is unwarranted, he may, in his discretion, make a direct loan to such individual from the fund. The fund shall also be available for administrative expenses incurred in connection therewith.

SEC. 102. Loans may be made for any purpose which will promote the economic development of (a) the individual Indian borrower, including loans for educational purposes, and (b) the Indian organization and its members including loans by such organizations to other organizations and investments in other organizations regardless of whether they are organizations of Indians: *Provided*, That not more than 50 per centum of loan made to an organization shall be used by such organization for the purpose of making loans to or investments in non-Indian organizations.

SEC. 103. Loans may be made only when, in the judgment of the Secretary, there is a reasonable prospect of repayment, and only to applicants who in the opinion of the Secretary are unable to obtain financing from other sources on reasonable terms and conditions.

SEC. 104. Loans shall be for terms that do not exceed thirty years and shall bear interest at (a) a rate determined by the Secretary of the Treasury taking into consideration the market yield on municipal bonds: *Provided*, That in no event shall the rate be greater than the rate determined by the Secretary of the Treasury taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturity, plus (b) such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purpose: *Provided*, That educational loans may provide for interest to be deferred while the borrower is in school or in the military service.

SEC. 105. The Secretary may cancel, adjust, compromise, or reduce the amount of any loan or any portion thereof heretofore or hereafter made from the revolving loan fund established by this title and its predecessor constituent funds which he determines to be uncollectable in whole or in part, or which is collectable only at an unreasonable cost, or when such action would, in his judgment, be in the best interests of the United States: *Provided*, That proceedings pursuant to this sentence shall be effective only after following the procedure prescribed by the Act of July 1, 1932 (47 Stat. 564, 25 U.S.C. 386a). He may also adjust, compromise, subordinate, or modify the terms of any mortgage, lease, assignment, contract, agreement, or other document taken to secure such loans.

SEC. 106. Title to any land purchased by a tribe or by an individual Indian with loans made from the revolving loan fund may be taken in trust unless the land is located outside the boundaries of a reservation or a tribal consolidation area approved by the Secretary. Title to any land purchased by a tribe or an individual Indian which is outside the boundaries of the reservation or approved consolidation area may be taken in trust if the purchaser was the owner of trust or restricted interests in the land before the purchase, otherwise title shall be taken in the name of the purchasers without any restriction on alienation, control, or use. Title to any personal property purchased with a loan from the revolving loan fund shall be taken in the name of the purchaser.

SEC. 107. Any organization receiving a loan from the revolving loan fund shall be required to assign to the United States as security for the loan all securities acquired in connection with the loans made to its members from such funds unless the Secretary determines that the repayment of the loan to the United States is otherwise reasonably assured.

SEC. 108. There is authorized to be appropriated, to provide capital and to restore any impairment of capital for the revolving loan fund $50,000,000 exclusive of prior authorizations and appropriations.

SEC. 109. The Secretary shall promulgate rules and regulations to carry out the provisions of this title.

TITLE II—LOAN GUARANTY AND INSURANCE

SEC. 201. In order to provide access to private money sources which otherwise would not be available, the Secretary is authorized (a) to guarantee not to exceed 90 per centum of the unpaid principal and interest due on any loan made to any organization of Indians having a farm or organization satisfactory to the Secretary, and to individual Indians who are not members of or eligible for membership in an organization which is making loans to its members; and (b) in lieu of such guaranty, to insure loans under an agreement approved by the Secretary whereby the lender will be reimbursed for losses in an amount not to exceed 15 per centum of the aggregate of such loans made by it, but not to exceed 90 per centum of the loss on any one loan.

SEC. 202. The Secretary shall fix such premium charges for the insurance and guarantee of loans as are in his judgment adequate to cover expenses and probable losses, and deposit receipts from such charges in the Indian Loan Guaranty and Insurance Fund established pursuant to section 217 (a) of this title.

SEC. 203. Loans guaranteed or insured pursuant to this title shall bear interest (exclusive of premium charges for insurance, and service charge, if any) at rates not to exceed such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable taking into consideration the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States.

SEC. 204. The application for a loan to be guaranteed hereunder shall be submitted to the Secretary for prior approval. Upon approval, the Secretary shall issue a certificate as evidence of the guaranty. Such certificate shall be issued only when, in the judgment of the Secretary, there is a reasonable prospect of repayment. No loan to an individual Indian may be guaranteed or insured which would cause the total unpaid principal indebtedness to exceed $100,000. No loan to an economic enterprise (as defined in section 3) in excess of $100,000, or such lower amount as the Secretary may determine to be appropriate, shall be insured unless prior approval of the loan is obtained from the Secretary.

SEC. 205. Any loan guaranteed hereunder, including the security given therefor, may be sold or assigned by the lender to any financial institution subject to examination and supervision by an agency of the United States or of any State or the District of Columbia.

SEC. 206. Loans made by any agency or instrumentality of the Federal Government, or by an organization of Indians from funds borrowed from the United States, and loans the interest on which is not included in gross income for the purposes of chapter 1 of the Internal Revenue Code of 1954, as amended, shall not be eligible for guaranty or insurance hereunder.

SEC. 207. Any loans insured hereunder shall be restricted to those made by a financial institution subject to examination and supervision by an agency of the United States, a State, or the District of Columbia, and to loans made by Indian organizations

from their own funds to other tribes or organizations of Indians.

SEC. 208. Loans guaranteed hereunder may be made by any lender satisfactory to the Secretary, except as provided in section 206. The liability under the guaranty shall decrease or increase pro rata with any decrease or increase in the unpaid portion of the obligation.

SEC. 209. Any loan made by any national bank or Federal savings and loan association, or by any bank, trust company, building and loan association, or insurance company authorized to do business in the District of Columbia, at least 20 per centum of which is guaranteed hereunder, may be made without regard to the limitations and restrictions of any other Federal statute with respect to (a) ratio of amount of loan to the value of the property; (b) maturity of loans; (c) requirement of mortgage or other security; (d) priority of lien; or (e) percentage of assets which may be invested in real estate loans.

SEC. 210. The maturity of any loan guaranteed or insured hereunder shall not exceed thirty years.

SEC. 211. In the event of a default of a loan guaranteed hereunder, the holder of the guaranty certificate may immediately notify the Secretary in writing of such default and the Secretary shall thereupon pay to such holder the pro rata portion of the amount guaranteed and shall be subrogated to the rights of the holder of the guaranty and receive an assignment of the obligation and security. The Secretary may cancel the uncollectable portion of any obligation, to which he has an assignment or a subrogated right under this section: *Provided*, That proceedings pursuant to this sentence shall be effective only after following the procedure prescribed by the Act of July 1, 1932 (47 Stat. 564, 25 U.S.C. 386a). Nothing in this section shall be construed to preclude any forbearance for the benefit of the borrower as may be agreed upon by the parties to the loan and approved by the Secretary. The Secretary may establish the date, not later than the date of judgment and decree of foreclosure or sale, upon which accrual of interest or charges shall cease.

SEC. 212. When a lender suffers a loss on a loan insured hereunder, including accrued interest, a claim therefor shall be submitted to the Secretary. If the Secretary finds that the loss has been suffered, he shall reimburse the lender therefor: *Provided*, That the amount payable to the lender for a loss on any loan shall not exceed 90 per centum of such loss: *Provided further*, That no reimbursement may be made for losses in excess of 15 per centum of the aggregate of insured loans made by the lender: *Provided further*, That before any reimbursement is made, all reasonable collection efforts shall have been exhausted by the lender, and the security for the loan shall have been liquidated to the extent feasible, and the proceeds applied on the debt. Upon reimbursement, in whole or in part, to the lender, the note or judgment evidencing the debt shall be assigned to the United States, and the lender shall have no further claim against the borrower or the United States. The Secretary shall then take such further collection action as may be warranted, or may cancel the uncollectable portion of any debt assigned pursuant hereto. The Secretary may establish a date upon which accrual of interest or charges shall cease.

SEC. 213. Whenever the Secretary finds that any lender or holder of a guaranty certificate fails to maintain adequate accounting records, or to demonstrate proper ability to service adequately loans guaranteed or insured, or to exercise proper credit judgment, or has willfully or negligently engaged in practices otherwise detrimental to the interests of a borrower or of the United States, he may refuse, either temporarily or permanently, to guarantee or insure any further loans made by such lender or holder, and may bar such lender or holder from acquiring additional loans guaranteed or insured hereunder: *Provided*, That the Secretary shall not refuse to pay a valid guaranty or insurance claim on loans previously made in good faith.

SEC. 214. Any evidence of guaranty or insurance issued by the Secretary shall be conclusive evidence of the eligibility of the loan for guaranty or insurance under the provisions of this Act and the amount of such guaranty or insurance: *Provided*, That nothing in this section shall preclude the Secretary from establishing, as against the original lender, defenses based on fraud or material misrepresentation or bar him from establishing, by regulations in force at the date of such issuance or disbursement, whichever is the earlier, partial defenses to the amount payable on the guaranty or insurance.

SEC. 215. Title to any land purchased by a tribe or by an individual Indian with loans guaranteed or insured pursuant to this title may be taken in trust, unless the land is located outside the boundaries of a reservation or a tribal consolidation area approved by the Secretary. Title to any land purchased by a tribe or an individual Indian which is outside the boundaries of the reservation or approved consolidation area may be taken in trust if the purchaser was the owner of trust or restricted interests in the land before the purchase, otherwise title shall be taken in the name of the purchaser without any restriction on alienation, control, or use. Title to any personal property purchased with loans guaranteed or insured hereunder shall be taken in the name of the purchaser.

SEC. 216. The financial transactions of the Secretary incident to or arising out of the guarantee or insurance of loans, and the acquisition, management, and disposition of property, real, personal, or mixed, incident to such activities, shall be final and conclusive upon all officers of the Government. With respect to matters arising out of the guaranty or insurance program authorized by this title, and notwithstanding the provisions of any other laws, the Secretary may—

(a) sue and be sued in his official capacity in any court of competent jurisdiction;

(b) subject to the specific limitations in this title, consent to the modification, with respect to the rate of interest, time of payment on principal or interest or any portion thereof, security, or any other provisions of any note, contract, mortgage, or other instrument securing a loan which has been guaranteed or insured hereunder;

(c) subject to the specific limitations in this title, pay, or compromise, any claim on, or arising because of any loan guaranty or insurance;

(d) subject to the specific limitations in this title, pay, compromise, waive, or release any right, title, claim, lien, or demand, however acquired, including, but not limited to, any equity or right of redemption;

(e) purchase at any sale public or private, upon such terms and for such prices as he determines to be reasonable, and take title to property, real, personal, or mixed; and similarly sell, at public or private sale, exchange, assign, convey, or otherwise dispose of such property; and

(f) complete, administer, operate, obtain, and pay for insurance on, and maintain, renovate, repair, modernize, lease, or otherwise deal with any property acquired or held pursuant to the guaranty or insurance program authorized by this title.

SEC. 217. (a) There is hereby created an Indian Loan Guaranty and Insurance Fund (hereinafter referred to as the "fund") which shall be available to the Secretary as a revolving fund without fiscal year limitation for carrying out the provisions of this title.

(b) The Secretary may use the fund for the purpose of fulfilling the obligations with respect to loans guaranteed or insured under this title, but the aggregate of such loans which are insured or guaranteed by the Secretary shall be limited to $200,000,000.

(c) All funds, claims, notes, mortgages, contracts, and property acquired by the Secretary under this section, and all collections and proceeds therefrom, shall constitute assets of the funds; and the liabilities and obligations of such assets of the fund; and all liabilities and obligations of the fund. The Secretary is authorized to make agreements with respect to servicing loans held, guaranteed, or insured by him under this title and purchasing such guaranteed or insured loans on such terms and conditions as he may prescribe.

(d) The Secretary may also utilize the fund to pay taxes, insurance, prior liens, expenses necessary to make fiscal adjustments in connection with the application and transmittal of collections, and other expenses and advances to protect the Secretary for loans which are guaranteed or insured under this title or held by the Secretary, to acquire such security property at foreclosure sale or otherwise, and to pay administrative expenses.

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TITLE IV—INDIAN BUSINESS GRANTS

SEC. 401. There is established within the Department of the Interior the Indian Business Development Program whose purpose is to stimulate and increase Indian entrepreneurship and employment by providing equity capital through nonreimbursable grants made by the Secretary of the Interior to Indians and Indian tribes to establish and expand profitmaking Indian-owned economic enterprises on or near reservations.

SEC. 402. (a) No grant in excess of $50,000, or such lower amount as the Secretary may determine to be appropriate, may be made to an Indian or Indian tribe.

(b) A grant may be made only to an applicant who, in the opinion of the Secretary, is unable to obtain adequate financing for its economic enterprise from other sources: *Provided*, That prior to making any grant under this title, the Secretary shall assure that, where practical, the applicant has reasonably made available for the economic enterprise funds from the applicant's own financial resources.

(c) No grant may be made to an applicant who is unable to obtain at least 60 per centum of the necessary funds for the economic enterprise from other sources.

SEC. 403. There are authorized to be appropriated not to exceed the sum of $10,000,000 for each of the fiscal years 1975, 1976, and 1977 for the purposes of this title.

SEC. 404. The Secretary of the Interior is authorized to prescribe such rules and regulations as may be necessary to carry out the purposes of this Act.

TITLE V

SEC. 501. Concurrent with the making or guaranteeing of any loan under titles I and II and with the making of a grant under title IV of this Act, the purpose of which is to fund the development of an economic enterprise, the Secretary shall insure that the loan or grant applicant shall be provided competent management and technical assistance consistent with the nature of the enterprise being funded.

SEC. 502. For the purpose of providing the assistance required under section 501, the Secretary is authorized to cooperate with the Small Business Administration and ACTION and other Federal agencies in the use of existing programs of this character in those agencies. In addition, the Secretary is authorized to enter into contracts with private organizations for providing such services and assistance.

SEC. 503. For the purpose of entering into contracts pursuant to section 502 of this title, the Secretary is authorized to use not to exceed 5 per centum of any funds appropriated for any fiscal year pursuant to section 302 of this Act.

STRIP MINING OPPOSED

Mr. MANSFIELD. Mr. President, I hold in my hand a letter to the editor, written by Ray Schott, of Busby, Mont., which was published in the Billings Gazette, on February 25, 1974, relative to Mr. Schott's opposition to strip mining.

He gives four good reasons why strip mining should be held to the absolute minimum insofar as the State of Montana is concerned.

I concur with his statement, and I ask unanimous consent that the letter to the editor be printed in the RECORD.

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

[From the Billings Gazette, Feb. 2, 1974]

STRIP MINING OPPOSED

(By Ray Schott Busby)

I am against strip-mining coal for the following reasons:

1. Strip mining is not necessary. It amounts to only about three per cent of the nation's total supply of coal, whereas the other 97 per cent can be safely deep mined. Montana's deep coal to strippable coal ratio is 40 to 1.

2. Montana coal is low in BTU content (6,700 to 9,500 BTU per pound) as compared to the deep-mined low-sulfur coal in the East (12,200 BTU per pound). Only 25 per cent of Montana's coal in the Fort Union formation, 215 billion tons, is strippable. Because it is lower in BTU content, the mining companies will have to disturb thousands of acres of land to meet the BTU requirements of the utility companies.

3. Montana coal is high in water content, 20 to 30 per cent per ton. Using diesel fuel to haul 400 to 600 pounds of water per ton of coal is a ridiculous waste of money and another fossil fuel.

4. The best low-sulphur coal is in the East, not the Western states. Deep mines are going to close down if major strip mining in the West takes place, thus leaving many people in the East jobless because strip mining is a little cheaper than deep mining. It is a fallacy that the economy will increase. It is just a shift in the economy from one region to another. The land in the East has already been destroyed by strip mining so deep mining should be more fully developed there to maintain the economy in that region.

5. The land here is eastern Montana is used for grazing and wheat farming. We would trade long-term agricultural production for the very short-term strip mining. Strip mining isn't worth the money, the loss of land, the population gain and all the problems that come with the increased population.

ORDER FOR RECOGNITION OF SENATORS RANDOLPH AND ROBERT C. BYRD, AND FOR PERIOD FOR ROUTINE MORNING BUSINESS TOMORROW

Mr. MANSFIELD. Mr. President, I understand that there will be two more special orders tomorrow morning following the remarks of the senior Senator from Wisconsin (Mr. PROXMIRE) in that the distinguished Senators from West Virginia (Mr. RANDOLPH and Mr. ROBERT C. BYRD) will be recognized for not to exceed 15 minutes, the Senate concurring, for which I ask unanimous consent.

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

Mr. MANSFIELD. Mr. President, I further ask unanimous consent that following the remarks of the Senator from West Virginia (Mr. ROBERT C. BYRD), there be a period for the transaction of routine morning business of not to exceed 10 minutes, with statements therein limited to 3 minutes.

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

ORDER FOR CONFERENCE REPORT ON MINIMUM WAGE BILL TO BE LAID BEFORE THE SENATE TOMORROW

Mr. MANSFIELD. Mr. President, immediately after the close of the remarks of Senators RANDOLPH and ROBERT C. BYRD, I ask unanimous consent that the conference report on the minimum wage bill be laid before the Senate and made the pending business.

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

MINIMUM WAGE CONFERENCE REPORT

Mr. HUGH SCOTT. Mr. President, I take this time simply to say that I intend to support the conference report on minimum wage. I have long favored the various minimum wage bills as they have come before Congress during my service in both bodies. It is most desirable that we get action on this bill.

I wish it were possible to do it today instead of tomorrow in order that the bill could be signed and April figures used instead of May figures; but that appears not to be possible, I regret.

In any event, I think the bill has been worked out in reasonably satisfactory terms, although there are some things that were originally in the bill which I favored and which are not in there now; but the process is one of compromise and I think we have got a bill that we can live with.

Mr. MANSFIELD. If the distinguished Republican leader will yield, the reason why we are taking it up tomorrow is to give some members of the committee a chance to fulfill their understanding of all the intricacies which the conference report contains. So that we are coming in earlier so that we can face up to the conference report early and, hopefully, get it to the House around 12 o'clock.

Mr. HUGH SCOTT. That may accomplish the purpose that we all have in mind, and I thank the distinguished majority leader.

DEATH PENALTY

Mr. HUGH SCOTT. Mr. President, I note that the Legislature of the Commonwealth of Pennsylvania has overridden the Governor's veto in both houses of the death penalty bill. The Senate, of course, has had that under consideration, but I think it is evidence as to what is happening in the country that Pennsylvania has so acted on that bill. It is carefully constructed and applies only to very limited and very heinous offenses. So I think it should be in order that another State has so acted.

I believe the Commonwealth of Massachusetts has overridden its Governor's veto in the house, but I hear reports that the veto may be sustained in the senate.

I merely wanted to note that, because there seems to be a growing feeling in the country that in such cases as the killing of a prison guard by a prisoner under a life sentence there was no restraint on such a person and the death penalty is therefore justified. It would also seem to be proper to apply the death penalty to cases of terrorism, kidnaping, treason, and certain other offenses as to which, clearly, there is no other substantial deterrent.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the distinguished Senator from Iowa (Mr. HUGHES) is now recognized for not to exceed 15 minutes.

FINAL REPORT ON SECRET WAR

Mr. HUGHES. Mr. President, the statement I make this morning will be a final report on the secret war.

The Senate Armed Services Committee will soon release the report of its hearings, held last summer, on the secret bombing in Cambodia and other hitherto secret military operations in Southeast Asia.

Now that this full 508-page record is to be available, I believe it is appropriate to sum up what we have learned and what still must be ascertained.

Let me say at the outset that this investigation would probably have fallen far short of completeness but for the diligence and cooperation of the distinguished acting chairman of the committee during these hearings, the Senator from Missouri (Mr. SYMINGTON), and

other committee members, as well as the subsequent efforts by Senator SYMINGTON and Senator STENNIS to pry all relevant materials out of the Pentagon. The Armed Services Committee has served the Senate and the country well by pursuing this investigation as well as the others into such matters as General Lavelle's unauthorized bombing and the unauthorized transmittal of documents from the National Security Council.

I have made interim reports to the Senate on these secret operations on July 23, September 10, and December 14, 1973. I do not intend to repeat myself now, but rather to summarize the overall picture which has emerged.

The primary focus of the committee's investigation was on the secret bombing in Cambodia, which began on March 17, 1969, and continued in secret until American ground forces invaded Cambodia on April 30, 1970. Even then, this prior bombing was concealed from most Members of Congress and the American people until July 13, 1973. At least three classified reports to the Senate Armed Services Committee in 1971 and 1973 failed to mention that these raids had taken place.

Now we know that for a period of 14 months, American B–52's flew 3,630 sorties into Cambodia and dropped nearly 104,000 tons of munitions. Though these operations probably cost nearly $150 million, they were not reported to or authorized by Congress. This was in sharp contrast to the procedures followed on the also secret, but much less costly, cross-border ground operations into Laos and Cambodia, which were at least reported to the House and Senate Appropriations Committees as "classified projects."

In order to conceal the fact of these operations from all but a few in the military chain of command, an elaborate system was devised which involved the false reporting of these strikes as if they had taken place in South Vietnam.

Despite repeated requests from the committee, the Defense Department has failed to provide information on precisely who in Congress was informed in any way about these operations, or when, or by whom, or to what extent.

One of the alleged reasons for withholding news of these raids from the press and the American people was to prevent any embarrassment to Prince Sihanouk of Cambodia. The committee was told, but not provided any documentary proof, that Prince Sihanouk had "acquiesced" in the bombing. Yet I have seen no denial of the press report that even our charge d'affaires in Phnom Penh at the time was not told about the B–52 strikes. And I can report that there is no mention of Cambodian "acquiescence" in any of the still-secret documents on the start of the bombing which only recently were provided to the committee.

The facts are that Prince Sihanouk did protest some U.S. bombing, just as he protested the presence of North Vietnamese soldiers on Cambodian soil. He was, however, unable to stop these violations of his nation's territory.

Whether or not these operations saved American lives, as President Nixon has contended, Congress and the American people were denied their right to approve or disapprove this extension of the war into another country.

Regardless of the propriety of these raids, I think that few would deny the corrupting influence of a military reporting system which even in highly classified channels requires falsification.

A second focus of the committee's investigation was on the falsified reporting of strikes within Cambodia during and after the U.S. ground invasion in May-June 1970. Two witnesses testified under oath, and the Defense Department white paper confirmed, that a system of "attributed coordinates" arose in the 7th Air Force so that tactical air strikes deep inside Cambodia would be reported as taking place near the South Vietnamese border.

Pentagon and committee investigations have thus far failed to pinpoint the origin of these procedures, and no high-ranking official has attempted to justify them. In fact, when this practice was discovered by the Air Force in February 1971, it was promptly halted.

I would say in passing, Mr. President, that I am pursuing this investigation with the means available to me, and I may have more to report to the Senate at a later time.

It seems logical to assume that someone in the chain of command devised this procedure in order to conceal the fact that U.S. planes were operating far from the border regions, in close support of Cambodian forces—a charge which was several times denied by the President and Secretary of Defense during that heated summer of 1970.

General Abrams even quoted from an operational order, the full text of which remains classified, which authorized air strikes:

> In any situation which involved a serious threat to major Cambodian positions, such as a provincial capital, whose loss would constitute a serious military or psychological blow to the country.

At a time when Congress and the country were embroiled in the debate over the Cambodian invasion, and when the administration wanted to deny any military commitment to the Lon Nol regime, it was probably important to the President for the American people to be kept in the dark as to the true nature of our continuing involvement in Cambodia.

One more revelation in the published hearings is the official report on the defoliation of a Cambodian rubber plantation. The Pentagon now says:

> The defoliation in question does not seem to have been an incident which occurred by chance or by accidental winddrift. In this sense, it appears to have been a deliberate act. However, the Department of Defense has no record of ever having authorized defoliation in Cambodia, nor does the record show any inadvertent or accidental defoliations in Cambodia.

We must ask, Mr. President, who was responsible for this action and this cover-up? How many other unreported or unauthorized bombings took place?

A third major area of the committee's investigation was into allegations about attacks on enemy hospitals, an act contrary to the laws of war as well as clear directives within the military chain of command.

The committee heard from three witnesses on this subject, and I introduced into the record letters from two additional men who wrote to me about hospital bombing incidents.

As a result of this testimony, the Army and Air Force have begun thorough investigations into these allegations. The evidence thus far, which deals with the information from two of the five men who came forward, raises important questions about the accuracy of these original charges.

While I still believe that the witnesses gave sincere and truthful testimony, I believe that reasonable men may differ as to their recollections of the precise circumstances and contexts of incidents which at the time seemed to involve medical facilities. And I congratulate the services for investigating these charges so fully.

For the time being, I shall leave it to others to try to reconcile the apparent conflicts in testimony. I hope that the additional investigations will provide explanations for the events which left such vivid and troubling memories in the minds of the witnesses.

What still troubles me, however, Mr. President, is whether this clear policy against the targeting of hospitals is being adequately conveyed to the members of the Armed Forces. One witness said that he had never been instructed in the laws of warfare as they related to hospitals. Another witness, whose duties for 1 year included instructing basic trainees in the Geneva Conventions, said,

> I have never heard anybody tell me or taught anybody that it was against the Geneva (conventions) to attack hospitals.

This same man called the training he received and which he passed on "very cursory."

Perhaps the lessons were given, but not drilled in. Perhaps the training syllabus from higher headquarters never made it all the way to the classroom. Whatever the reason, I believe that the services have a profound obligation to instruct military personnel in the laws of warfare in more than a "cursory" way. I hope that one consequence of these hearings will be more careful attention to these matters.

The fourth and final focus of the committee's investigation was into secret ground operations in Cambodia and Laos. This subject did not receive much attention at the time, but I believe it is of increased significance now.

We now know that cross-border operations began in Laos in 1965 and in Cambodia in 1967. The Defense Department identified at least 103 Americans who died on these missions, though witnesses before the committee put the likely figure much higher. None of the families or loved ones of these men were informed as to the truth of the circumstances surrounding their deaths until last summer.

Most of these operations apparently were ordinary reconnaissance and intel-

ligence missions. But others were for purposes of sabotage, interdiction, and the capture of prisoners. One witness remembered at least two instances where teams totaling more than 30 people "carried weapons which are definitely not suited for reconnaissance, such as 90-millimeter recoilless rifles, 81-millimeter mortars, and other weapons." He testified:

If you went in, you could guarantee contact.

What is most disturbing here, Mr. President, is that the Congress had acted, by law, to forbid the introduction of ground combat troops into Laos and Cambodia.

In Public Law 91–171, signed by the President on December 29, 1969, a section declared:

In line with the expressed intention of the President, of the United States, none of the funds appropriated in this act shall be used to finance the introduction of American ground combat troops in Laos or Thailand.

Barely a year later, in Public Law 91–652, the Congress extended this prohibition to Cambodia.

In line with the expressed intention of the President of the United States, none of the funds authorized or appropriated pursuant to this or any other act may be used to finance the introduction of United States ground combat troops into Cambodia.

Despite these clear provisions of law, American combat troops continued to go into Laos and Cambodia. According to the Defense Department white paper, there were 16 platoon-sized operations in Laos in 1970 and 13 more in the months between January 1971 and April 1972. There were also three multiplatoon operations in Laos in 1970—after the enactment of the first Cooper-Church amendment.

In Cambodia, there were 22 platoon-sized operations after January 1, 1971, plus 9 multiplatoon missions.

One witness before the committee remembered operations involving 50 to 100 men. He said that they were called slam mission—for search, locate, and annihilate missions.

Mr. President, these admissions point to clear violations of law.

President Nixon failed to inform the Congress of his widening of the war into Cambodia by B–52 strikes. He deceived the American people on April 30, 1970 when he claimed that:

For five years, neither the United States nor South Vietnam has moved against these enemy sanctuaries.

He misled the Congress and the American people by suggesting that all U.S. forces had been withdrawn from Cambodia on June 30, 1970, and that continued U.S. air strikes would be limited to border areas for the protection of American forces.

And the evidence now available strongly suggests that he violated the law by permitting ground combat troops to continue to enter Cambodia and Laos.

There are still unresolved issues from this investigation, Mr. President, but I believe that we have done the ground work and have pointed the way to others.

I do want to mention, however, my dismay over Secretary Schlesinger's recent decision not to declassify the remaining documents provided to the committee after a 6 months' delay. These documents include many of the original papers on the initiation of the B–52 raids, the orders regarding tactical air strikes in support of Cambodian positions, and the report on the one admitted U.S. combat incursion into Laos in February 1969.

While I am not, of course, at liberty to release these documents myself, I believe it is appropriate to say that they contain new and significant information, some of which is different from previous explanations and testimony.

We may now close the books on this investigation by the Armed Services Committee, but we should not close our minds to the lessons we have learned.

These hearings have shown that we—the Congress and the American people—have been deceived, misled, and kept in ignorance about some of the most important questions of war and peace, life and death. The national security blanket which covered these actions also smothered public debate. The Congress was denied its constitutional role in declaring wars and appropriating funds.

These events also demonstrated that alleged military necessity prevailed over national and international law. The full extent of these violations of law remain to be determined, but the circumstantial evidence is strong.

Perhaps the most haunting conclusion from these hearings, as well as from the Lavelle and military spying investigations, is that American military personnel are obedient, perhaps to a fault. We have ample evidence that officers and enlisted men obeyed orders without question and sometimes without regard to existing laws and regulations.

In the midst of battle, of course, such obedience is necessary. But there are limits, in law, morality, and commonsense, to blind obedience.

Yet when Senator SYMINGTON asked Admiral Moorer last August 9 what he would do if ordered by the President to continue bombing in Cambodia after August 15, in violation of law, the Chairman of the Joint Chiefs of Staff replied:

If I receive an order, I carry it out. If you were President and gave me an order, I would carry it out, too, Senator Symington.

Mr. President, as we all know, but sometimes forget, the oath which officers and other military personnel take on being sworn in to the service of their country is to the Constitution and the laws of the United States—not to a particular President or a military commander.

If we are to preserve our democratic system with its essential provision of civilian control of the military, we must uphold the law in these instances, as well as in any others, and punish those who violate the law.

As a result of these investigations by the Armed Services Committee, I believe that we are moving a little closer to assured civilian control of the military. High-ranking officers have been put on notice that they must act within a framework of civilian leadership and laws.

The next step is to be sure that those civilian leaders are also responsible to the principles and laws which govern them. No commander, including the Commander in Chief, should feel free to act beyond the limits of the Constitution or in violation of the laws, even if his actions may successfully be concealed for months or years.

Mr. President, I submit that we must have the capacity to learn the lessons of these past events, whatever emotional stresses may cloud our vision, if we are to assure the future of our free society.

Mr. MANSFIELD. Mr. President, I wish to comment on what the distinguished Senator from Iowa just said. First, I commend him for the diligence with which he has pursued subjects in the Committee on Armed Services and in so doing the services which he has performed for the Nation as a whole.

I listened to the Senator's speech this morning and I was very much impressed. There has been too much secrecy insofar as Southeast Asia is concerned, and there still is too much secrecy, in my opinion, covering operations in the old Indochinese States of Laos, Cambodia, and South Vietnam, as well as in Thailand.

The Senator makes reference to the defoliation. I have read in the newspapers that the effect of defoliation will last 100 years.

He did not mention it at this time, but he has mentioned previously the refugee problem which now embraces millions in the three Indochinese States. The Senator from Iowa has spoken previously about the drug culture out of Vietnam which was transplanted here.

I think that while we always will remember the ill-advised tragedy which was our involvement in Southeast Asia, I do not think we should ever forget and I hope we would remember a few things from the sacrifices, both monetary and in manpower, which this country paid for that ill-advised adventure.

Here is a U.S. Department of Commerce publication, "A Statistical Abstract of the United States, 1973," which is put out by the Bureau of the Census. The cost of the war—and it is not over with, no matter what is said—has been estimated in this Government publication—to cost $352 billion. That estimate was based on the assumption that the war would end on June 30, 1970. The war did not terminate officially until the end of 1972 or the first part of 1973. When we think of how much this war has cost us already and what it will cost us extending midway into the next century, up to and including the year 2050, I think it gives us something to remember, something not to forget.

Then, more important, when we add onto that cost the fact that 55,000 Americans lost their lives in Southeast Asia—dead Americans—303,000 Americans were wounded in Southeast Asia, and of those the estimate is that somewhere between 25,000 and 30,000 are quadriplegics or paraplegics, we begin to get an idea of just how much this war has cost us

and how much we have had to put up in direct outlays and indirect outlays as well.

Even today we remain involved in Cambodia. We are sending aid and military assistance. Even today we are involved in Laos. We are sending aid and military assistance. Even today we are involved in South Vietnam. We are sending aid and military assistance. I do not know how many thousands of ex-GI's we have there who are in civilian clothing, working in that part of the world at the present time.

In addition, we have something on the order of 35,000 men in Thailand. We have at least 5,200 planes of various types. I wonder why we have a strike force of that magnitude in that country at this time if peace has truly been achieved in Southeast Asia.

Mr. HUGHES. Mr. President, if the Senator will yield, I intend to put into the RECORD, tomorrow or this afternoon, figures in regard to combat sorties taking place in Southeast Asia. We still have 4,000-odd men drawing combat pay in Southeast Asia——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUGHES. Mr. President, do I still have time left under the morning hour?

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. HUGHES. I thank the Chair, and I shall be glad to yield to the distinguished majority leader whatever time remains to me in the morning hour.

We still have over 4,000 men drawing combat pay in Southeast Asia. On one particular day planes flew some 92 sorties.

I will introduce this material into the RECORD probably later this afternoon, but the questions we are raising, in light of several news stories, are facts which are important to the American people.

Another question I want to raise is the fact that some highranking officers that I have described on the floor of the Senate as engaging in deceptive practices are going to be up for promotion in the very near future. I hope Members of this body, with the climate in this country about what is happening to integrity, will consider the deceptions that have been practiced and in which they have been involved when their promotions come up for action in this body.

I want to thank the majority leader for pointing out some of the aspects of the total cost, in manpower and to our economy, of this particular war, which will be going on for another 80 years, in all probability. There is no way to be able to ascertain the total cost of it, which will continue to shape and have an effect on the history of this country for 100 years, without any doubt.

I thank the majority leader for participating in this colloquy and discussion.

I shall be happy to yield the remainder of whatever time I have left to the majority leader.

Mr. MANSFIELD. Mr. President, I appreciate what the distinguished Senator from Iowa has said and thank him for transferring the remainder of his time to me. I will not use all that time, except to reiterate that we ought to remember the price we paid in that part of the world, we might not forget. As far as I am concerned, I do not want to see this country perform any more "Operations Phoenix." I do not want to see any more Mylais created. I do not want to see secrecy carried to such an extreme that the elected Members of Congress are not taken in by information which is disseminated to a few of us, because I do not think any Senator as a general practice should be given any particular information which is not available to other Senators. There is no such thing as one Senator who is more fitted to receive information than another. In this body we are all equal. We are all mature enough, I think, to be given the facts, and we are all mature enough to understand a situation which has developed, and certainly, in retrospect, to recognize that things did get out of control in this body, unfortunately for the people of this country, and the price, as I have indicated, is tremendous.

I repeat that the figures I cited about the ultimate cost of the war—provided the war had ended in 1970—are taken from an official U.S. document issued by the U.S. Department of Commerce, called "A Statistical Abstract of the United States, 1973." I would hope that people who are interested in that part of the world and what the cost has been monetarily will look up this abstract and keep it on their desks so they will be reminded of it at all times.

I thank the Senator.

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order there will now be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements limited therein to 5 minutes.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communication which was referred as indicated:

PROPOSED FEDERAL CAMPAIGN REFORM ACT OF 1974

A communication from the President of the United States, transmitting a draft of proposed legislation to reform the conduct and financing of Federal election campaigns, and for other purposes (with an accompanying paper). Referred to the Committee on Rules and Administration.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A resolution of the Senate of the State of Georgia. Referred to the Committee on Finance:

SENATE RESOLUTION 416

"A resolution relative to the deplorable practices of the United States Congress; and for other purposes

"Whereas, the United States Congress, at each session, continues to adopt legislation requiring the States to take various courses of action, and, upon failure to do so, a State will lose its rightful allocation of Federal highway trust funds; and

"Whereas, if Congress continues this reprehensible course of action, what little sovereignty is left to the various States will be further eroded; and

Whereas, it is only just and proper that if Congress sees fit that a certain course of action should be taken, the Congress itself should enact such legislation rather than requiring the various States to do their dirty work for them.

"Now, therefore, be it resolved by the Senate that this body does hereby express in the strongest terms possible its disgust and abhorrence of the presently existing practice of the United States Congress to require the 50 States to enact legislation under threat of having to forfeit their just share of the Federal highway trust funds which have been collected from all of the States.

"Be it further resolved that the Secretary of the Senate is hereby authorized and directed to transmit an appropriate copy of this Resolution to each House of each State Legislature, and to each and every member of the United States Congress."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations, without amendment:

H.R. 12341. An act to authorize sale of a former Foreign Service consulate building in Venice to Wake Forest University (Rept. No. 93–752); and

H.R. 12465. An act to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations for the fiscal year 1974 (Rept. No. 93–753).

By Mr. SPARKMAN, from the Committee on Foreign Relations, with an amendment:

H.R. 12466. An act to amend the Department of State Appropriations Authorization Act of 1973 to authorize additional appropriations for the fiscal year 1974, and for other purposes (Rept. No. 93–754).

By Mr. McCLELLAN, from the Committee on the Judiciary, with an amendment:

S. 2348. A bill to amend the Canal Zone Code to transfer the functions of the Clerk of the United States District Court for the District of the Canal Zone with respect to the issuance and recording of marriage licenses, and related activities, to the civil affairs director of the Canal Zone Government, and for other purposes (Rept. No. 93–755).

By Mr. HUMPHREY, from the Committee on Agriculture and Forestry, with an amendment:

S. 2835. A bill to rename the first Civilian Conservation Corps Center located near Franklin, N.C., and the Cross Timbers National Grasslands in Texas in honor of former President Lyndon B. Johnson (Rept. 93–756).

NATIONAL NO-FAULT MOTOR VEHICLE INSURANCE ACT—REPORT OF A COMMITTEE (S. REPT. NO. 93–757)

Under authority of the order of the Senate of February 18, 1974, Mr. HART, from the Committee on the Judiciary, submitted a report on the bill (S. 354) to establish a nationwide system of adequate and uniform motor vehicle accident reparation acts and to require no-fault motor vehicle insurance as a condition precedent to using a motor vehicle on public roadways in order to promote and regulate interstate commerce, together with minority and additional views, 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. BUCKLEY:

S. 3241. A bill to amend chapter 85 of title 28, United States Code, relating to the censure, suspension, and disbarment of attorneys. Referred to the Committee on the Judiciary.

By Mr. MANSFIELD:

S. 3242. A bill for the relief of Wesley G. Gorrell, his wife, Laura J. Gorrell, and their daughters, Pamela Mary Gorrell and Patty Anne Gorrell. Referred to the Committee on the Judiciary.

By Mr. CURTIS:

S. 3243. A bill to amend the Tariff Schedules of the United States to provide that certain wood strips be admitted free of duty. Referred to the Committee on Finance.

By Mr. HRUSKA (by request):

S. 3244. A bill to clarify the authority of the Attorney General of the United States to exclude and deport aliens for fraudulent entry. Referred to the Committee on the Judiciary.

By Mr. BEALL:

S. 3245. A bill to amend the Department of Transportation Act in order to establish the National Transportation Safety Board as an independent agency in the executive branch of the Government. Referred to the Committee on Commerce.

By Mr. CASE:

S. 3246. A bill to amend the National School Lunch and Child Nutrition Act in order to extend existing provisions of law under which income guidelines are established for reduced price lunches. Referred to the Committee on Agriculture and Forestry.

By Mr. MOSS:

S. 3247. A bill for the relief of Mrs. Helen Kuri George. Referred to the Committe on the Judiciary.

By Mr. INOUYE:

S. 3248. A bill for the relief of Miss Rosario Y. Quijano;

S. 3249. A bill for the relief of Mr. Walter York Quijano;

S. 3250. A bill for the relief of Miss Tinh Thi Ha; and

S. 3251. A bill for the relief of Mr. Ramon Lem Quijano, Mr. Tarcisius Julian Quijano, Mr. Dennis Thomas Quijano and Mr. Paul Christopher James Y. Quijano. Referred to the Committee on the Judiciary.

By Mr. BELLMON:

S. 3252. A bill to provide additional credit facilities for farmers and other rural residents. Referred to the Committee on Agriculture and Forestry.

By Mr. MONTOYA (by request):

S. 3253. A bill to amend the Atomic Energy Act of 1954, as amended, to delete the requirement that Congress authorize amounts of special nuclear material which may be distributed to a group of nations. Referred to the Joint Committee on Atomic Energy.

By Mr. GRAVEL:

S. 3254. A bill to amend the Atomic Energy Act of 1954 to require licensees and contractors to accept greater financial responsibilities. Referred to the Joint Committee on Atomic Energy.

By Mr. TUNNEY (for himself, Mr. MAGNUSON, and Mr. COTTON) (by request):

S. 3255. A bill to provide for the labeling of major appliances and motor vehicles to promote and effect energy conservation, and for other purposes. Referred to the Committee on Commerce.

By Mr. GRAVEL:

S. 3256. A bill to provide allowanced and reduced governmental rental rates and charges for certain Alaskan employees of executive departments and independent establishments and to exempt such allowances and reductions from taxation under the Internal Revenue Code of 1954. Referred to the Committee on Finance.

By Mr. BENNETT (by request):

S. 3257. A bill to extend and improve the Nation's unemployment compensation programs, and for other purposes. Referred to the Committee on Finance.

By Mr. HUMPHREY:

S.J. Res. 198. A joint resolution to create a Joint Committee on Energy. Referred to the Committee on Government Operations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BUCKLEY:

S. 3241. A bill to amend chapter 85 of title 28, United States Code, relating to the censure, suspension, and disbarment of attornevs. Referred to the Committee on the Judiciary.

CENSURE, SUSPENSION, AND DISBARMENT OF ATTORNEYS

Mr. BUCKLEY. Mr. President, for a number of years now, members of the bench and bar and of the Congress have expressed growing concern with the courtroom conduct of attorneys. The Chief Justice himself, in a notable address to the American Law Institute in May of 1971 condemned lawyers who engage in courtroom disruptions and behave disrespectfully toward judges as "a menace and a liability, not an asset, toward the administration of justice." The Chief Justice concluded that either the courts or the legal profession should have responsibility for correcting these abuses "with rigorous powers of discipline wherever we place the responsibility."

The Chief Justice called attention to an aspect of the administration of justice which urgently calls for reform. The tactics to which the Chief Justice refers have troubled me for some time. To deal with the situation I introduced a bill in June of 1971 which would have vested in the Federal courts the power to undertake disciplinary measures and would have vested U.S. attorneys of the various Federal districts with the affirmative duty to institute and prosecute disciplinary proceedings against lawyers who misbehave.

Since introducing that measure, I have noted that organizations with a special interest in the matter are taking steps in the same direction. The Administrative Office of the U.S. Courts, for example, has recommended enactment of legislation to deal with the prosecution of contumacious attorneys. Chairman RODINO of the House Judiciary Committee has introduced a bill, H.R. 10804, incorporating the recommendations of the Administrative Office. While my own proposal differs in some respects from that introduced by Chairman RODINO, I think it would be constructive if my bill were to become part of the deliberative process seeking a constructive solution to the problem. Toward that end, I am today reintroducing my bill in the hope that it will make a useful contribution. I sent my bill to the desk, and ask that it be printed and appropriately referred, and that the text be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. The bill will be received, printed, and appropriately referred; and, without objection, will be printed in the RECORD, as requested.

Mr. BUCKLEY. Mr. President, my bill is by no means revolutionary or inconsistent with traditional due process and the right of accused persons to diligent and devoted counsel. The procedure is largely adapted from General Rule 5 as it was in effect for many years in the U.S. District Court for the Southern District of New York, somewhat changed to make it more effective. The principal changes are these:

First, disciplinary proceedings would become a matter of statute applicable nationally and uniformly rather than merely of court rules varying between the courts. The Federal courts exist by virtue of legislation enacted by Congress and Federal judges are appointed with the advice and consent of the Senate. It is appropriate that Congress protect these courts and their judges in the performance of their duties.

Second, it would become the duty of the U.S. attorney to institute such proceedings. The bill is so drawn that funds will be available for the purpose. Of course, the U.S. attorney would act only in those cases in which he believed proceedings warranted. Largely, as I understand it, because funds have not been available, there have been no disciplinary proceedings in the southern district of New York for over 2 years.

Third, the list of offenses for which discipline is authorized has been slightly broadened so as specifically to include incitement to riot and the like. Experience has shown that tactics of disorder in the courtroom and at public meetings are closely related. Obviously any discipline for such conduct is subject to the clear-and-present-danger rule which the Supreme Court has held to be applicable to all limitations on speech.

Fourth, insofar as a disciplinary proceeding resulted in the suspension or disbarment of an attorney, it would be effective in all Federal courts, and not merely the court that entered the order.

This bill would not affect the rights of attorneys to practice in the State courts. The States could use as they see fit findings made in the disciplinary proceedings provided by this bill. Assuming that it becomes law, the bill will show the determination of the Federal Government that disorder in its own courts will not be tolerated; and that attorneys who have been exended the privilege of practicing before such courts will be expected to conform with generally accepted standards of professional behavior.

The text of the bill is as follows:

S. 3241

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 85 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1364. Censure, suspension, and disbarment of attorneys

"(a) Any United States district court shall have jurisdiction to make an order in a disciplinary proceeding disbarring, suspending, or censuring, or taking such other action as

justice may require, with respect to any attorney who is a member of the bar of such court and has:

"(1) been convicted of a crime involving moral turpitude in any State, territory, Commonwealth, possession or the District of Columbia; or

"(2) is guilty of conduct unbecoming a member of the bar of such court. Without limiting the generality of the foregoing, conduct unbecoming a member of the bar of a United States district court shall be deemed to include fraud, deceit, malpractice, conduct prejudicial to the administration of justice, incitement to arson, riot, espionage, or sabotage or violation of the Code of Professional Responsibilities of the American Bar Association or the bar association of the State in which such United States district court has jurisdiction.

"(b) Whenever it shall come to the attention of the district court by any means that a member of its bar may have been convicted as defined in subdivision (1) or may have been guilty of unbecoming conduct within subdivision (2) of paragraph (a), the court shall refer the matter to the United States Attorney for such district. If the United States Attorney believes that the attorney has either been convicted as defined in subdivision (1) or has been guilty of unbecoming conduct as defined by subdivision (2) of paragraph (a), he should proceed against such attorney by a petition setting forth the charges against him. The district court shall make an order requiring the attorney to show cause within thirty days after service thereof on him personally or by mail of the petition and order as to why he should not be disciplined. Upon the filing of such a petition the district court may, for good cause, temporarily suspend the attorney pending the determination of the proceeding. Upon the answer to the petition, the district court may set the matter for prompt hearing before one or more of its judges, or may appoint a master to herein report his findings and recommendation. After such a hearing or report, or if no timely answer is made by the attorney, the district court shall take such action as justice may require.

"(c) In any case in which an attorney is ordered suspended or disbarred under this section, the district court issuing such order shall notify the Director of the Administrative Office of the United States Courts, who shall notify each of the other United States Courts, of the action taken. Any attorney with respect to whom an order for suspension or disbarment is issued in accordance with this section shall be prohibited from practice before any United States court during the period that such suspension or disbarment is in effect.

"(d) Whenever it appears that an attorney at law admitted to practice in the court of any State, territory, Commonwealth, possession or the District of Columbia is convicted of any crime, or is disbarred or suspended, in a United States district court, the clerk of such court shall transmit to the court of the State, territory, Commonwealth, or possession where the attorney was admitted to practice a certified copy of the judgment of conviction or order of disbarment or suspension and a statement of his last known office and residence addresses.

"(e) The authority contained in this section shall be in addition to any other authority of any United States court, or judge or justice thereof, relating to the censure, suspension, disbarment or other discipline of any attorney authorized to practice before such court, or judge or justices thereof.

"(f) Proceedings under this section shall be deemed to be proceedings in which the United States has an interest within the meaning of section 547 of chapter 35 of this title. Any indigent attorney against whom a petition has been made hereunder shall be entitled to proceed in forma pauperis in accordance with the provisions of section 753 of chapter 79 and section 1915 of chapter 123 of this title."

SEC. 2. The analysis of chapter 85 of title 28, United States Code, is amended by adding at the end thereof the following: "1364. Censure, suspension, and disbarment of attorneys."

By Mr. HRUSKA (by request):

S. 3244. A bill to clarify the authority of the Attorney General of the United States to exclude and deport aliens for fraudulent entry. Referred to the Committee on the Judiciary.

Mr. HRUSKA. Mr. President, today I introduce a bill on behalf of the Department of Justice which would amend section 241(f) of the Immigration and Nationality Act, to clarify the authority of the Attorney General to exclude and deport aliens for fraudulent entry into the United States. I ask that it be appropriately referred.

The purpose of the present section 241(f) was to waive a single and relatively minor ground for deportation, arising out of misrepresentations in procuring entry, for aliens with a close family relative who is a U.S. citizen or an alien lawfully admitted for permanent residence.

However, because some courts have liberally read the statute, numerous deportable aliens have sought to expand the statute into a charter of amnesty—waiving all restrictions for those aliens who entered the United States through fraud. In doing this, deportable aliens have found it useful to claim that they have committed fraud in contending that they were, therefore, entitled to benefits not available to the law abiding.

The bill which I introduce today would curtail the distortion of the statute and reduce serious enforcement problems by clearly defining the scope of section 241(f) of the Immigration and Nationality Act.

It would:

First. Limit the waiver of deportability to those who entered with an immigrant visa;

Second. Waive only the deportation ground related to the misrepresentation;

Third. Grant the waiver only in the discretion of the Attorney General, and

Fourth. Regard as lawfully admitted for permanent residence an alien who has been granted such waiver.

While I am not unalterably wed to all the provisions of this bill, I believe it serves as a worthy focal point for congressional consideration on this subject.

Mr. President, I ask unanimous consent that a copy of the Attorney General's letter of transmittal, a comparison of the existing and proposal laws and a copy of the bill be printed in the RECORD at this point.

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

S. 3244

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 241(f) of the Immigration and Nationality Act be amended to read as follows:

"(f) In the discretion of the Attorney General, the provisions of this section relating to the deportation of aliens within the United States on the ground that they were excludable at the time of any entry or admission as aliens who have sought to procure, or have procured visas or other documentation, or entry or admission into the United States by fraud or misrepresentation may be waived for an alien who was admitted or was granted adjustment of status as an immigrant or who reentered following a temporary absence after such admission or adjustment, who was otherwise admissible at the time of the fraudulent entry or adjustment, and who is the spouse, parent or child of a United States citizen or of an alien lawfully admitted for permanent residence. An alien granted a waiver under this subsection with regard to an initial entry or adjustment of status as an immigrant shall be regarded as lawfully admitted for permanent residence as of the date of waiver. For the purposes of this section, an alien shall be deemed to have been 'otherwise admissible' where no other grounds of inadmissibility existed at the time of the fraudulent entry or adjustment except:

"(1) ineligibility for the special immigrant, immediate relative, or preference immigrant status accorded him,

"(2) improper chargeability to a foreign state or dependant area for the purposes of numerical limitation set forth in section 202,

"(3) lack of a certification under section 212(a)(14), or

"(4) lack of a valid passport."

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C.

THE VICE PRESIDENT
U.S. Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: There is transmitted herewith a legislative proposal to amend section 241(f) of the Immigration and Nationality Act, 8 U.S.C. 1251(f) to clarify the authority of the Attorney General to exclude and deport aliens for fraudulent entry into the United States.

In its present form, section 241(f) has produced considerable confusion and litigation and has impeded the effective administration of the immigration laws.

Section 241(f) waives deportability, on the ground that the alien was excludable at the time of entry because of fraudulent misstatements, for aliens with close relatives in the United States. The "ground" of excludability for misrepresentations, and consequent deportability, mentioned in section 241(f) is that set forth, in virtually identical language, in section 212(a)(19) of the Act (8 U.S.C. 1182(a)(19)). Moreover, the statute specifies that its benefits are available only to aliens who were "otherwise admissible at the time of entry." The language of the statute clearly indicates that it was enacted for the limited purpose of waiving a single and relatively minor ground for deportation—arising out of misrepresentations in procuring entry—for aliens with a close family relative who is a United States citizen or an alien lawfully admitted for permanent residence.

However, the Supreme Court, in *INS* v. *Errico*, 385 U.S. 214 (1966), read the statute as waiving deportability where the alien had entered with an immigrant visa and had evaded quota restrictions by his misrepresentation. Encouraged by this generous reading of the statute, litigants have sought to expand section 241(f) into a charter of amnesty, waiving all restrictions for those who had entered the United States through fraud. Some courts, particularly the Court of Appeals for the Ninth Circuit, have been persuaded to adopt expansive interpretations. Hundreds of cases have been developed in the administrative and judicial processes, and deportable aliens have found it useful to assert that they have committed fraud in

contending that they were therefore entitled to benefits not available to the law-abiding.

A brief review of some of the typical issues that have arisen follows:

A common contention has been that an alien who entered as a nonimmigrant, and is charged with being deportable for having overstayed his authorized admission, can escape deportability by contending that he had an undisclosed intention to commit fraud and that he can insist on being charged with such fraud so that he can invoke the benefits of section 241(f). This contention was successful in *Vitales* v. *INS*, 443 F.2d 343 (9th Cir. 1971); *certiorari* granted but thereafter dismissed, apparently on ground of mootness, the alien having left the United States, 405 U.S. 983. However, after dismissal of the *Vitales* case the government persuaded the Ninth Circuit to reverse itself and to uphold a deportation order against an overstayed nonimmigrant, in *Cabuco-Flores* and *Mangabat* v. *INS*, (9th Cir., April 13 1973). Miss Mangabat has filed a petition for *certiorari* to review that decision, which is now pending before the Supreme Court.

Mr. HRUSKA. Another contention relates to aliens who have entered without inspection, and who contend that they are nevertheless entitled to a waiver of deportability under section 241(f). This contention is particularly significant in connection with surreptitous entries across the Mexican border. In *Monarrez-Monarrez* v. *Rosenberg*, 472 F.2d 119 (9th Cir. 1972) the court rejected a contention that section 241(f) could be extended to include such surreptitious entrants. The court observed:

"If petitioners' reading of section 241 (f) were adopted, no alien who illegally entered this country and who was not otherwise inadmissible could be deported by reason of his illegal entry after he acquired the requisite family ties. Congress had no such alien bonanza in mind."

A petition for *certiorari* challenging that decision was filed in *Castellon-Duarte* v. *INS*, and was denied by the Supreme Court on June 11, 1972. Supreme Court No. 72-6312. On the other hand, the Ninth Circuit has held that a person who enters without proper inspection, on a false claim to United States citizenship, can invoke the benefits of section 241(f). *Chuey* v. *INS*, 439 F.2d 244 (9th Cir. 1971); *U.S.* v. *Osuna-Picos*, 443 F.2d 907 (9th Cir. 1971). *Chuey* overruled the Attorney General's decision in *Matter of Lee*, 13 I&N Dec. 214 (1969). *Osuna-Picos* dismissed a criminal prosecution for illegal reentry following a deportation, which the court found invalid because of section 241(f).

The government's position is that an alien who enters without an immigrant visa is not "otherwise admissible" within the contemplation of section 241(f), and it is urging the same issue in regard to aliens who allege that they entered across the Mexican border on the basis of a false claim to United States citizenship, who have acquired close relatives in this country, and who contend that they are therefore exempt from deportation under section 241(f).

These and other issues involving section 241(f) have entailed a distortion of the statute and have raised serious enforcement problems. Therefore, an amendment to section 241(f) which would clearly define its scope in the following respects is being proposed:

1. the waiver of deportability would be limited to those who entered with immigrant visas;

2. only the deportation ground related to the misrepresentations would be waived;

3. the waiver would not be automatic and would be granted only in the discretion of the Attorney General;

4. upon grant of the waiver the alien would be regarded as lawfully admitted for permanent residence, eliminating an uncertainty in his status under the present statute.

In order to clarify the Congressional purpose and to eliminate existing confusion, I respectfully urge that this proposal be enacted without unnecessary delay.

The Office of Management and Budget has advised that enactment of this legislation would be in accord with the Program of the President.

Sincerely,

ACTING ATTORNEY GENERAL.

COMPARISON OF PRESENT AND PROPOSED LAW

"(f) *In the discretion of the Attorney General,* the provisions of this section relating to the deportation of aliens within the United States on the group that they were excludable at the time of *any* entry or *admission* as aliens who have sought to procure, or have procured visas or other documentation, or entry *or admission* into the United States by fraud or misrepresentation [shall not apply to an alien] *may be waived for an alien who was admitted or was granted adjustment of status as an immigrant or who reentered following a temporary absence after such admission or adjustment, who was* otherwise admissible at the time of *the fraudulent* entry *or adjustment, and* who is the spouse, parent or child of a United States citizen or of an alien lawfully admitted for permanent residence. *An alien granted a waiver under this subsection with regard to an initial entry or adjustment of status as an immigrant shall be regarded as lawfully admitted for permanent residence as of the date of waiver. For the purpose of this section, an alien shall be deemed to have been "otherwise admissible" where no other grounds of inadmissibility existed at the time of the fraudulent entry or adjustment except:*

(1) ineligibility for the special immigrant, immediate relative, or preference immigrant status accorded him,

(2) improper chargeability to a foreign state or dependent area for the purposes of numerical limitation set forth in section 202,

(3) lack of a certification under section 212(a)(14), or

(4) lack of a valid passport."

By Mr. BEALL:

S. 3245. A bill to amend the Department of Transportation Act in order to establish the National Transportation Safety Board as an independent agency in the executive branch of the Government. Referred to the Committee on Commerce.

Mr. BEALL. Mr. President, I introduce for appropriate reference a bill to establish the National Transportation Safety Board as an independent agency in the executive branch of the Government and to provide the Board with new and needed authority in the surface transportation areas. The bill would amend the Department of Transportation Act, specifically, those provisions of the 1966 act which originally established the Safety Board.

My interest in this proposal is twofold.

First is my concern over the problems we are experiencing in pipeline safety. These are problems which have been most evident in the metropolitan area of our National Capital in recent months as witnessed by the tragic loss of life due to gas explosions.

In fact, Mr. President, while on this point, I should note that since 1969, fatalities resulting from pipeline accidents have nearly tripled in number.

The growing problem of gas explosions prompted me to add an amendment to last year's DOT appropriation measure calling for a study of the safety of natural gas distribution systems.

This study is being conducted by the Office of Pipeline Safety of the Department of Transportation, hopefully with the cooperation of both the Department of Housing and Urban Development and the National Safety Transportation Board.

My second reason for submitting this legislation is a result of hearings held this year by the Senate Committee on Commerce, Subcommittee on Aviation, a subcommittee on which I serve.

These hearings have demonstrated a need for change in the basic act to clarify the independent role of the National Transportation Safety Board, an independence which not always is as evident as it should be.

Mr. President, I am convinced that the National Transportation Safety Board, within the limits of its budget and present focus, is compiling an outstanding record of service in following its mandate to protect the public from transportation accidents. It has, for example, undertaken extensive investigations of two major pipeline accidents which have occurred in the Washington metropolitan area including the one in my State which occurred in Bowie, Md.

Through the procedures set forth by the law, the Safety Board develops facts concerning specific accidents. It makes findings on these facts. It determines cause or probable cause of such accidents.

From these inquiries, the Safety Board moves to its primary function of accident prevention through a number of actions which it can take.

Included in these specific actions is the vital function of recommending corrective steps to the appropriate authorities for prevention of such accidents.

However, as the Safety Board continues to achieve an excellent performance record, we find that it also is severely limited by a lack of financial and manpower resources to adequately achive the goals initially set forth by the Congress.

For example, the Safety Board's examination of the problems involving pipeline safety is most exemplary and serves to provide significant guidelines in the area of growing public concern.

Interestingly enough, what achievements have been made are a result of an extremely small staff which obviously has a strong dedication, for the Board has been limited to two full-time employees whose responsibilities are to oversee pipeline safety on a nationwide basis.

The same is true in other modes of transportation as well. What of the highway situation?

The Safety Board does not have one

single employee in the field to work on highway safety. Not one person is assigned by the Board to a field operation to work in this critical area.

The Board cannot assign anyone. The limitations imposed upon it prevent the establishment of what obviously could be a highly useful and extremely vital role in the national effort to reduce the highway carnage.

A close look reveals the same thing in the railroad and maritime modes as well.

The chairman of the Appropriations Committee's Subcommittee on Transportation, the distinguished junior Senator from West Virginia (Mr. ROBERT C. BYRD), recognized the seriousness of this resources problem last year. He amended the budget request of the Safety Board by adding a half million dollars on a half-year basis and he included a provision for the immediate hiring of 50 technicians which were and are needed to do the job. Unfortunately, this addition was deleted in conference with the House.

Mr. President, I would be remiss if I left the impression that my bill would resolve the manpower and financial shortage confronting the Safety Board. That matter, of course, involves increased funding.

However, in order for there to be the necessary funding, I am convinced that the complete independence of the agency must be achieved. In providing this independence, as contained in my bill, the Congress would authorize the Safety Board the additional power in those areas in which it now does not enjoy adequate resources.

In the area of aviation safety, the Safety Board has full authority to investigate accidents. It has the power to hold hearings, sign and issue subpenas, to impound evidence and other such legal requirements needed to determine the cause or causes of air accidents.

The same authority does not exist, or exists only in small part, for the Safety Board in the other modes of transportation for which the Board has been given the responsibility for accident prevention. My bill provides the same authority in the areas of surface transportation that now apply to air transportation.

I am confident, Mr. President, that the inclusion of this provision to give the Safety Board the legal authority to move into the problems, for example, of rail, pipeline, and highway safety, will pave the way for adequate allocation of the resources to accomplish what Congress initially intended—a reduction of accidents in all modes of transportation.

That the Safety Board requires this authority to deal with accidents in the surface modes of transportation becomes abundantly clear when we examine the statistics involving transportation accidents and the role the Board has in its present manpower resources distribution.

In 1973, more than 61,000 Americans lost their lives in transportation accidents. That is more than all the Americans who died in 10 years in the war in Vietnam.

Of this 61,000 total, only 3-percent died in aviation accidents. Ninety-seven percent died in surface transportation accidents.

Yet, the National Transportation Safety Board's resources are reversed. The NTSB budget is divided roughly on the basis of 85 percent for aviation and 15 percent for surface investigations.

To be more specific, here are the actual numbers of 1973 dead:

Air carrier aviation	154
General aviation	1,494
Pipeline accidents	70
Maritime	2,120
Railroad	650
Grade crossing	1,116

And, Mr. President, the most devastating statistic of all is represented by the 55,600 American lives lost in highway accidents which anually bring distress and huge financial loss in virtually every community in the Nation. That is a staggering figure.

However, our emphasis in the field of safety continues to be in air transportation when it comes to congressional consideration of the Safety Board's role.

During the hearings into the activities of the Safety Board, questioning on substantive matters went primarily to aviation. Little attention was focused on highway fatalities. In fact, the hearings had a tendency to place more of an emphasis on the role of the professional aviation staff in saving lives. While this is commendable, we also need to know why there are so few professionals involved in those areas where the loss of life could be termed catastrophic, as in the case of the tragic highway toll when compared to loss of life due to aviation causes.

Unfortunately, this emphasis in the hearings simply underscores the imbalance now existing wherein we have 55,000 employees of the Federal Aviation Administration who have as their primary business safety and, on top of that, we have the National Transportation Safety Board which devotes 85 percent of its resources to its own aviation safety programs and those of the FAA.

The bill I am introducing today would begin to redress this imbalance and would authorize the Board to undertake a statewide motor vehicle accidents demonstration project. The purpose of this demonstration would be to determine if the focus by the Board on motor vehicle accidents would result in a substantial reduction in the death and damage on our highways. Under the project the Board would select a State whose geography, urban-rural population and highways, weather, and other characteristics and conditions, which the Board deems relevant, make such State representative of the conditions and highways existing in the Nation as a whole. The bill authorizes $4 million for the demonstration project.

The Board would be required to investigate in the selected State all motor vehicle accidents which involve a fatality and on a selected basis the motor vehicle accidents which do not involve a fatality.

This demonstration project and the provisions providing the Board with the authority which it now has in the aviation mode, but which are lacking in its surface investigation work, will begin to correct existing imbalances. And upon receipt of these authorities, the Safety Board should be provided with the additional resources to enable them to attack the overall transportation accident problems.

In introducing this measure, Mr. President, I do so with the dual intention of responding to what I term the real priorities for the Safety Board as illuminated through the recent hearings—an independent status with authorities broadened in those areas of critical need, such as highway and pipeline safety—and at the same time assuring the independence of the Board both in fact and in appearance. While questions of executive interference were raised during the hearings, these allegations were not advanced with respect to the substantive safety work of the Board. Indeed, there seems to be general agreement that the Board has done an outstanding job and that there has been no effort to compromise or interfere with respect to its substantive safety responsibilities.

As a result of these hearings, S. 2401 has been introduced by the chairman of the Committee on Commerce, the distinguished senior Senator from Washington (Mr. MAGNUSON), and the distinguished chairman of the Commerce Committee's Aviation Subcommittee, the distinguished junior Senator from Nevada (Mr. CANNON). Identical legislation was introduced on the House side by Representative ADAMS.

In my review of the hearings held by the subcommittee, I am convinced that there is a need for giving strength to the Safety Board through establishing it as an independent agency.

I likewise am convinced that to achieve this goal it is not necessary to drastically change the structure of the Safety Board which would be the result if legislation such as or similar to S. 2401 became law.

Thus, Mr. President, I believe it would be an error of costly proportion to "structure out" the successful five-member board system which now constitutes the National Transportation Safety Board in the hopes that through substitution of a single administrator the agency and its functions would be "depoliticized."

I was encouraged in reading Representative ADAMS' introductory remarks that he is not "completely convinced" of the desirability of placing this responsibility in a single administrator, the Congressman stated:

> On the one hand, I strongly believe in the concept of an independent agency which can speak its mind without budgetary intimidation. On the other hand, I am not completely convinced that the best way to proceed is by concentrating, in the hands of one transportation safety expert, the authority to make vital recommendations. I believe the present Board has done a very commendable job given the limitations of the legal and administrative structure in which the Congress placed it. Therefore, I believe that the actual structure of the new Agency should be the subject of testimony and careful consideration before a final decision is made.

If we are looking for independence, our best opportunity for finding it—as demonstrated by the record of countless boards, commissions, and agencies, including the Safety Board—comes with a panel of distinguished officials rather

than a single administrator, who, though he might meet every requirement which could conceivably be written into law, could still be the "President's man."

Mr. President, one of the changes which I feel would not be helpful to the work of the Safety Board nor in keeping with the intent of Congress when the Board was established, is the desire for a single administrator to replace the five-member Board.

As I understand it, the proponents of this recommendation to change to what perhaps could be called a "safety czar," believe that a single administrator would be more free from the influence of the Executive branch than is the present Board.

From what I know of the Government process and the structure of various Federal organizations, whether they be independent agencies, or major departments, this is a dubious proposition. It can be argued that the Executive's strength takes stronger root when a specific function is under the control of a single appointee rather than under the direction of a commission or board serving staggered terms. A collegial Board, such as the National Transportation Safety Board, made up of an uneven number of members with staggered terms, and no more than a simple majority of whom shall be of the President's party, is obviously more resistant to White House pressures—or pressure, for that matter, from any other source—than would be a single administrator, no matter who happens to hold the office of President.

With one nomination a President could insure the implementation of his policies. Regardless of how you legislatively attempt to cut the administrative cake with slices so thin to make political affiliation meaningless, or so thick to be politically indigestible—the end result is that the cake is eaten, meaning that the single appointee is still the product of a political decision.

So, in one man, rather than a board of five individuals appointed over a period of years, we would have a 100 percent White House man with no provision at all for even so much as a minority view, let alone an opportunity for dissent.

Mr. President, the original intent of the Congress was to establish the National Transportation Safety Board as an independent agency. The legislation clearly states:

> In the exercise of its functions, powers, and duties, the Board shall be independent of the Secretary and other officers of the Department.

It was placed in the Department for administrative purposes.

However, the committee hearings demonstrated that even in Congress itself, there is confusion over the status of the Board. One of the documents of the Government Operations Committee, the committee which held the hearings and wrote the report for the act establishing the Department of Transportation and the National Transportation Safety Board, shows the Board as part of the Transportation Department and not as an independent board.

There appears to be similar misunderstanding in the minds of the public and the press. The National Transportation Safety Board in its 1971 annual report to the Congress called this to our attention as follows:

> Unfortunately, since the inception of the Board, its status within the Department has been misunderstood by the media, the public, and other government agencies. Too often it has been assumed that the Board is not independent, but a subordinate part of the Department, despite the legislative history of the Act, which makes it clear that the Board is fully independent of the Department.
>
> Although the Board is convinced that there has been no infringement upon the Board's independence by the Department, the appearance of a lack of independence, which is broadly accepted by the public is nearly as detrimental as would be actual infringement, because it serves to create doubts as to the objectivity, to clarify its status in the eyes of the public and to substantiate its independence by the manner in which it undertakes its statutory responsibilities. Nevertheless, there remains an element of doubt, prompted by its inclusion within the organization of the Department of Transportation.

I believe that we should move to eliminate this doubt and to clarify the Safety Board's status by making it a completely independent agency.

That is exactly what my bill proposes—simply to provide for the absolute independence of the National Transportation Safety Board.

Mr. President, I have spoken on the independence of the National Transportation Safety Board, the folly of the concept of a single administrator, and the Board's critical need for authorities in the surface modes similar to those it employs in aviation. All of this is important and necessary.

I would like to emphasize once again a matter which cries for attention. The Safety Board must have adequate resources to at least make a start toward reducing the appalling fatalities which take place hourly on the ground.

With passage of my bill, which will free the National Transportation Safety Board of its ties with the Department of Transportation, the record should also show that it is the sense of the Senate that the Committee on Appropriations closely study the real resources problems of the agency.

I am confident that through such scrutiny by that committee, appropriate allocations would be made of the needed funds for the Board to meet the new responsibilities imposed upon it by my legislation as well as to strengthen the existing areas of operation where it has been amply demonstrated that additional fiscal and manpower resources are required.

Mr. President, I believe we have learned from the recent hearings by the Committee on Commerce Subcommittee on Aviation that the National Transportation Safety Board has, with meager financial resources and a small staff, provided an outstanding public service in its effort to achieve a sound program of accident prevention.

We likewise have learned that what we have thought to be an independent agency, in fact, is not. Despite challenges to the contrary, I do not believe it has been demonstrated that there has been interference or influence in the safety responsibilities of the Board.

In considering legislation to achieve Board independence, we must be particularly cautious, that we do not overreact to a problem, for example, by approving such a drastic restructuring that it completely changes the concept of the Board, a Board that the record reveals has compiled a commendable record in the safety area.

Instead of overreaction, we must have a precise diagnosis of problems in Government and precise prescriptions to cure them.

The bill I offer today does just that. We will provide for the complete independence of the National Transportation Safety Board. We will provide needed legal authorities. We will provide for adequate resources in an orderly manner.

Most of all, Mr. President, we will provide for the strengthening of an institution which offers much to making America a safer place in which to live, work, and travel.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at the end of my remarks.

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

S. 3245

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Transportation Safety Board Independence and Improvement Act of 1974".

Sec. 2. Section 5(a) of the Department of Transportation Act (49 U.S.C. 1654(a)) is amended to read as follows:

"SEC. 5. (a) There is hereby established, as an independent agency in the executive branch of the Government, a National Transportation Safety Board (referred to hereafter in this Act as 'Board')."

Sec. 3. Section 5(f) of the Department of Transportation Act (49 U.S.C. 1654(f)) is amended to read as follows:

"(f) In order to carry out its functions the Board is authorized to—

(1) employ experts and consultants in accordance with section 3109 of title 5, United States Code;

(2) appoint one or more advisory committees composed of such private citizens or officials of Federal, State, or local governments as it deems desirable, to advise it with respect to such functions;

(3) accept voluntary and uncompensated services, notwithstanding the provisions of section 3676 of the Revised Statutes;

(4) accept unconditional gifts or donations of money, or property, real, personal, or mixed, tangible, or intangible;

(5) make contracts with public or private non-profit entities to conduct studies related to such functions;

(6) cause an official seal to be made for the Board which shall be judicially noticed; and

(7) take such other actions as may be required."

Sec. 3. Section 5 (1) of the Department of Transportation Act (49 U.S.C. 1654(1)) is amended to read as follows:

"(1) Except as otherwise provided, in carrying out its functions, the Board (or, upon the authorization of the Board, any member thereof or any administrative law judge assigned to or employed by the Board) shall have the power to hold hearings, sign

and issue subpoenas, administer oaths, examine witnesses, and receive evidence at any place in the United States it may designate.

"(2) Any court of the United States within the jurisdiction of which an inquiry is carried on may, in the case of contumacy or refusal to obey a subpena issued to any person, issue an order, requiring such persons to appear (and produce the books, papers and documents, if so ordered) and give evidence touching the matter in question; and, any failure to obey such orders of the court may be punished by such court as a contempt thereof."

Sec. 4. Section 5 of the Department of Transportation Act (49 U.S.C. 1654) is further amended by adding at the end thereof the following new subsections:

"(p)(1) In the conduct of the investigation of surface transportation accidents, pursuant to subsection (d)(4) of this section, officers, employees or agents duly designated by the Board upon presenting appropriate credentials, are authorized (A) to enter at reasonable times in a reasonable manner, any premises where any rail, pipeline or highway vehicles, facility, or equipment, involved in an accident, is located; (B) to impound temporarily such vehicle, facility, equipment, or portions thereof as may be necessary to the investigation of an accident; and (C) to inspect and test to the extent necessary such vehicle, facility, equipment, or portion thereof.

"(2) The Board is authorized to obtain, with or without reimbursement, a copy of the report of the autopsy performed by State or local officials on any person who dies as a result of having been involved in a railroad, highway, or pipeline accident and, if necessary, the Board may order the autopsy or seek other tests of such persons as may be necessary to the investigation of the accident: *Provided*. That to the extent consistent with the need of the accident investigation, provisions of local law protecting religious beliefs with respect to autopsies shall be observed.

"(q)(1) Following any investigation conducted, pursuant to subsection (d)(4) of this section, the Board shall report the facts, conditions, and circumstances relating to each accident and the probable cause thereof; such report shall be made public and be in such form and manner as may be deemed by the Board to be in the pulic interest.

"(2) No part of any report or reports of the Board relating to such accident, or the investigation thereof, shall be admitted as evidence or used in suits or actions for damages growing out of any matter mentioned in such report or reports.

"(r) In order to determine if a greater focus on motor vehicle accidents by the Board would significantly reduce the number of motor vehicle accidents and fatalities, the Board is authorized, with the approval of the Governor and in cooperation with the State transportation or highway department, to carry out a statewide motor vehicle accidents demonstration projects. In carrying out this project, the Board shall select a State whose geography, urban-rural population and highways, weather, and other characteristics and conditions, which the Board deems relevant, make such State representative of the conditions and highways existing in the Nation. The Board shall investigate in such State all motor vehicle accidents which involve a fatality and shall investigate, on a selective basis, the motor vehicle accidents which do not involve a fatality."

Sec. 5. There are authorized to be appropriated for the purpose of carrying out subsection (r) of Section 5 of the Department of Transportation Act (49 U.S.C. 1654) 4 million dollars for the fiscal year ending June 30, 1975.

Sec. 6. The amendments made by this Act shall be effective ninety days following the date of enactment of this Act.

By Mr. CASE:

S. 3246. A bill to amend the National School Lunch and Child Nutrition Act in order to extend existing provisions of law under which income guidelines are established for reduced price lunches. Referred to the Committee on Agriculture and Forestry.

Mr. CASE. Mr. President, I am introducing today legislation to continue the major improvement we made in the reduced-price lunch program last year. Traditionally school lunches have been made available free to the poor and on a reduced price basis to children of people of lower income. In the past one qualified for participation in the reduced-price lunch program if the family income was no more than 50 percent above the poverty level. Last year that was expanded to 75 percent above the poverty level to insure that working families could participate in the school lunch program.

Unfortunately this new provision of the law was not implemented until rather late in the school year. But, nonetheless, participation has been good. In New Jersey alone 67 school districts have adopted the new reduced price scale. These 67 school districts are in 19 of our 21 counties including cities such as East Brunswick, Woodbridge, Long Branch, Neptune, Clifton, Newark, and Atlantic City.

Other towns in New Jersey include Newton, Berkeley Heights, Phillipsburg, Belvidere, Folsom, Moorestown, Berlin, Haddon Heights, Woodbine, Elk Township, Kingsway, Point Pleasant Borough, Stafford Township, Franklin Township, Eatontown, Pleasantville, Bass River, Mount Laurel, Camden County, Lindenwald, Somerville, Frenchtown, Union Township, Highland Park, Middlesex-Piscataway, Woodbridge, Tuckerton, Clifton, Salem City, and Pennsville.

Approximately 15,000 children in New Jersey have been able to participate in the reduced price lunch program because of this change in the law adopted last year.

Implementation of this new program is optional. Some school districts and State food service directors have hesitated to initiate the program because they were unsure Congress would continue it. The amendment I introduce will assure continuation of the reduced price lunch program so that its efficacy can be fully tested. I think we will see, after a reasonable time has passed, that this is an important innovation of special importance to hard-pressed working families.

Last year the chairman of the Agricultural Research and General Legislation Subcommittee, Senator ALLEN, graciously accepted this amendment. And I know this proposal has warm support on the Agriculture and Forestry Committee. I hope the committee will see fit to continue the expanded reduced price school lunch program for working families.

By Mr. GRAVEL:

S. 3254. A bill to amend the Atomic Energy Act of 1954 to require licensees and contractors to accept greater financial responsibilities. Referred to the Joint Committee on Atomic Energy.

Mr. GRAVEL. Mr. President, today I am introducing a bill to repeal major portions of the Price-Anderson Act; it is the same bill which I first introduced in May 1971.

PRICE-ANDERSON SHOWDOWN THIS YEAR?

The Price-Anderson Act, which is section 170 of the Atomic Energy Act, does not expire until 1977. However, nuclear utilities are pressing for congressional action this year on its renewal or modification, according to JCAE Chairman MELVIN PRICE of Illinois.

I have long advocated repealing most of the Price-Anderson Act for reasons which I reiterated in the CONGRESSIONAL RECORD of March 20, 1974, pages 7403 and 7422.

My bill deals with the act only as it applies to the civilian nuclear power industry, not military or Government atomic operations. Furthermore, my bill retains several provisions of the present law which pertain to waivers of defense and no-fault features for civilian nuclear plants. Nuclear powerplants and fuel reprocessing facilities create a man-made hazard of truly unique magnitude and character which require retaining these existing provisions to help the injured parties.

Mr. President, so that my colleagues can examine these provisions and compare my bill with the present law, I ask unanimous consent that the text of my bill be printed at the end of these remarks as exhibit I, and the text of section 170 of the Atomic Energy Act as it now is in force be printed as exhibit II.

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

(See exhibits 1 and 2.)

Mr. GRAVEL. Mr. President, if Congress does repeal major parts of the Price-Anderson Act it will have to deal with an issue omitted in my bill: continuation versus termination of the Price-Anderson protection already given utilities on every nuclear plant for which the AEC has granted either a construction license or an operating license—about 100 plants in all so far. If the Price-Anderson Act is creating a public hazard, what justification is there for letting 100 plants each operate for 40 years under its provisions?

WHAT HAPPENED IN 1957?

Electric utilities were adamant in 1957 that they would grind the civilian nuclear power program to a dead halt if they had to stand liable for catastrophic accidents. I have read the floor debate in the House on July 1, 1957, where Representatives PRICE of Illinois, Cole of New York, and Van Zandt of Pennsylvania, made that point crystal clear.

Most interesting of all were the remarks of Representative CHET HOLIFIELD of California, who opposed the Price-Anderson Act in 1957, but supported its renewal in 1965. On July 1, 1957, he told the House as follows:

I am opposing this bill because it would provide another Government subsidy to atomic power development without any commensurate benefits to tax-payers and power consumers . . .

You were told a few minutes ago that this was not to protect reactor owners. It was to protect the people. I tell you that this relieves the reactor owners of their liability, and it indemnifies the survivors of any of the families of the people who have been killed by reactor explosion . . . There is only one thing that can protect you, and that is a safe reactor, or a reactor in an isolated position . . .

Both a bomb and a reactor create radioactivity, deadly radioactivity, that can go through several feet of concrete and steel. In a reactor, you contain the radioactivity behind walls of concrete, steel, or lead. In a bomb, you release the radioactivity into the environment.

As long as the controls work on a reactor, you are going to contain that radioactive material inside this reactor . . . The inside of a reactor becomes contaminated to a degree equivalent to the contamination of a bomb. As long as it is behind these walls, it is safe. If that reactor gets out of control and it explodes, it is spread over the environment for many miles, possibly many hundreds of miles . . .

Now what do we know about the safety factors of the large commercial types of reactors which are now planned? We just do not know whether they will be safe or not because we have not built any of their contemplated size. We are shooting in the dark . . . That is why the insurance companies will not cover these reactors to the extent that the people who are building them want them covered. They do not know . . .

I hold in my hand the report of the National Academy of Sciences, National Research Council . . . I read to you from pages 31 and 32 of this report "As in any other areas of human activity, accidents are bound to happen in the atomic energy program. The problem here is to set up a large enough margin of safety so that accidents that do occur are not catastrophes. The most serious possibility is that the core of a large reactor will overheat so severely as to vaporize its material completely. If the vapor were released to the air, it would spread disastrous quantities of radioactivity over thousands of square miles. Such an accident is highly unlikely in a properly designed reactor. Nevertheless, the barest chance of its happening in a highly populated area is intolerable."

Are you going to cover up with $500 million worth of Government money a catastrophe that would decimate the city of Detroit, that might wipe out a hundred thousand people and injure others genetically for all time, as well as contaminate the land for an undetermined length of time? . . .

I do not want to stop this reactor business. I want them to keep on making them . . . but I know what happened in the case of the Lagoona Beach [Fermi] reactor . . .

I say that until they can tell you there is not going to be a blowup, you Members of Congress are taking upon your shoulders the personal responsibility for writing an indemnity bill which will give these people the coverage that they want financially, and you will have upon your hearts and upon your souls the responsibility in case there is a blowup in this field.

In the Senate there was no debate on the Price-Anderson Act at all, and it passed on a voice vote August 16, 1957.

WHAT HAPPENED IN 1965?

In 1965 the Joint Committee on Atomic Energy unanimously recommended renewal of the Price-Anderson Act, which was due to expire in 1967. On September 16, 1965, Representative PRICE of Illinois told the House as follows:

We found that despite the accumulation of an impressive amount of operating data with respect to nuclear reactors and other atomic facilities, the experience in this field is not yet sufficiently great nor the technology sufficiently developed to permit one to completely rule out the theoretical possibility of a catastrophic nuclear incident . . .

The potential threat of uninsurable liability, the Committee is convinced, requires an extension of the Price-Anderson legislation. Every witness representing the nuclear industry who testified during our hearings in June supported this view.

Unlike 1957, the vote in the House was a rollcall vote in 1965. It was 338 to 30 in favor or renewal, recorded in the CONGRESSIONAL RECORD of September 16, 1965, pages 24048–9. Many of the very same people will be voting on renewal again if it comes to the floor this year.

In the Senate, it was another voice vote in 1965.

THE REAL QUESTION FOR CONGRESS

A statement was made in 1956 which sums up my position. Testifying before the JCAE, the vice president of Liberty Mutual Insurance, H. W. Yount, said as follows:

It is a reasonable question of public policy as to whether a hazard of this magnitude should be permitted, if it actually exists . . . There is a serious question whether the amount of damage to persons and property would be worth the possible benefit accruing from atomic development.

EXHIBIT 1

S. 3254

A bill to amend the Atomic Energy Act of 1954 to require licensees and contractors to accept greater financial responsibilities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2i. of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2001), is amended to read as follows:

"i. In order to protect the public, in the interest of the general welfare and of the common defense and security, the United States may make funds available for a portion of the damages suffered by the public from nuclear incidents."

(b) Section 53e. (8) of such Act is amended by striking out "and limitation of liability".

(c) Section 170 of such Act is amended to read as follows:

"SEC. 170. INDEMNIFICATION AND LIABILITY.—

"a. Each license issued under section 53, 63, 81, 103, or 104 and each construction permit issued under section 185 shall have as a condition of the license a requirement that the licensee have and maintain financial protection to cover public liability claims. The Commission shall require, as a further condition of issuing a license, that an applicant waive any immunity from public liability conferred by Federal or State law.

"b. In addition to any other authority the Commission may have, the Commission is authorized until August 1, 1977, to enter into agreements of indemnification with its contractors for the construction or operation of production or utilization facilities or other activities under contracts for the benefit of the United States involving activities under the risk of public liability for a substantial nuclear incident. In such agreements of indemnification the Commission may require its contractor to provide and maintain financial protection of such a type and in such amounts as the Commission shall determine to be appropriate to cover public liability arising out of or in connection with the contractual activity, and shall indemnify the persons indemnified against such claims above the amount of the financial protection required. The provisions of this subsection may be applicable to lump sum as well as cost type contracts and to contracts and projects financed in whole or in part by the Commission. A contractor with whom an agreement of indemnification has been executed and who is engaged in activities connected with the underground detonation of a nuclear explosive device shall be liable, to the extent so indemnified under this section, for injuries or damage sustained as a result of such detonation in the same manner and to the same extent as would a private person acting as principal, and no immunity or defense founded in the Federal, State, or municipal character of the contractor or of the work to be performed under the contract shall be effective to bar such liability.

"c. In administering the provisions of this section, the Commission shall use, to the maximum extent practicable, the facilities and services of private insurance organizations, and the Commission may contract to pay a reasonable compensation for such services. Any contract made under the provisions of this subsection may be made without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon a showing by the Commission that advertising is not reasonably practicable and advance payments may be made.

"d. The agreement of indemnification may contain such terms as the Commission deems appropriate to carry out the purposes of this section. Such agreement shall provide that, when the Commission makes a determination that the United States will probably be required to make indemnity payments under this section, the Commission shall collaborate with any person indemnified and may approve the payment of any claim under the agreement of indemnification, appear through the Attorney General on behalf of the person indemnified, take charge of such action, and settle or defend any such action. The Commission shall have final authority on behalf of the United States to settle or approve the settlement of any such claim on a fair and reasonable basis with due regard for the purposes of this Act. Such settlement may include reasonable expenses in connection with the claim incurred by the person indemnified.

"e. After any nuclear incident which will probably require payments by the United States under this section, the Commission shall make a survey of the causes and extent of damage which shall forthwith be reported to the Joint Committee, and, except as forbidden by the provisions of chapter 12 of this Act or of any other law or Executive order, all final findings shall be made available to the public, to the parties involved, and to the courts. The Commission shall report to the Joint Committee each year on the operations under this section.

"f. In administering the provisions of this section, the Commission may make contracts in advance of appropriations and incur obligations without regard to section 3679 of the Revised Statutes, as amended.

"g. The Commission is authorized until August 1, 1977, to enter into an agreement of indemnification with any person engaged in the design, development, construction, operation, repair, and maintenance or use of the nuclear-powered ship authorized by section 716 of the Merchant Marine Act, 1936, and designated the 'nuclear ship Savannah'. In any such agreement of indemnification the Commission may require such person to provide and maintain financial protection of such a type and in such amounts as the

Commission shall determine to be appropriate to cover public liability arising from a nuclear incident in connection with such design, development, construction, operation, repair, maintenance or use and shall indemnify the person indemnified against such claims above the amount of the financial protection required.

"h. The Commission is authorized to enter into agreements with other indemnitors to establish coordinated procedures for the prompt handling, investigation, and settlement of claims for public liability. The Commission and other indemnitors may make payments to, or for the aid of, claimants for the purpose of providing immediate assistance following a nuclear incident. Any funds appropriated to the Commission shall be available for such payments. Such payments may be made without securing releases, shall not constitute an admission of the liability of any person indemnified or of any indemnitor, and shall operate as a satisfaction to the extent thereof of any final settlement or judgment.

"i. (1) With respect to any extraordinary nuclear occurrence to which an insurance policy or contract furnished as proof of financial protection or an indemnity agreement applies and which—

"(a) arises out of or results from or occurs in the course of the construction, possession, or operation of a production or utilization facility, or

"(b) arises out of or results from or occurs in the course of transportation of source material, byproduct material, or special nuclear material to or from a production or utilization facility, or

"(c) during the course of the contract activity arises out of or results from the possession, operation, or use by a Commission contractor or subcontractor of a device utilizing special nuclear material or byproduct material.

the Commission shall incorporate provisions in indemnity agreements with persons referred to in subsection g. of this section and contractors under this section, and shall require provisions to be incorporated in insurance policies or contracts furnished as proof of financial protection, which waive (i) any issue or defense as to conduct of the claimant or fault of persons indemnified, (ii) any issue or defense as to charitable or governmental immunity, and (iii) any issue or defense based on any statute of limitations if suit is instituted within three years from the date on which the claimant first knew, or reasonably could have known, of his injury or damage and the probable cause thereof. The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action. When so incorporated, such waivers shall be judicially enforcible in accordance with their terms by the claimant against the person indemnified. Such waivers shall not preclude a defense based upon a failure to take reasonable steps to mitigate damages, nor shall such waivers apply to injury or damage to a claimant or to a claimant's property which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant. The waivers authorized in this subsection shall, as to indemnitors, be effective only with respect to those obligations set forth in the insurance policies or the contracts furnished as proof of financial protection and in the indemnity agreements. Such waivers shall not apply to, or prejudice the prosecution or defense of, any claim or portion of claim which is not within the protection afforded under the terms of insurance policies or contracts furnished as proof of financial protection, or indemnity agreements.

"(2) With respect to any public liability action arising out of or resulting from an extraordinary nuclear occurrence, the United States district court in the district where the extraordinary nuclear occurrence takes place, or, in the case of an extraordinary nuclear occurrence taking place outside the United States, the United States District Court for the District of Columbia, shall have original jurisdiction without regard to the citizenship of any party or the amount in controversy. Upon motion of the defendant or of the Commission, any such action pending in any State court or United States district court shall be removed or transferred to the United States district court having venue under this subsection. Process of such district court shall be effective throughout the United States."

EXHIBIT 2

ATOMIC ENERGY ACT OF 1954, CHAPTER 1, SECTION 2

1. In order to protect the public and to encourage the development of the atomic energy industry, in the interest of the general welfare and of the common defense and security, the United States may make funds available for a portion of the damages suffered by the public from nuclear incidents, and may limit the liability of those persons liable for such losses.

ATOMIC ENERGY ACT OF 1954, CHAPTER 14

SEC. 170. INDEMNIFICATION AND LIMITATION OF LIABILITY.—

a. Each license issued under section 103 or 104 and each construction permit issued under section 185 shall, and each license issued under section 53, 63, or 81 may, have as a condition of the license a requirement that the license have and maintain financial protection of such type and in such amounts as the Commission shall require in accordance with subsection 170 b. to cover public liability claims. Whenever such financial protection is required, it shall be a further condition of the license that the licensee execute and maintain an indemnification agreement in accordance with subsection 170 c. The Commission may require as a further condition of issuing a license, that an applicant waive any immunity from public liability conferred by Federal or State law.

b. The amount of financial protection required shall be the amount of liability insurance available from private sources, except that the Commission may establish a lesser amount on the basis of criteria set forth in writing, which it may revise from time to time, taking into consideration such factors as the following: (1) the cost and terms of private insurance, (2) the type, size, and location of the licensed activity and other factors pertaining to the hazard, and (3) the nature and purpose of the licensed activity: *Provided*, That for facilities designed for producing substantial amounts of electricity and having a rated capacity of 100,000 electrical kilowatts or more, the amount of financial protection required shall be the maximum amount available from private sources. Such financial protection may include private insurance, private contractual indemnities, self-insurance, other proof of financial responsibility, or a combination of such measures.

c. The Commission shall, with respect to licenses issued between August 30, 1954, and August 1, 1977, for which it requires financial protection, agree to indemnify and hold harmless the licensee and other persons indemnified, as their interest may appear, from public liability arising from nuclear incidents which is in excess of the level of financial protection required of the licensee. The aggregate indemnity for all persons indemnified in connection with each nuclear incident shall not exceed $500,000,000 including the reasonable costs of investigating and settling claims and defending suits for damage: *Provided, however*, That this amount of indemnity shall be reduced by the amount that the financial protection required shall exceed $60,000,000. Such a contract of indemnification shall cover public liability arising out of or in connection with the licensed activity. With respect to any production or utilization facility for which a construction permit is issued between August 30, 1954, and August 1, 1977, the requirements of this subsection shall apply to any license issued for such facility subsequent to August 1, 1977.

d. In addition to any other authority the Commission may have, the Commission is authorized until August 1, 1977, to enter into agreements of indemnification with its contractors for the construction or operation of production or utilization facilities or other activities under contracts for the benefit of the United States involving activities under the risk of public liability for a substantial nuclear incident. In such agreements of indemnification the Commission may require its contractor to provide and maintain financial protection of such a type and in such amounts as the Commission shall determine to be appropriate to cover public liability arising out of or in connection with the contractual activity, and shall indemnify the persons indemnified against such claims above the amount of the financial protection required, in the amount of $500,000,000, including the reasonable costs of investigating and settling claims and defending suits for damage in the aggregate for all persons indemnified in connection with such contract and for each nuclear incident: *Provided*, That this amount of indemnity shall be reduced by the amount that the financial protection required shall exceed $60,000,000: *Provided further*, That in the case of nuclear incidents occurring outside the United States, the amount of the indemnity provided by the Commission shall not exceed $100,000,000. The provisions of this subsection may be applicable to lump sum as well as cost type contracts and to contracts and projects financed in whole or in part by the Commission. A contractor with whom an agreement of indemnification has been executed and who is engaged in activities connected with the underground detonation of a nuclear explosive device shall be liable, to the extent so indemnified under this section, for injuries or damage sustained as a result of such detonation in the same manner and to the same extent as would a private person acting as principal, and no immunity or defense founded in the Federal, State, or municipal character of the contractor or of the work to be performed under the contract shall be effective to bar such liability.

e. The aggregate liability for a single nuclear incident of persons indemnified, including the reasonable costs of investigating and settling claims and defending suits for damage, shall not exceed the sum of $500,000,000 together with the amount of financial protection required of the licensee or contractor: *Provided, however*, That such aggregate liability shall in no event exceed the sum of $560,000,000: *Provided further*, That with respect to any nuclear incident occurring outside of the United States to which an agreement of indemnification entered into under the provisions of subsection 170 d. is applicable, such aggregate liability shall not exceed the amount of $100,000,000 together with the amount of financial protection required of the contractor.

f. The Commission is authorized to collect a fee from all persons with whom an indemnification agreement is executed under this section. This fee shall be $30 per year per thousand kilowatts of thermal energy capacity for facilities licensed under section 103. For facilities licensed under section 104,

and for construction permits under section 185, the Commission is authorized to reduce the fee set forth above. The Commission shall establish criteria in writing for determination of the fee for facilities licensed under section 104, taking into consideration such factors as (1) the type, size, and location of facility involved, and other factors pertaining to the hazard, and (2) the nature and purpose of the facility. For other licenses, the Commission shall collect such nominal fees as it deems appropriate. No fee under this subsection shall be less than $100 per year.

g. In administering the provisions of this section, the Commission shall use, to the maximum extent practicable, the facilities and services of private insurance organizations, and the compensation for such services. Any contract made under the provisions of this subsection may be made without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon a showing by the Commission that advertising is not reasonably practicable and advance payments may be made.

h. The agreement of indemnification may contain such terms as the commission deems appropriate to carry out the purposes of this section. Such agreement shall provide that, when the Commission makes a determination that the United States will probably be required to make indemnity payments under this section, the Commission shall collaborate with any person indemnified and may approve the payment of any claim under the agreement of indemnification, appear through the Attorney General on behalf of the person indemnified, take charge of such action, and settle or defend any such action. The Commission shall have final authority on behalf of the United States to settle or approve the settlement of any such claim on a fair and reasonable basis with due regard for the purposes of this Act. Such settlement may include reasonable expenses in connection with the claim incurred by the person indemnified.

1. After any nuclear incident which will probably require payments by the United States under this section, the Commission shall make a survey of the causes and extent of damage which shall forthwith be reported to the Joint Committee, and, except as forbidden by the provisions on chapter 12 of this Act or any other law or Executive order, all final findings shall be made available to the public, to the parties involved and to the courts. The Commission shall report to the Joint Committee by April 1, 1958, and every year thereafter on the operations under this section.

j. In administering the provisions of this section, the Commission may make contracts in advance of appropriations and incur obligations without regard to section 3679 of the Revised Statutes, as amended.

k. With respect to any license issued pursuant to section 53, 63, 81, 104a, or 104c. for the conduct of educational activities to a person found by the Commission to be a nonprofit educational institution, the Commission shall exempt such licenses from the financial protection requirement of subsection 170a. With respect to licenses issued between August 30, 1954, and August 1, 1977, for which the Commission grants such exemption.

(1) the Commission shall agree to indemnify and hold harmless the licensee and other persons indemnified, as their interests may appear, from public liability in excess of $250,000, arising from nuclear incidents. The aggregate indemnity for all persons indemnified in connection with each nuclear incident shall not exceed $500,000,000, including the reasonable cost of investigating and settling claims and defending suits for damage;

(2) such contracts of indemnification shall cover public liability arising out of or in connection with the licensed activity; and shall include damage to property of persons indemnified, except property which is located at the site of and used in connection with the activity where the nuclear incident occurs; and

(3) such contracts of indemnification, when entered into with a licensee having immunity from public liability because it is a State agency, shall provide also that the Commission shall make payments under the contract on account of activities of the licensee in the same manner and to the same extent as the Commission would be required to do if the licensee were not such a State agency.

Any licensee may waive an exemption to which it is entitled under this subsection. With respect to any production or utilization facility for which a construction permit is issued between August 30, 1954, and August 1, 1977, the requirements of this subsection shall apply to any license issued for such facility subsequent to August 1, 1977.

l. The Commission is authorized until August 1, 1977, to enter into an agreement of indemnification with any person engaged in the design, development, construction, operation, repair, and maintenance or use of the nuclear-powered ship authorized by section 716 of the Merchant Marine Act, 1936, and designated the nuclear ship Savannah. In any such agreement of indemnification the Commission may require such person to provide and maintain financial protection of such a type and in such amounts as the Commission shall determine to be appropriate to cover public liability arising from a nuclear incident in connection with such design, development, construction, operation, repair, maintenance or use and shall indemnify the person indemnified against such claims above the amount of the financial protection required, in the amount of $500,000,000 including the reasonable costs of investigating and settling claims and defending suits for damage in the aggregate for all persons indemnified in connection with each nuclear incident: *Provided*, That this amount of indemnity shall be reduced by the amount that the financial protection required shall exceed $60,000,000.

m. The Commission is authorized to enter into agreements with other indemnitors to establish coordinated procedures for the prompt handling, investigation, and settlement of claims for public liability. The Commission and other indemnitors may make payments to, or for the aid of, claimants for the purpose of providing immediate assistance following a nuclear incident. Any funds appropriated to the Commission shall be available for such payments. Such payments may be made without securing releases, shall not constitute an admission of the liability of any person indemnified or of any indemnitor, and shall operate as a satisfaction to the extent thereof of any final settlement or judgment.

n. (1) With respect to any extraordinary nuclear occurrence to which an insurance policy or contract furnished as proof of financial protection or an indemnity agreement applies and which—

(a) arises out of or results from or occurs in the course of the construction, possession, or operation of a production or utilization facility, or

(b) arises out of or results from or occurs in the course of transportation of source material, byproduct material, or special nuclear material to or from a production or utilization facility, or

(c) during the course of the contract activity arises out of or results from the possession, operation, or use by a Commission contractor or subcontractor of a device utilizing special nuclear material or byproduct material,

the Commission may incorporate provisions in indemnity agreements with licensees and contractors under this section, and may require provisions to be incorporated in insurance policies or contracts furnished as proof of financial protection, which waive (i) any issue or defense as to conduct of the claimant or fault of persons indemnified, (ii) any issue or defense as to charitable or governmental immunity, and (iii) any issue or defense based on any statute of limitations if suit is instituted within three years from the date on which the claimant first knew, or reasonably could have known, of his injury or damage and the cause thereof, but in no event more than ten years after the date of the nuclear incident. The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action. When so incorporated, such waivers shall be judicially enforcible in accordance with their terms by the claimant against the person indemnified. Such waivers shall not preclude a defense based upon a failure to take reasonable steps to mitigate damages, nor shall such waivers apply to injury or damage to a claimant or to a claimant's property which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant. The waivers authorized in this subsection shall, as to indemnitors, be effective only with respect to those obligations set forth in the insurance policies or the contracts furnished as proof of financial protection and in the indemnity agreements. Such waivers shall not apply to, or prejudice the prosecution or defense of, any claim or portion of claim which is not within the protection afforded under (i) the terms of insurance policies or contracts furnished as proof of financial protection, or indemnity agreements, and (ii) the limit of liability provisions of subsection 170e.

(2) With respect to any public liability action arising out of or resulting from an extraordinary nuclear occurrence, the United States district court in the district where the extraordinary nuclear occurrence takes place, or in the case of an extraordinary nuclear occurrence taking place outside the United States, the United States District Court for the District of Columbia, shall have original jurisdiction without regard to the citizenship of any party or the amount in controversy. Upon motion of the defendant or of the Commission, any such action pending in any State court or United States district court shall be removed or transferred to the United States district court having venue under this subsection. Process of such district court shall be effective throughout the United States.

o. Whenever the United States district court in the district where a nuclear incident occurs, or the United States District Court for the District of Columbia in case of a nuclear incident occurring outside the United States, determines upon the petition of any indemnitor or other interested person that public liability from a single nuclear incident may exceed the limit of liability under subsection 170e.:

(1) Total payments made by or for all indemnitors as a result of such nuclear incident shall not exceed 15 per centum of such limit of liability without the prior approval of such court;

(2) The court shall not authorize payments in excess of 15 per centum of such limit of liability unless the court determines that such payments are or will be in accordance with a plan of distribution which has been approved by the court or such payments are not likely to prejudice the sub-

sequent adoption and implementation by the court of a plan of distribution pursuant to subparagraph (3) of this subsection (o); and

(3) The Commission shall, and any other indemnitor or other interested person may, submit to such district court a plan for the disposition of pending claims and for the distribution of remaining funds available. Such a plan shall include an allocation of appropriate amounts for personal injury claims, property damage claims, and possible latent injury claims which may not be discovered until a later time. Such court shall have all power necessary to approve, disapprove, or modify plans proposed, or to adopt another plan; and to determine the proportionate share of funds available for each claimant. The Commission, any other indemnitor, and any person indemnified shall be entitled to such orders as may be appropriate to implement and enforce the provisions of this section, including orders limiting the liability of the persons indemnified, orders approving or modifying the plan, orders staying the payment of claims and the execution of court judgments, orders apportioning the payments to be made to claimants, and orders permitting partial payments to be made before final determination of the total claims. The orders of such court shall be effective throughout the United States.

By Mr. TUNNEY (for himself, Mr. MAGNUSON, and Mr. COTTON) (by request):

S. 3255. A bill to provide for the labeling of major appliances and motor vehicles to promote and effect energy conservation, and for other purposes. Referred to the Committee on Commerce.

Mr. TUNNEY. Mr. President, I am introducing by request on behalf of myself and Senators MAGNUSON and COTTON, the National Appliance and Motor Vehicle Energy Labeling Act of 1974. This bill, which would require that products be labeled with regard to their energy consumption characteristics, is part of the "new" energy initiative which President Nixon described in his State of the Union message.

I welcome this initiative, even though the Senate passed S. 2176 last December 10 with provisions that parallel those contained in the administration's proposal. When I introduced my appliance labeling bill almost exactly 1 year ago, and held hearings on it last summer, the administration opposed the bill as being unnecessary. The Senate, however, had the foresight to see the importance of this legislation, and overwhelmingly passed S. 2176 as a comprehensive energy conservation measure which contained mandatory labeling requirements for appliances and automobiles. I welcome the administration's belated recognition of the importance of this legislation. While I have some concern over several of the specifics of the administration's proposal, I believe their bill deserves consideration, and it is in that spirit that I am introducing it today.

In my opinion, the most important aspect of any labeling provisions is its ability to inform American consumers of the financial advantages of purchasing products which are energy efficient. When my appliance labeling bill was first introduced last spring, it focused on disclosure of the energy efficiency of the product. However, during an approximately 6-month period last year of continuous evolution of the concept, it became clear that the most effective way to provide this information is in the form of estimated annual operating costs. Thus, by providing prospective purchasers with information which is in terms of dollars and cents, purchasers can directly evaluate the tradeoffs between initial purchase price and annual operating costs. The legislation passed by the Senate last fall provides a systematic means for developing such cost data and providing it to consumers at the time of purchase in a manner which imposes no burden on manufacturers or retailers. This involves a carefully thought-out procedure, one which evolved after input was received from many manufacturers, retailers, consumer groups, and engineering experts.

One of my major concerns with the way the administration bill is drafted is that they are placing the emphasis on the development of technical data which, while perhaps of use to an air-conditioning technician, is of no practical value to consumers. My concern is reinforced by the administration's proposed label for air-conditioners which they developed under their voluntary appliance labeling program. In my opinion, such a label is useless, and could turn out to be counterproductive by giving consumers the impression that considerations of efficiency are too complicated for them to bother with.

However, since the mere introduction of this legislation is indicative of the fact that the administration is accommodating itself to the way of thinking exhibited by the Senate on this issue, there is good reason to hope that, as the administration gives more serious thought to this legislation, they will realize that it is best to have the information presented to consumers in terms of estimated operating costs. Finally, while I would have preferred that the administration demonstrate its change of course by endorsing the legislation which has already passed the Senate, I feel the bill, very definitely, is a major step in the right direction.

By Mr. GRAVEL:

S. 3256. A bill to provide allowances and reduced governmental rental rates and charges for certain Alaskan employees of executive departments and independent establishments and to exempt such allowances and reductions from taxation under the Internal Revenue Code of 1954. Referred to the Committee on Finance.

FEDERAL EMPLOYEES HOUSING

Mr. GRAVEL. Mr. President, I am introducing legislation today which speaks to a problem that apparently is unique to Alaska. This inequitable situation stems directly from a lack of appreciation by the Federal Government for exigencies of remote living in my State. Many Federal Government employees in my State understandably are required to work and live at extremely remote areas. Such duty is accompanied by considerable hardship, inconvenience and isolation, besides the obvious adversities of climate. Though one would be hard pressed to find comparable conditions in the Continental United States, anyone who has been to Alaska will agree that such difficulties are part of the job.

However, one present hardship which need not be part of the package is a financial one. Employees living in Government housing at these sites recently have had to bear exorbitant increases in their rental rates. I believe this financial burden is unintentional, and arises only out of the insensitivity of Federal law to the situation in remote Alaska. The legislation I am offering will alleviate this problem by providing compensation for these Government workers, and simultaneously remove the current anomalous financial penalty on Government workers living in Government housing in these parts of Alaska.

A brief explanation of the present system of setting the rental rates for Government housing in Alaska will clarify the Alaskan nature of this problem. Present law dictates that the Federal Government will charge its employees "reasonable" rates for residing in the housing units it provides. Reasonableness is determined by several factors, the most critical of these being the rental rates charged for "comparable" private housing in the nearest established community. I am not quarreling with this system, and I do not doubt that it works admirably in the Continental United States.

But as an Alaskan, I am compelled to argue that the criterion of "comparability" is meaningless as it is presently applied to remote worksites in Alaska. For the purpose of settling rental rates, there are only two established communities in my State—Anchorage and Fairbanks. In these cities rental rates are very high, the result of our high cost of living and an increased demand for housing. Last year the Federal Government decided to adjust the rental rates for all Government housing in Alaska in an effort to fulfill its obligations under the law. This of course meant that rental charges for Government housing would be based upon what is charged for similar dwellings in Anchorage or Fairbanks.

This was disastrous for those renting Government housing at remote parts of my State. Rental rates jumped between 30 percent and 134 percent at various remote sites. There were increases of up to 120 percent at Adak, Alaska, a tiny island in the Aleutians over 1,000 miles from Anchorage. When I consider figures such as these I am mystified that the Government decreed such outrageous rental rate increases when nothing remotely similar would be allowed for private housing under the terms of the Economic Stabilization Act. At any rate, the effect of this has been to increase the cost of living of many Alaskans by as much as 18 percent without a compensating wage acceleration.

I was troubled when I first received complaints from Alaskans working at these sites and suggested to the Office of Management and Budget that such exorbitant leaps must be caused by an aberration in the bureaucratic process.

OMB replied that they were not. I then contacted the Federal agencies with Government housing in Alaska and asked for their opinions on this matter. Almost universally the responses attested to the rigorous application of the current but inappropriate procedures for setting rental rates at these places.

Why then did the new rental rates for this Government housing loom as such an insufferable burden? Why did the complaints I received contain charges of civilian discrimination, bureaucratic ineptitude, and threats to leave public service? I believe the answer lies with the elusive concept of "comparability." With the present application in Alaska, this concept is directly at odds with what is a "reasonable" rental rate for remote Alaska; it accomplishes the exact opposite of what it intends.

In fact, Mr. Elmer E. Gangon, a past director of the Alaska Insuring Office of the Department of Housing and Urban Development, who has 35 years experience in property management, has stated in a letter to the chairman of the Interagency Housing Rental Rate Committee for Alaska that this system "is costing our Government many thousands of dollars because of the inequities that exist as they concern the housing in which—Government workers—are forced to live." Mr. Gangon says the conditions in Alaska are "absolutely different" and require a method more suitable to the State.

There are reductions in the rent for the lack of amenities at these sites, but after rental rate increases in the neighborhood of 57 percent for 12 units at Kotzebue, 69 percent for 8 units at Gakona, or a remarkable 134 percent for 10 units at Murphy Dome, these amenity reductions are not very helpful. Still, the myth persists that these reductions assure proper rates, and there are reductions in the rent for such items as lack of medical help, grocery stores, even street lights, and so on. But could these reductions ever be pertinent to a site like the Alcan Border Station where there are no stores, no school, the nearest doctor is 93 miles away and the nearest hospital, dentist, and optometrist is 300 miles. At Adak practically everything must be flown in by airplane. The air freight charges for the Aleutian Islands are very expensive because of the attendant risks involved. The result is that Government employees at Adak are forced to assume especially frgual lifestyles. Thus when the rents were increased to levels comparable to a metropolis 1,200 miles away, indigent complaints began to pour into my office. Even the travel deduction, which is the most significant, is limited to $110 and 110 miles. Such mileage and monetary limits bear little relation to the situation in Alaska where the distances to be traveled can be very great and the means of transportation often erratic.

After repeated attempts to change the procedures failed, I began to search for an allowance large enough to ease the financial pain caused by the rental rate rack. For instance, there is a substantial transportation allowance of (5 United States Code 5942) paid to Federal employees who incur significant hardship and expense in commuting to and from their worksite. It was irritating, therefore, to learn that this allowance does not apply to remote Alaska for the deceptively simple reason that the employee usually maintains his residence at his worksite. After this disappointment, it was apparent to me that the only way Alaska will receive rational treatment is for an Alaskan legislator to propose a completely new system. This is what I am doing today.

The Federal Government is admittedly constrained by present law from setting fair rental rates at these sites. Indeed, it cannot even provide an appropriate travel allowance for these public servants. My bill will rectify this by establishing a simple and efficient system for reducing rental rates for Government housing at these sites, or granting a cash payment to employees living in private housing. In a sense this legislation incorporates a travel allowance scheme by reducing rates according to the accessibility of the worksite. This will cost the Federal Government relatively little, as there are not that many employees involved; it may even prove cheaper in the long run by reducing the number of transfer requests.

Most importantly, this bill takes into account the distinct situation in Alaska, something that is not presently the case. By passing this bill the Congress will declare that these Federal workers are entitled to an allowance for the expense, hardship, or inconvenience they incur while living at these remote worksites. The easiest way to grant this allowance is to reduce the unfair rental rates of those living in Government housing, or pay the equivalent in cash to those in private housing. Using a familiar Alaskan run of thumb, if these worksites are serviced by regularly scheduled common carrier service, or are accessible by highway, the rental rates, and other charges for the use of the facilities will be reduced by one-half. If there is no regularly scheduled transportation, or highway, these charges will be cut by two-thirds. This bill provides for a new section to subchapter IV of chapter 59 of title 5 of the United States Code, and would be implemented by the President.

I am sure my colleagues in the Congress will agree that the Government worker serving his country in these wilderness areas should not be penalized for that service. My bill simply resolves nagging difficulties for which there is no clear solution under present law or procedure. The Government will remain powerless to assist these Federal employees until the Congress moves to implement the reforms embodied in this bill. By reducing the present excessive rates, and granting this allowance, the Congress can deservedly compensate these devoted public servants.

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

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

S. 3256

A bill to provide allowanced and reduced Governmental rental rates and charges for certain Alaskan employees of Executive departments and independent establishments and to exempt such allowances and reductions from taxation under the Internal Revenue Code of 1954.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subchapter IV of chapter 59 of title 5, United States Code, is amended by adding at the end thereof the following:

"5948. Additional allowance and reduced rental rates and charges based on duty at remote worksites

"(a) An employee of an Executive department or an independent establishment who is assigned to duty at a site in Alaska so remote from the nearest established community as to require an appreciable degree of expense, hardship, or inconvenience, is entitled to an allowance for such expense, hardship, or inconvenience.

"(b) Any such employee living in quarters owned or leased by the Government of the United States at a remote worksite where there is regularly scheduled common carrier service, or which is accessible by highway, shall not pay more than one-half the rental rate for such quarters and if facilities are provided, one-half the charges for such facilities (as determined under section 5911 of this title). And such employee living in such quarters and using such facilities at such a site where there is no regularly scheduled common carrier service or highway to such site shall not pay more than one-third of that rental rate and charge. In any case in which quarters and facilities owned or leased by the Government of the United States are not available to any such employee, he shall be paid an allowance in an amount equal to the reduction in the rental rate and charge he would have been entitled to receive, if he were living in quarters and using facilities owned or leased by the Government of the United States at such site.

"(c) Allowances shall be paid and rental rates and charges reduced under regulations prescribed by the President defining and designating those sites, areas, and groups of positions to which such allowances and reductions apply. Section 5536 of this title shall not apply to any allowance paid or rental rate and charge reduced under this section."

(b) The analysis of such chapter 59 is amended by adding at the end thereof the following new item:

"5948. Additional allowance and reduced rental rates and charges based on duty at remote worksites."

SEC. 2. Any allowance paid or reduction in rental rate and charge made under section 5948 of title 5, United States Code (as added by the first section of this Act), shall be considered a cost-of-living allowance within the exemption of section 912 (2) of the Internal Revenue Code of 1954.

By Mr. BENNETT (by request):

S. 3257. A bill to extend and improve the Nation's unemployment compensation programs, and for other purposes. Referred to the Committee on Finance.

Mr. BENNETT. Mr. President, I am introducing this afternoon, on behalf of the administration, the Special Unemployment Compensation Act of 1974.

This legislation, with its emphasis on providing a comprehensive approach to those persons displaced by the energy crisis, would be a far more effective means of meeting the needs of these

workers than the special legislation Congress has considered.

In May 1973, the administration gave Congress draft legislation resulting from the President's April 12, 1973, message on unemployment insurance. This proposal I submit today is the 1973 legislation with an additional title providing a temporary program of supplementary unemployment compensation protection for workers adversely affected by economic conditions over the near term. The title II of the new bill is offered in lieu of the other proposals to deal with near term unemployment resulting from the energy crisis which have been offered.

Title II of the bill would augment existing unemployment compensation programs by providing up to 13 weeks of federally financed benefits to those who worked in areas experiencing high unemployment and who exhausted benefits under the unemployment compensation laws, including the Federal-State extended benefits program. These workers would receive additional benefits because it is likely that they would encounter problems in locating other suitable employment. In addition, this title would also provide up to 26 weeks of benefits to workers in such areas who were ineligible for normal benefits because they worked in industries not now covered by unemployment compensation laws.

The proposal is based on a "trigger" concept. The program could be "triggered" on if insured unemployment in an area is at a high level, 4.5 percent, or is at a somewhat lower level, 4.0 percent, but has risen significantly—20 percent or more—over the comparable period during the year October 1972 through September 1973.

Key details of the program would be governed by the provisions of the applicable State unemployment compensation laws.

Once the special program triggered on it would continue for a minimum period of 13 weeks and persons who qualified for special benefits in that period would continue to be eligible for benefits for up to 26 weeks after the end of the period or until they exhausted their special benefits.

In addition, the bill offers increased benefit standards in title I. You will recall that, in 1969, President Nixon urged all States to set their maximum benefit standards at levels that would result in most workers receiving benefits equal to half pay. Labor Department research indicated that a maximum equal to two-thirds of the average State wage would achieve this result. The States have made limited progress in this objective up till now, with only about five—my own State of Utah among them—bringing benefit levels up to the requested level. The administration has concluded that State progress has been so limited that benefit standards in all States will probably only be raised by Federal legislation making it a requirement on the States. The Department of Labor has estimated that in fiscal year 1973, 38.7 percent of the workers on unemployment insurance nationwide were cut off from receiving their half pay because of the maximum levels set in most States.

Benefits which are high enough to maintain the economy in a particular area are an important part of the UI strategy. Yet with widespread unemployment among scientists, engineers, airline crews, auto workers, and many other relatively high-wage workers, the Nation is seeing a new type of unemployed person. The Nation is now seeing well-paid, large, vocal groups who are personally experiencing what it is like to have an unemployment benefit reduced below—in some cases, substantially below—half pay. These people are crucial to their community and State economies and large groups of them out of work may have a substantial effect on their community and State economies.

These provisions together with other improvements in the bill mean this bill offers a more comprehensive way to deal with the new types of unemployment we are facing today. I am hopeful that the Senate will give it careful consideration. I believe this is a much sounder approach to the problem of today's unemployment than a series of special programs enacted separately to meet the needs of particular groups as they arise.

By Mr. HUMPHREY:

S.J. Res. 198. A joint resolution to create a Joint Committee on Energy. Referred to the Committee on Government Operations.

CONGRESS MUST LEAD IN ESTABLISHING A NATIONAL POLICY ON ENERGY

Mr. HUMPHREY. Mr. President, few would dispute the statement that the current energy shortage caught this country pitifully unprepared to deal with it, either in the governmental or the private sector.

It is true that some emergency measures have been taken in both sectors, and the grace of God coupled with a little luck has gotten the Nation through a winter without a major catastrophe. But there have been a great many inconveniences, a great many persons have lost their jobs, and the country totters on the edge of economic imbalance because of the shortage of energy.

There is no question but that this Nation is going to have to deal with the problem of energy for the foreseeable future. A coherent governmental policy must be developed and implemented where there has been none. The people of this great country are going to have to make sacrifices and change their lifestyles if economic crisis is to be avoided.

Mr. President, I have faith in the people of this country. Given adequate and accurate information, they have been able and willing to rise to any occasion in the past in order to pull this country out of a difficult situation, whether it be in peacetime or in war.

But before we in the Government can ask the people to respond to a crisis, we must provide leadership and direction. It is up to the Congress and the administration to formulate responsible energy policy.

That leads me to my next point:

The effort of Congress to formulate a coherent and responsible policy to deal with our energy problems is seriously limited by the lack of a central reference point to assist the work of committees.

Information I obtained from the Congressional Research Service shows that of the 46 House, Senate, and joint committees, 32 held hearings on energy last year. I suggest that this is an unwieldy and intolerable situation.

There is a more efficient way for the Congress to be informed of the many aspects of the energy problem.

That is just one of the many reasons why today I am introducing a joint resolution to create a Joint Committee on Energy. This Joint Committee would not be a legislative committee, but would be a policy body where the broad questions of the energy problem could be heard and discussed and where recommendations on the issues could be forthcoming.

By establishing such a joint committee, the Congress would provide the public and the many arms of government with a focal point for the consideration and study of the multifaceted problems related to the energy shortage. One basic mission of the Joint Committee would be to serve as a central reference of analysis and recommendation in assisting the several committees of the Congress that have legislative jurisdiction over energy matters.

My resolution would call for the assembly of a professional committee staff that would provide expert recommendations on the complex questions raised by a shortage of energy. This staff would have an in-depth knowledge of the various so-called energy industries such as oil, gas, and coal. It would have the capability to investigate and analyze problems in employment policy, foreign policy, and tax structure associated with a scarcity of energy supplies. It would be a nonpartisan staff, similar to that of the Joint Economic Committee of Congress.

In carrying out its duties, the Joint Committee on Energy would investigate and study the development, use, and control of all forms of energy other than energy which is released in the course of nuclear fission or transformation.

My bill also would allow the Joint Committee on Energy to establish security measures on information furnished to the committee from sources in the private sector, and information originating within the committee, in accordance with standards used generally by the executive branch in classifying restricted data or defense information. This provision would protect the national security and would assure the confidentiality of proprietary information.

The President, under provisions of this legislation, would be required to submit an annual energy report to the Congress. This requirement would insure that the executive branch would give its considered attention to assembling into one report the many and diverse elements of the energy problems at least once a year. And it would be a strong incentive to the administration to establish a comprehensive and tightly coordinated national policy on the development, use, and control of energy.

I envision a joint committee on energy as a body that could inquire into the worldwide aspects of the energy sit-

uation, as well as our domestic needs. The committee could be a body equipped with the ability to look ahead into energy policy questions likely to be pressing this country 10 or 20 years from now. As one concrete example of such a question, I noted a recent newspaper article which said the People's Republic of China is about to become a major exporter of crude oil. The implications of China's capability to export oil in major quantities are enormous. Has the U.S. Government examined this development, to anticipate how this Nation might adjust its long-range energy policy?

This is just one of the numerous policy questions that a joint committee could examine.

Energy research and development programs are another area in which such a committee could be valuable. For instance, we do not know much about the long-term implications of offshore drilling. This is going to become increasingly important to the goal of our country becoming self-sufficient in energy. Moreover, I am concerned that our programs may focus too closely on the more conventional methods of energy production and pay too little attention to potential new sources such as solar energy.

Mr. President, this country must develop alternate energy sources for the long term. Coal liquefaction and gasification may be one such source of energy, and I know that there are programs underway to make this a more practical and cheaper process. We must make certain that the fuels produced by these methods are as harmless to the environment as possible.

The problems created by lack of energy enter into nearly every area of our society. Those forced out of work by lack of a certain source of energy know this. But too often these problems are treated as merely "unemployment" problems, and not "energy-related unemployment problems." This legislation would allow the wide spectrum of energy related problems to be considered in the development of an overall energy policy.

Mr. President, the joint resolution I I am introducing today is a logical further step in the legislative program I have presented to develop concrete programs and broad-based national policies on the use, conservation, and development of energy resources in America.

Early last year I introduced original legislation to establish a mandatory system for the fair allocation of petroleum products across the Nation. During the course of Senate action on major energy legislation in the last session, I submitted amendments to strengthen requirements for the Federal Government to meet fuel shortage problems, to investigate alleged monopolistic practices in the oil industry, to make inventories and inspect various fuel reserves in the public domain, to require the Defense Department to conserve its petroleum resources, to accelerate research and development of a wide range of potential energy resources, and to encourage various energy conservation practices by our citizens.

In the current session of Congress I have introduced the Energy Emergency Employment Act, providing for a major program of assistance and new jobs in both the public and private sectors for those out of work due to energy shortages. And I have recently submitted the Solar Energy Research Act, a revision of my earlier bill, to authorize a 5-year, $600 million Federal research and development effort to harness the tremendous energy potential of the Sun for the service of man. In addition, in the 93d Congress alone, I have joined in sponsoring over 30 bills relating to the energy situation.

Moreover, as chairman of the Consumer Economics Subcommittee of the Joint Economic Committee, I have conducted hearings this month on the gasoline situation and on gas and utility rates, and I have joined with two other subcommittee chairmen in issuing a major report reappraising U.S. energy policy and making specific recommendations on necessary reforms.

However, the difficulties encountered by Congress in enacting into law a comprehensive national program for the use, conservation, and development of energy, including a Presidential veto of major legislation, have led me to the conclusion that basic new directions are required in the Congress itself to accelerate action in achieving the goal of energy self-sufficiency for the United States.

The central requirement to which my joint resolution is addressed directly is that Congress must now have an effective mechanism in order to assume the leadership in developing national policies to solve the energy emergency of today and the energy demands of tomorrow.

Mr. President, I ask unanimous consent that a section-by-section analysis of the joint resolution to establish a Joint Committee on Energy be printed at this point in the RECORD.

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

SECTION-BY-SECTION ANALYSIS OF S.J. RES. 198: TO CREATE A JOINT COMMITTEE ON ENERGY

Section 1 states that the purpose of the resolution is to create a Joint Committee on Energy. (It is to be a permanent joint committee, but it is not empowered to report legislation nor is legislation to be referred to it.)

Section 2 sets forth the appointment of members and the organizational structure of the Joint Committee. Paragraph (a) stipulates a membership of twenty with ten Members appointed from the Senate by the President pro tempore and ten Members appointed from the House by the Speaker. Paragraph (a) also grants the leadership of both Houses full latitude in appointing members. Party ratios for each House are set at a maximum of six majority party members and a minimum of four minority party members. Paragraph 6 of Rule XXV of the standing Rules of the Senate limiting the number of Senators' committee assignments is waived (Paragraph (b)).

Paragraph (c) provides that vacancies in the membership shall not affect the functioning of the joint committee and that vacancies shall be filled in the same manner as in the case of the original appointment.

Paragraph (d) provides for the selection of a chairman and vice chairman for the joint committee at the beginning of each Congress. In even-numbered Congresses the chairman shall be selected by Senate Members of the Joint Committee from among their number and the vice chairman shall be selected by House Members of the Joint Committee from among their number. In odd-numbered Congresses, the reverse shall occur with the chairman selected by House Members and the vice chairman by Senate Members of the Joint Committee. The vice chairman is to assume the duties of the chairman in his absence.

Paragraph (e) authorize the joint committee to establish such subcommittees as it deems necessary.

Paragraph (f) provides that Members of the Joint Committee shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of their official duties outside the District of Columbia.

Section 3 requires the President to submit to the Congress a Report on Energy no later than February 15th of each year. The President's report is to be a detailed message on energy. In it, the current status of energy resources both domestic and imported is to be specified, including information about the current patterns of use, control, and allocation of energy resources. The effect of tax and tariff laws on the availability, use, and development of energy resources must be included. The current status of research and development efforts as well as future research and development plans must be outlined. Most importantly, the Nation's long term energy needs must be set forth along with plans for meeting them.

Section 4 specifies the authority and duties of the Joint Committee. It is the duty of the Joint Committee to study and investigate on a continuing basis the development, use, and control of all forms of energy other than nuclear energy, which is the responsibility of the Joint Committee on Atomic Energy. Although the Joint Committee is required to evaluate and issue a report on the President's annual Report on Energy, its investigative and study authority is not limited to the President's report. In addition to granting it general investigative and study power, Section 4 specifies for the Joint Committee certain studies and investigations it is to conduct. It is the duty of the Joint Committee (1) to study the coordination of national energy policy and (2) to examine current proposals for legislation relating to all forms of energy other than nuclear energy. The Joint Committee is specifically (3) charged with reviewing the policies and actions of executive agencies with respect to the development, use, and control of all forms of energy other than nuclear energy.

In order to carry out this oversight responsibility, the Department of the Interior is required to keep the Committee fully and completely informed about its activities relating to non-nuclear energy resources (see also, analysis of Section 7). Since a centralized energy agency has yet to be created by law, provision is made that any such administration created either as an independent agency or within an existing department shall be responsible for keeping the Committee informed about its activities.

Paragraph (b) further amplifies the Committee's duties in regard to the President's Annual Energy Report. The Joint Committee is required to evaluate the Energy Report and to submit to the Senate and the House by May 15th of each year a report of its finding and recommendations with respect to the Energy Report. The Joint Committee also may make any other reports to the Senate and the House it deems advisable.

Paragraph (c) authorizes the Joint Committee to submit to any committee of either the House or the Senate, which is considering a bill or resolution related to non-nuclear energy, a report on its findings and recommendations with respect to such bill or resolution. Although the Joint Committee does not have a legislative function, this clause allows the Committee to impart the benefit

of its studies and investigations to the several committees of the House and the Senate which do have the power to report energy legislation.

Paragraph (d) requires the Joint Committee to provide, upon request and at its discretion, information and staff assistance to any committee of the Senate and the House which has jurisdiction over energy related matters.

Section 5 enumerates the powers of the Joint Committee. It is empowered to sit and act at any place or time it deems advisable. It is granted the power to subpena both witnesses and materials, to administer oaths, to take testimony, to procure printing and binding, and to make expenditures as it deems advisable.

Paragraph (b) authorizes the Joint Committee to establish its own rules of organization and procedure. However, paragraph (b) stipulates that recommendations can be reported by the Committee only by majority vote. It further stipulates that subpenas can be issued only upon approval of a majority of the committee. Subpenas may be issued over the signature of the chairman of the Joint Committee or any person designated by him or the Joint Committee. They may be served by any person designated by the chairman or by another Member of the Committee. Oaths may be administered by any Member of the Joint Committee.

Paragraph (c) authorizes the Joint Committee or any of its subcommittees to permit radio and television coverage of open hearings unless a majority of Members disapprove or a witness objects. Witnesses must be advised in advance that proceedings are to be broadcast in order to permit them to register their objections prior to their appearance.

Section 6 specifies the conditions under which the Joint Committee may hire staff and acquire outside assistance. The Joint Committee is empowered to appoint on a nonartisan basis such staff as it deems advisable, to prescribe their duties, and to fix their pay within the limits of the General Schedule of section 5332(a) of Title 5, United States Code (ratings GS1–GS18), and to terminate their employment as appropriate.

Paragraph (b) allows the Joint Committee to reimburse staff members for travel and expenses incurred in the performance of their duty outside the District of Columbia.

Paragraph (c) allows the Joint Committee to obtain assistance from outside sources, thereby supplementing its own staff resources. It is empowered to utilize the services, information, facilities, and personnel of executive agencies. The Joint Committee may also procure the temporary or intermittent services of individual consultants or consulting organizations. Such services can be obtained from individuals or organizations by fixed-fee contract, or, in the case of individuals, by employment on a per diem basis not to exceed the highest rate of basic pay set forth in the General Schedule of section 5332(a) of Title 5, United States Code (ratings GS1–GS18). Contracts let by the Joint Committee shall not be subject to the provisions of law requiring advertising. Consultants or consulting organizations shall be selected by a majority vote of the Joint Committee. Information on the qualifications of each consultant and consulting organization whose services are procured must be retained by the Joint Committee and made available for public inspection upon request.

Section 7 grants the Joint Committee additional power to secure information. The Joint Committee or its staff director, with the approval of the chairman or vice chairman, may request from any executive agency, independent board, or instrumentality of the Federal Government any information for the purpose of carrying out its duties. Any executive agency, independent board, or instrumentality of the Federal Government is directed to furnish such information as is requested by the Joint Committee or its staff director. The Secretary of the Department of Interior is also directed to furnish to the Joint Committee an inventory on energy resources.

Section 8 permits the Joint Committee to classify information originating within or supplied to the Committee in accordance with standards used generally by the executive branch for classifying restricted data or defense information. This section protects national security information to which the Joint Committee may have access. This provision is included to allay apprehension in the executive branch about supplying sensitive data to the Joint Committee.

Section 9 provides that the Joint Committee maintain a complete record of all Committee actions and record votes. All Committee records, data, charts and files shall be the property of the Joint Committee and shall be kept in the offices of the Joint Committee or in some other place as directed. The Joint Committee is also responsible for providing adequate security measures for its files and records so that the confidentiality of proprietary information is assured and national security information is safeguarded.

Section 10 provides for the funding of the Joint Committee. The Joint Committee is to be funded out of the contingent fund of the Senate from funds appropriated for it annually in the Legislative Branch Appropriations Act. Expenses shall be paid upon the presentation of vouchers signed by the chairman or vice chairman of the Joint Committee.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 2854

At the request of Mr. CRANSTON, the Senator from Utah (Mr. BENNETT) was added as a cosponsor of S. 2854, a bill to amend the Public Health Service Act to expand the authority of the National Institutes of Arthritis, Metabolic and Digestive Diseases in order to advance a national attack on arthritis.

S. 2941

At the request of Mr. BAYH, the Senator from New Mexico (Mr. MONTOYA) was added as a cosponsor of S. 2941, a bill to amend title XVIII of the Social Security Act to provide for coverage under part B of medicare for routine Papanicolaou tests for diagnosis of uterine cancer.

S. 3097

At the request of Mr. TAFT, the Senator from Maine (Mr. HATHAWAY), the Senator from Wyoming (Mr. HANSEN), and the Senator from Minnesota (Mr. HUMPHREY) were added as cosponsors of S. 3097, to amend the Rail Passenger Service Act of 1970 in order to provide for a demonstration project providing certain rail transportation for highway recreational vehicles.

S. 3131

At the request of Mr. ROTH, the Senator from Oklahoma (Mr. BELLMON) was added as a cosponsor of S. 3131, to increase the maximum tax credit allowable for a contribution to candidates for public office, and to repeal the tax deduction allowable for such contributions.

S. 3154

At the request of Mr. RIBICOFF, the Senator from South Carolina (Mr. HOLLINGS), the Senator from Pennsylvania (Mr. SCHWEIKER), and the Senator from North Dakota (Mr. YOUNG) were added as cosponsors of S. 3154, the Comprehensive Medicare Reform Act of 1974.

SENATE JOINT RESOLUTION 196

At the request of Mr. NELSON, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of S.J. Res. 196, designating Earth Week 1974.

SENATE CONCURRENT RESOLUTION 77—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO FUNDING FOR TRAINING PROGRAMS IN THE FIELD OF AGING

(Referred to the Committee on Labor and Public Welfare.)

Mr. CHILES (for himself and Mr. EAGLETON) submitted the following concurrent resolution:

S. CON. RES. 77

Concurrent resolution to express the sense of Congress that for fiscal year 1975 the Administration on Aging fund long-term and short-term training programs under title IV of the Older Americans Act, and for other purposes

Whereas, the Older Americans Comprehensive Services Amendments of 1973 provide clearcut authority that long-term and short-term training should not only be continued but should also be substantially expanded;

Whereas, in recognizing the need for short-term and long-term training, the Congress provided for university-based training programs in section 404 of the Older Americans Comprehensive Services Amendments of 1973 to educate students seeking a career in gerontology;

Whereas, Congress—after the Administration requested no funding for title IV training for fiscal year 1974—appropriated $10 million for this purpose;

Whereas, members of the Senate Committee on Labor and Public Welfare and the House Committee on Education and Labor have repeatedly reaffirmed the Congressional intent that long-term training of specialists and experts in the field of gerontology be continued and expanded;

Whereas, short-term training for personnel in the field of aging can only be adequately maintained if properly equipped experts are available as teachers in the field of gerontology;

Whereas, without assurance that Federal funds for long-term training will be forthcoming, the existence of most training programs in gerontology now located in universities and colleges, will be seriously threatened, undermined, and even abolished;

Whereas, universities and colleges maintaining gerontology training programs must make budgetary commitments for the academic year beginning September 1974 no later than early April 1974: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that (1) for fiscal year 1975 the Administration on Aging fund both long-term and short-term training programs under title IV of the Older Americans Act and (2) the Administration on Aging give clear directives immediately on how these funds may be utilized to respond to the need for training students at higher educational institutions and for the purpose of covering the costs of courses in gerontology.

Mr. CHILES. Mr. President, I introduce for appropriate reference a concurrent resolution expressing the sense of Congress that the administration on aging fund long- and short-term training programs in the field of aging.

America is a young Nation, but we are also an aging Nation.

At the turn of the century there were 3 million persons in the 65-plus age category, or about 4 percent of our total population.

Today older Americans number 21 million. And they now account for 10 percent of our entire population.

Within the next quarter of a century, their numbers will increase markedly. Even under conservative projections, the forecast is for about 29 million persons in the 65-plus age category by the year 2000.

In terms of sheer numbers, then, we as a Nation should be concerned about the prospect of growing old.

And we should also be concerned about closely related issues associated with this important social force in the United States. One clearcut example is the need for competently trained personnel to respond to the many service needs—such as health, homemaking, nutritional, outreach, informational, and others—for a rapidly expanding segment of our population.

But a dearth of trained personnel continues to be one of the most pressing problems for upgrading or providing services for older Americans today. Unless action is taken now to respond to this crisis, the situation will deteriorate further.

For these reasons, I—as a member of the Senate Commitee on Aging, as well as a Senator from the State with the highest proportion of the elderly persons in the United States—consider an effective training program to be one of the cornerstones of any soundly conceived strategy for coming to grips with the daily problems confronting the elderly.

Recognizing this very crucial need, the Congress included specific authority for training in the Older Americans Act of 1965. Over the years the very modest expenditures for training have proved to be a very sound investment from the standpoint of our Nation and the elderly.

Moreover, the Congress has repeatedly expressed its intent that gerontological training programs not only be continued but also expanded.

Today, however, many of these programs—especially at the university level—are faced with a very precarious future because the administration has again requested no appropriations at all for the title IV training program. Last year, the Congress rejected the administration's short-sighted budgetary recommendation and approved funding to allow the title IV training program to continue.

In large part, this decision was the result of two hearings that I conducted for the Senate Committee on Aging on "training needs in gerontology." Those hearings presented clear and convincing evidence of the value of the training program in providing vitally needed personnel to deliver essential social services for older Americans.

I was continually impressed and moved by the compelling testimony of several students who discussed their struggles to obtain an education in the field of aging. Quite frankly, many of them would have never been able to pursue such a career if the title IV program had not been funded. As one student informed the committee:

> All I can say is that I have benefitted greatly from the financial assistance I have received through the administration on Aging. I doubt that I would have ever been able to attend as a full-time student without it. I would like to see other students have the same opportunities. I believe the field of aging really needs them.

The need for trained personnel in the field of aging is especially pressing. And this is a major reason that I have sponsored legislation to call upon the administration on aging to fund long-term and short-term training programs in gerontology at universities for the purpose of providing the pool of talent to deliver vital social services for the elderly now and in the future. Additionally, this resolution calls upon AOA to give clear and prompt directives on how these funds are to be utilized.

Time is of the essence in resolving this very critical problem.

For these reasons, Mr. President, I urge early approval of my resolution to resolve the growing uncertainty about the future of training programs in gerontology.

Mr. EAGLETON. Mr. President, it is with a sense of urgency that I join the distinguished Senator from Florida (Mr. CHILES) in introducing this resolution to call upon the Administration on Aging to continue funding for long-term and short-term training programs in the field of aging.

Last year the Congress overwhelmingly approved the Older Americans Comprehensive Service Amendments, which authorize a comprehensive social service delivery system through the establishment of planning and service areas. But if this goal is to be a reality, it will be absolutely essential for additional personnel to be trained to respond to the growing and pressing manpower needs for programs serving the elderly.

Today a critical shortage of adequately trained personnel continues to be one of the most formidable barriers for the development of a coordinated social service system for older Americans.

This point was made very forcefully in a working paper prepared by the Gerontological Society for the Senate Committee on Aging. That paper—entitled "Research and Training in Gerontology"—gave this forthright assessment:

> The gap between the need for trained personnel and the capacities of present training programs is so great that there is no danger in overtraining for several decades.

As the chairman of the Subcommittee on Aging of the Senate Labor and Public Welfare Committee—as well as a member of the Senate Committee on Aging and the Labor-HEW Appropriations Subcommittee—I have been in a unique position to assess the effectiveness of training programs in the field of aging. And it is my candid judgment that they must not only be continued but expanded.

In every region of our country there are numerous outstanding examples of the worthiness of the title IV training programs, whether they be university-based or short-term. In my own State of Missouri, the Institute of Applied Gerontology at St. Louis University was created in 1969. During the past 5 years, this program has prepared students for careers in gerontology, expanded continuing education and consultation in the field of aging, and built upon an effective research program. But, the major significance of the Institute has been at the community level.

Mr. President, we cannot allow such programs to be discontinued. Without a comprehensive training program—both long term and short term—service programs for older Americans will be seriously crippled. And, our failure to act now will undoubtedly have adverse spillover effects for the elderly tomorrow.

Once again, I wish to reaffirm my strong opposition to the administration's efforts to cut the heart out of the title IV training program by not requesting any funds for fiscal year 1975.

And for these reasons, I urge early approval of this resolution to put the Congress on record again in support of funding for short-term and long-term training under title IV of the Older Americans Act.

ELEMENTARY AND SECONDARY EDUCATION AMENDMENTS OF 1973—AMENDMENT

AMENDMENT NO. 1097

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

Mr. DOLE submitted an amendment intended to be proposed by him to the bill (S. 1539) to amend and extend certain acts relating to elementary and secondary education programs, and for other purposes.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974—AMENDMENTS

AMENDMENTS NOS. 1098 THROUGH 1107

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

Mr. BROCK. Mr. President, today I submit a series of amendments which will make S. 3044, the "Federal Election Campaign Act Amendments of 1974" a more effective bill. One of the things that disturbs me most about the main title of S. 3044, title I, the public financing provision, is the effect this will have on the political parties. I fear that under the provisions of the bill, with the candidates getting money directly, the need for the party will soon evaporate. I also fear that we may see the rise of a multiparty system either because the Supreme Court will rule that all candidates must

be equally funded, or because minor parties will "chip away" at the traditional parties. Under private funding, minor, usually one-issue parties, cannot normally survive because they are unable to maintain their popularity. However, under the provisions of this bill, a third party, once established, will continue to obtain funds. I foresee a real danger of losing our traditional two-party system of government and therefore I am introducing two amendments to preserve this system: one, to exempt the National and State parties from the expenditure and contributions limits and another amendment to exempt the congressional campaign committees from limits. These two amendments will, in my estimation, maintain our strong party system. The amendments are also in keeping with the suggestion by Herbert Alexander, considered the authority on money in politics, who recently wrote in an article entitled "Watergate and the Electoral Process:"

If limitations on contributions or expenditures are felt necessary to restore public confidence in the electoral process, and a constitutional formula for such ceilings can be devised, then one adaptation from the English system of regulation merits consideration as a means of strengthening the political parties. The idea would be to limit severely amounts candidates can receive and spend, but not limit at all amounts the parties can receive and spend, even on behalf of these candidates. That would force candidates to seek and accept party help.

Our political parties have had their ups and downs, but overall, they served this Nation well. The strong two-party system simply must be maintained.

Mr. President, I have grave doubts about the wisdom of public financing. I think that the proper solution to the problem of the last election is "full and open" disclosure. This is a proven method. Read carefully the report on S. 3044. In the "Purpose of the Bill" on page 2, it reads:

The Act of 1971 was predicated upon the principle of public disclosure, that timely and complete disclosure of receipts and expenditures would result in the exercise of prudence by candidates and their committees and that excessive expenditures would incur the displeasure of the electorate who would or could demonstrate indignation at the polls.

Did this work? The report continues:

It was unfortunate that the new Act did not become effective until April 7, 1972, because the scramble to raise political funds prior to that date, and thus to avoid the disclosure provisions of the law, resulted in broad and grave dissatisfaction with the Act and led to a demand for new and more comprehensive controls.

In short, the only thing wrong with the "full and open" disclosure theory of the 1971 law was that it was not in force soon enough. There are, however, a few areas that can be tightened up and therefore I am submitting two amendments to insure more open and full disclosure: One, to require weekly reporting of contributions 60 days before elections and weekly reporting of expenditures 30 days before election, and two, an amendment that group contributions must be identified as to original donor and that each donor must designate the recipient of his donation at the time of making his contribution.

I believe that these full and open disclosure amendments will help the citizen make a better choice when election time rolls around. Mr. President, I am also introducing an amendment to help eliminate fraud. The amendment forbids casting false ballots, forging ballots, miscounting ballots, or tampering with voting machines.

Finally, Mr. President, I have an amendment that establishes the proper role of the Government in the election process. I believe that role is to inform people and allow them to make a knowledgeable choice. It is not to force people to give money to candidates not of their choice nor to finance those whose opinions are not of sufficient strength and character to warrant support in the free market of ideas. In this light I am introducing an amendment to substitute voters' pamphlets, actually a form of indirect public financing, for the direct public financing section of S. 3044. The proper role of Government is to inform, not to subsidize. I have enough faith in the American people to believe that given full and open disclosure, Americans will always choose the better candidate. A voters' pamphlet will help Americans make that choice.

I ask unanimous consent to have the amendments printed at this point in the RECORD.

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

AMENDMENT No. 1098

On page 3, beginning with line 1, strike out through line 4 on page 25.

On page 26, lines 2 and 3, strike out "under section 504 of the Federal Election Campaign Act of 1971, or".

On page 54, lines 3, 4, and 5, strike out "A candidate shall deposit any payment received by him under section 506 of this Act in the account maintained by his central campaign committee.".

On page 63, between lines 10 and 11, insert the following:

"VOTERS INFORMATION PAMPHLETS

"SEC. 317. The Commission shall prepare and publish a voters information pamphlet for each State, and shall distribute the pamphlet to residential postal addresses within that State during the period beginning 35 days before the date of any general or special election held for the election of a candidate to Federal office and ending 20 days for the date of that election. The pamphlet shall contain party platforms, pictures and brief biographies of the candidates for that office, and statements by those candidates. The statement of any candidate may not exceed 1,500 words in the case of a candidate for election to the office of Vice President, Senator, Representative, Resident Commissioner, or Delegate, any may not exceed 3,000 words in the case of a candidate for election to the office of President.

On page 63, line 12, strike out "Sec. 317." and insert in lieu thereof "Sec. 318.".

On page 63, lines 14 and 15, strike out "(after the application of section 507(b)(1) of this Act)".

On page 64, line 7, strike out "Sec. 318." and insert in lieu thereof "Sec. 319.".

On page 64, line 9, strike out ", title V.".

On page 64, line 14, strike out "Sec. 319." and insert in lieu thereof "Sec. 320."

On page 71, beginning with line 20, strike out through line 2 on page 73 and insert in lieu thereof the following:

"(a)(1) Except to the extent that such amounts are changed under subsection (f)(2), no candidate (other than a candidate for nomination for election to the office of President) may make expenditures in connection with his primary election campaign in excess of the greater of—

"(A) 10 cents multiplied by the voting age population (as certified under subsection (g)) of the geographical area in which the election for such nomination is held, or

"(B)(i) $125,000, if the Federal office sought is that of Senator, or Representative from a State which is entitled to only one Representative, or

"(ii) $90,000, if the Federal office sought is that of Representative from a State which is entitled to more than one Representative.

"(2)(A) No candidate for nomination for election to the office of President may make expenditures in any State in which he is a candidate in a primary election in excess of two times the amount which a candidate for nomination for election to the office of Senator from that State (or for nomination for election to the office of Delegate in the case of the District of Columbia, the Virgin Islands, or Guam, or to the office of Resident Commissioner in the case of Puerto Rico) may expend in that State in connection with his primary election campaign.

"(B) Notwithstanding the provisions of subparagraph (A), no such candidate may make expenditures throughout the United States in connection with his campaign for that nomination in excess of an amount equal to ten cents multiplied by the voting age population of the United States. For purposes of his subparagraph, the term 'United States' means the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, Guam, and the Virgin Islands and any area from which a delegate to the national nominating convention of a political party is selected.

"(b) Except to the extent that such amounts are changed under subsection (f)(2), no candidate may make expenditures in connection with his general election campaign in excess of the greater of—

"(1) 15 cents multiplied by the voting age population (as certified under subsection (g)) of the geographical area in which the election is held, or

"(2)(A) $175,000, if the Federal office sought is that of Senator, or Representative from a State which is entitled to only one Representative, or

"(B) $90,000, if the Federal office sought is that of Representative from a State which is entitled to more than one Representative.

"(c) No candidate who is unopposed in a primary or general election may make expenditures in connection with his primary or general election campaign in excess of 10 percent of the limitation in subsection (a) or (b).

"(d) The Federal Election Commission shall prescribe regulations under which any expenditure by a candidate for nomination for election to the office of President ror use in two or more States shall be attributed to such candidate's expenditure limitation in each such State, based on the voting age population in such State which can reasonably be expected to be influenced by such expenditure.

"(e)(1) Expenditures made on behalf of any candidate are, for the purposes of this

section, considered to be made by such candidate.

"(2) Expenditures made by or on behalf of any candidate for the office of Vice President of the United States are, for the purposes of this section, considered to be made by the candidate for the office of President of the United States with whom he is running.

"(3) For purposes of this subsection, an expenditure is made on behalf of a candidate, including a Vice Presidential candidate, if it is made by—

"(A) an authorized committee or any other agent of the candidate for the purposes of making any expenditure, or

"(B) any person authorized or requested by the candidate, an authorized committee of the candidate or an agent of the candidate to make the expenditure.

"(4) For purposes of this section an expenditure made by the national committee of a political party, or by the State committee of a political party, in connection with the general election campaign of a candidate affiliated with that party which is not in excess of the limitations contained in subsection (i), is not considered to be an expenditure made on behalf of that candidate.

"(f) (1) For purposes of paragraph (2)—

"(A) 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics, and

"(B) 'base period' means the calendar year 1973.

"(2) At the beginning of each calendar year (commencing in 1975), as necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Federal Election Commission and publish in the Federal Register the percentage difference between the price index for the twelve months preceding the beginning of such calendar year and the price index for the base period. Each amount determined under subsections (a) and (b) shall be changed by such percentage difference. Each amount so changed shall be the amount in effect for such calendar year.

"(g) During the first week of January 1975, and every subsequent year, the Secretary of Commerce shall certify to the Federal Election Commission and publish in the Federal Register an estimate of the voting age population of the United States, of each State, and of each congressional district as of the first day of July next preceding the date of certification. The term 'voting age population' means resident population, eighteen years of age or older.

"(h) Upon receiving the certification of the Secretary of Commerce and of the Secretary of Labor, the Federal Election Commission shall publish in the Federal Register the applicable expenditure limitations in effect for the calendar year for the United States, and for each State and congressional district under this section.

On page 73, line 3, strike out "(b)" and insert in lieu thereof "(i)".

On page 73, line 24, strike out "section 504" and insert in lieu thereof "subsection (g); and".

On page 74, strike out lines 1 and 2.

On page 74, line 6, strike out "that Act" and insert in lieu thereof "the Federal Election Campaign Act of 1971".

On page 74, line 8, strike out "(c)" and insert in lieu thereof "(j)".

On page 74, line 10, strike out "(a)(4)" and insert in lieu thereof "(e)(3)".

On page 75, line 6, strike out "(a)(5)" and insert in lieu thereof "(d)".

On page 75, line 11, strike out "(a)(4)" and insert in lieu thereof "(e)(3)".

On page 85, beginning with line 1, strike out through line 17 on page 86.

AMENDMENT No. 1099

On page 48, line 19, strike out "and 617" and insert in lieu thereof "617, and 618".

On page 49, line 17, strike out "and 617" and insert in lieu thereof "617, and 618".

On page 49, line 23, strike out "or 617" and insert in lieu thereof "617, or 618".

On page 78, line 16, strike the closing quotation marks and the second period.

On page 78, between lines 16 and 17, insert the following:

"§ 618. Voting fraud

"(a) No person shall—

"(1) cast, or attempt to cast, a ballot in the name of another person,

"(2) cast, or attempt to cast, a ballot if he is not qualified to vote,

"(3) forge or alter a ballot,

"(4) miscount votes,

"(5) tamper with a voting machine, or

"(6) commit any act (or fail to do anything required of him by law),

with the intent of causing an inaccurate count of lawfully cast votes in any election.

"(b) A violation of the provisions of subsection (a) is punishable by a fine of not to exceed $100,000, imprisonment for not more than ten years, or both.".

On page 78, line 19, strike out "and 617" and insert in lieu thereof "617, and 618".

On page 78, after line 22, in the item relating to section 617, strike out the closing quotation marks and the second period.

On page 78, after line 22, below the item relating to section 617, insert the following:

"618. Voting fraud."

AMENDMENT No. 1100

On page 39, between lines 5 and 6, insert the following:

(h) Title III of such Act is amended by inserting after section 304 the following new section:

"REPORTING OF CONTRIBUTIONS MADE THROUGH CERTAIN COMMITTEES

"SEC. 304A. (a) No committee, association, or organization—

"(1) engaged in the administration of a separate segregated fund under section 610 or 611 of title 18, United States Code, or

"(2) which solicits and receives donations from the public and uses any part of its funds—

"(A) to encourage the election or defeat of any candidate, or

"(B) to encourage the public to urge the Congress or the President to support the enactment, amendment, or repeal of any law

may make any expenditure or contribution unless it registers as a political committee, uses only funds derived from donations designated by the donor in writing for use by that committee, association, or organization in making that expenditure or contribution, files the reports required of a political committee under section 304, and includes in its reports under that section the identification of each donor and the amount of his donation used by it in making any expenditure or contribution, together with a copy of the designation document executed by each donor whose donation is so used.

(b) The provisions of this section do not apply to the national committee of a political party.

AMENDMENT No. 1101

On page 35, beginning with line 11, strike out through line 3 on page 36 and insert in lieu thereof the following:

(3) striking out the second and third sentences of subsection (a) and inserting in lieu thereof the following: "Such reports shall be filed within ten days after the close of each calendar quarter and shall be complete as of the close of such quarter. Beginning sixty days before the date of any election, additional reports of contributions received during the preceding calendar week shall be filed each Monday until the election. Beginning thirty days before the date of any election, additional reports of expenditures made during the preceding calendar week shall be filed each Monday until the election. If the person making any contribution is subsequently identified, the identification of the contributor shall be reported to the Commission within the reporting period within which he is identified."; and

On page 36, line 4, strike out "(5)" and insert in lieu thereof "(4)".

AMENDMENT No. 1102

On page 75, between lines 4 and 5, insert the following:

"(3) This subsection does not apply to the Democratic or Republican Senatorial Campaign Committee, the Democratic National Congressional Committee, or the National Republican Congressional Committee.".

On page 77, between lines 5 and 6, insert the following:

"(e) This section does not apply to the Democratic or Republican Senatorial Campaign Committee, the Democratic National Congressional Committee, or the National Republican Congressional Committee.".

On page 77, line 6, strike out "(e)" and insert in lieu thereof "(f)".

AMENDMENT No. 1103

On page 16, line 25, beginning with "which is not", strike out through "Code," on line 1, page 17.

On page 73, strike out line 3 through line 7 on page 74 and insert in lieu thereof the following:

"(6) For purposes of this subsection, an expenditure by the national committee of a political party or the State committee of a political party, including any subordinate committees of that State committee, in connection with the general election campaign of a candidate affiliated with that party is not considered to be an expenditure made on behalf of that candidate.".

On page 74, line 8, strike out "(c)(1)" and insert in lieu thereof "(b)(1)".

On page 75, line 5, strike out "(d)" and insert in lieu thereof "(c)".

On page 76, between lines 22 and 23, insert the following:

"(4) For purposes of this section, the term 'person' does not include the national or State committee of a political party.".

AMENDMENT No. 1104

On page 63, beginning with line 11, strike out through line 5, page 6 and insert in lieu thereof the following:

"ILLEGAL CONTRIBUTIONS AND UNEXPENDED FUNDS

"SEC. 317. (a) Any contribution received by a candidate or political committee in connection with any election for Federal office in excess of the contribution limitations established by this Act shall be forfeited to the United States Treasury.

"(b) Any political committee having unexpended funds in excess of the amount necessary to pay its campaign expenditures within 30 days after a general election shall deposit those funds in the United States Treasury or transfer them to a national committee."

AMENDMENT No. 1105

On page 64, between lines 5 and 6, insert the following:

"SUSPENSION OF FRANK FOR MASS MAILINGS IMMEDIATELY BEFORE ELECTIONS

"SEC. 318. Notwithstanding any other provision of law, no Senator, Representative, Resident Commissioner, or Delegate shall make any mass mailing of a newsletter or mailing with a simplified form of address

under the frank under section 3210 of title 39, United States Code, during the sixty days immediately preceding the date on which any election is held in which he is a candidate."

On page 64, line 7, strike out "318." and insert in lieu thereof "319.".

On page 64, line 14, strike out "319." and insert in lieu thereof "320.".

AMENDMENT No. 1106

On page 75, line 19, after "person" insert "other than an individual or the national committee of a political party.".

On page 75, line 22, strike out "person" and insert in lieu thereof "individual or national committee".

On page 77, line 10, strike out "No" and insert in lieu thereof "(a) No".

On page 77, beginning in line 14, strike out "Violation of the provisions of this section is punishable by a fine of not to exceed $1,000, imprisonment for not to exceed one year, or both.".

On page 77, between lines 16 and 17, insert the following:

"(b) No person may make a contribution in the form of a loan. A federally chartered bank may make a loan to or for the benefit of a candidate in accordance with applicable banking laws and regulations in the ordinary course of its business.

"(c) No political committee may accept a contribution of funds in excess of $50 unless that contribution is made by a written instrument identifying the person making the contribution.

"(d) Violation of any provision of this section is punishable by a fine of not to exceed $1,000, imprisonment for not more than one year, or both.".

AMENDMENT No. 1107

On page 64, between lines 5 and 6, insert the following:

"VOTER REGISTRATION ACTIVITY REPORTS

"SEC. 318. A committee, association, or other organization (other than an agency of the government of the United States or of any State or local political subdivision thereof) which engages in assisting individuals in registering to vote, or which registers voters, shall be organized in the manner prescribed under section 302(a), maintain the records required under section 302 (b), (c), and (d), file a registration statement with the Commission annually under section 303, and file an annual report with the Commission containing a complete list of all donations (including donations of services by individuals) received, all expenses incurred or paid, and such additional information, in such detail as the Commission prescribes. The report shall be filed with the Commission on the first day of October of each year in such form as the Commission prescribes."

On page 64, line 7, strike out "SEC. 318." and insert in lieu thereof "SEC. 319.".

On page 64, line 14, strike out "Sec. 319." and insert in lieu thereof "Sec. 320.".

AMENDMENT NO. 1110

(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), supra.

AMENDMENT NO. 1111

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

Mr. DOMENICI. Mr. President, I am committed to the concept of helping finance Federal elections through the use of public funds. That concept, it seems to me, is an integral component of any comprehensive approach to election reform in which strict spending limits are established and enforced. S. 3044 attempts to provide a legislative vehicle to accomplish Federal financial assistance.

I am concerned, however, that the concept of public financing in this bill has received more emphasis than its true contribution to election reform would justify. In other words, I feel very strongly that in revising our rules for the election process we should not promote public financing at the expense of other equally important aspects of that process. We should not, for example, discourage candidates from taking the merits of their candidacy to prospective voters in an effort to obtain grassroots support of the most meaningful kind—personal financial contributions. Neither should we discourage or infringe on the right of the individual to financially support the candidate of his choice, at least in amounts small enough so as not to create any obligation on the part of the recipient candidate.

S. 3044 provides grants of public funds for primary elections conditioned upon a candidate's raising a reasonable "threshold" amount and matching small private contributions with equal amounts of public funds up to the maximum spending limit. The result for primary elections is that the maximum amount of public funds a candidate can receive is 50 percent of the spending limit. Consequently, as to primaries, I am satisfied that the importance of small private contributions is recognized and addressed by this bill.

The same is not true regarding general elections. In all general elections covered by S. 3044 a candidate may receive grants of public funds up to the spending limit established for that election. This 100-percent public financing of general elections goes too far. It promotes public financing way beyond the extent necessary to rid the political system of big money and it discourages private citizen participation through small contributions.

The amendment I propose at this time would apply the principle of partial public financing to general elections. My amendment would limit the Federal subsidy provided to major party candidates to 60 percent of the overall spending limit and make corresponding reductions in the maximum public funding provided to candidates of nonmajor parties.

I am aware that there are other proposals to limit the Federal subsidy to 50 percent of the overall expenditure limit and I will support those measures. I am inclined to feel that, in view of the fact that candidates in general elections have already raised at least 50 percent of what they spent in their primaries, 60-percent limitation on public funds in the general elections would be an acceptable mixture of public and private funding. I intend to call this amendment up if those amendments limiting the Federal subsidy to 50 percent are not successful. In that event, I hope that 10-percent lower requirement for private funding will find favor with a sufficient number of my colleagues to support this mixture of public and private financing which I feel is not only desirable but imperative.

I should also mention, Mr. President, that my amendment would reduce the total drain on the Treasury to support elections. I expect and I hope that the amount collected through the tax checkoff system would be sufficient to cover the cost of financing Federal elections with this limited public funding of general elections. Whatever the details the amount drawn from the Treasury for general elections would be reduced by up to 40 percent, a substantial savings to taxpayers, particularly those who do not wish to participate in financing political activities in any fashion.

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

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

AMENDMENT No. 1111

On page 10, line 19, immediately after "equal to", insert "sixty percent of".

SPECIAL EDUCATIONAL SERVICES FOR HANDICAPPED DEPENDENTS OF MEMBERS OF THE ARMED FORCES—AMENDMENT

AMENDMENT NO. 1108

(Ordered to be printed and referred to the Committee on Armed Services.)

Mr. INOUYE submitted an amendment intended to be proposed by him to the bill (S. 2923) to amend chapter 55 of title 10, United States Code, to require the Armed Forces to continue to provide certain special educational services to handicapped dependents of members serving on active duty.

ADDITIONAL STATEMENTS

SENATOR BYRD QUESTIONS OUR DEALS WITH SOVIETS—ARTICLE BY HENRY J. TAYLOR

Mr. HUGH SCOTT. Mr. President, an interesting and insightful article on our colleague from Virginia (Mr. HARRY F. BYRD, JR.) may have escaped the notice of some of our Members. For this reason, I ask unanimous consent that an article by Henry J. Taylor be printed in the RECORD.

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

SENATOR BYRD QUESTIONS OUR DEALS WITH SOVIETS

(By Henry J. Taylor)

Highly respected Sen. Harry F. Byrd, Jr., has made a Senate speech which could well put him in the black books in the U.S.S.R. But, as usual, he called a spade a spade.

Senator Byrd is not opposed to the United States-Soviet entente. A lessening of tension is a purpose he applauds. Standing in moral judgment of the Soviet is easy. Working out a way to live with them is difficult.

I myself have experienced and been an official U.S. government participant in more than 100 negotiating sessions with Soviet leaders and the miracle of President Nixon and Secretary of State Henry A. Kissinger achieving any entente is astounding indeed.

But Senator Byrd raises questions regarding the ultimate results of the twist that the Soviet has given to three 1972 U.S.-U.S.S.R. agreements—beginning with the wheat deal.

The economic failure of Communism is famous. No Communist country has ever been able to function for its people over the long haul without assistance from the free world. This is as true today as in the days of Lenin 57 years ago.

There have been eight Soviet five-year plans; none successful. The Kremlin announced the latest on Feb. 3, 1971, for the years 1971–75. Another failure. And in agriculture these repeated failures are the worst of all.

Sorely needing America's wheat and feed grains, we bailed out the U.S.S.R. The price seemed reasonable, but the immense quantity wiped out our surpluses and lifted the prices to the highest in our history.

Moreover, we provided a $300 million subsidy for the Soviet. The Kremlin bought America's wheat and feed grains largely with our own money.

We have a shortage that shows up not only in the high prices but in certain scarcities in America's foodstuffs.

The Soviet, instead, has a comfortable surplus. In fact, the Kremlin is actually offering to sell back to the United States some quantities of America's golden grain—but at current high prices. The President of the Soviet Bank for Foreign Trade is Commissar Yuri Ivanov, under Foreign Trade Minister Nikolai Patrolichav. Ivanov is trying to do this.

Then there is, as well, the Strategic Arms Limitation Talks (SALT) Agreement.

The key to atomic deterrence is the threat of an annihilating offense, not a defense against it. SALT–1 allowed the Soviet numerical superiority in three vital categories: land-based intercontinental missiles, submarine-launched missiles, missile-carrying submarines.

Our offset was our advanced technology, represented importantly by the MIRV—a multiple-warhead rocket that allows one missile to attack several targets at the same time.

But now the U.S.S.R. is developing equivalent missiles and we risk being forced into an inferior position. Where would we be if the chips were down?

Finally, there's the Lend-Lease Settlement.

Heaven knows we need gold. And next to South Africa the Soviet is the world's largest gold producer. The Kremlin has gold running out of its ears—but not to pay its World War II debt to the United States.

In common with Britain, France, etc., the Soviet has owed us the money throughout the 28 years since World War II. The U.S.S.R. debt became $2.6 billion. We agreed to settle this for $722 million—something over 25 cents on the dollar. Moreover, the Soviet contrived a settlement provision that $674 million would not be repaid unless the U.S.S.R. is granted most-favored-nation trading status typical throughout Western Europe.

With Congress currently opposing this, the U.S.S.R. may be obligated to pay merely $48 million.

Only once in a blue moon does a senator arise and, without palaver, drive right to the point, make his statement in crisp words and sit down. But Senator Byrd is the kind they don't make many of anymore and worth a good deal of anybody's time and confidence—and listening.

More power to this distinguished Virginian. For to see what is wrong and not try to right it is not the American way.

AN OPEN MARKET IN OIL

Mr. HUMPHREY. Mr. President, the continuing tight energy situation highlights the need for a reform of the structure of the oil industry. The industry consists of several related operations culminating in the marketing of refined products. The U.S. oil industry has become structured in such a manner that the "majors" have become vertically integrated and, as a group, have been accused of market manipulation.

By controlling all phases of production of refined product, the dominant firms have been successful in inhibiting the growth of independent refining interests. The difficulties of independents entering the market are manifold. In addition to the magnitude of the investment necessary for initiating such a venture, the majors are capable of controlling the flow of the crude supplies to the independents.

The Washington Post published an article by Allan S. Hoffman on March 24, 1974, in which the former member of the Justice Department Antitrust Division outlines his plan to ease the oil problem. The provocative column presents his plan for establishing a commodity exchange for domestic transactions involving crude and refined products.

Mr. President, I ask unanimous consent that this plan for a self-regulating oil market be printed in the RECORD.

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

[From the Washington Post, Mar. 24, 1974]

AN OPEN MARKET IN OIL: TO RESTORE COMPETITION

(By Allan S. Hoffman)

Although we are short of oil, we possess a surfeit of explanations of how we reached our current ex-crisis. The oil companies charge that the basic cause is a failure of government policy. The administration agrees, but only to the extent that Congress and prior administrations are to blame. The driver at the gas pump suspects the oil companies of creating the shortage to drive up prices, while the independent producers accuse the large oil companies of scheming to eliminate them. Congressional opinion, as usual, is divided, and there is a general complaint about the lack of reliable information about the oil industry.

But we do have enough information to conclude, as the Federal Trade Commission has, that the industry has structured itself in a severely anticompetitive way. It would be important to correct this situation even if we did not have our present energy "problem," but today's circumstances make it doubly important to do so.

We need not nationalize the oil companies or try to break them up in order to make them more competitive. The application of some basic economic principles to our knowledge of the industry suggests a less drastic, less difficult and politically more palatable solution—the creation of a commodity market through which all domestic sales of crude oil and refinery end products would have to be made.

The oil industry is actually composed of four related industries: (1) production of crude oil; (2) transportation of crude oil; (3) refining of crude oil, and (4) marketing of refinery end products. It is dominated by approximately 16 companies engaging in all four activities.

Industries in which the eight largest firms control more than half the business are widely regarded by economists as "near monopolies." In such industries, the leading companies tend to act together like one firm, or like a monopoly. The eight largest U.S. oil companies (Standard of New Jersey, Texaco, Gulf, Shell, Standard of California, ARCO, Standard of Indiana, and Mobil) are in the top eight positions in domestic crude oil production, crude oil reserves, refining capacity and gasoline sales, together holding more than a 50 per cent share of each. Not only does each level of the oil industry therefore have monopolistic tendencies, but the companies dominating each level are the same. It is as though General Motors, which historically has held about half the domestic auto market, dominated the mining of iron ore and steelmaking as well.

Total "vertical integration" of this sort allows the companies to apply the near-monopoly power they possess at selective points in the production process. For such companies, it is not important that any given operation be profitable so long as the entire business meets profit expectations. As the FTC has charged, the major oil companies have exploited this fact by taking maximum profits on the production of crude oil rather than at other stages of the process. The result is to make crude oil expensive for everyone but themselves.

In this way, the majors have prevented a strong independent refinery industry from coming into existence. Without independent refiners who could serve as reliable sources of supply, independent marketers are left at the mercy of the integrated oil companies. Forcing the independents to buy their basic raw material from their dominant competitors guarantees that the independents cannot challenge the commanding position of the majors. So the integrated companies have come to own almost all the nation's refinery capacity and market almost all of the nation's supply of petroleum products.

Another factor handicapping independent refiners is what economists call "barriers to entry," or obstacles discouraging new firms from coming in. Barriers to entering the auto industry are high because an enormous investment in plant and equipment, as well as a high level of promotional and advertising expenditures, is required. Barriers to entering the rubber stamp business are low because all that is needed is some inexpensive machinery.

In oil refining the barriers are necessarily high to begin with because of the large investment necessary to build a refinery. But by using almost all their crude oil themselves, the integrated companies require a prospective refiner to invest in crude oil production as well, thereby adding an extra barrier to entry into refining. Since they are doubly disadvantaged from the outset, it is not surprising that we have few independent domestic refiners.

It was such factors that prompted the FTC to file its complaint last summer against the eight largest oil companies, charging that the creation and systematic maintenance of the present industry structure was in violation of the FTC Act and seeking substantial divestiture of refineries. While this effort is encouraging, the history of such actions shows that the government has a strong tendency to lose its enthusiasm for such cases.

In 1940, for example, the Justice Department brought a comprehensive monopolization suit against the entire industry, naming no less than 366 defendants (the so-called "Mother Hubbard" case). It was finally dismissed by the government in 1951, purportedly to be superseded by a series of more limited cases. But the new cases never really materialized. A few cases were brought during the 1950s, but they were settled by weak consent judgments which many believe insulated certain anticompetitive practices from later attack. Moreover, even if the FTC pursues its case aggressively, it would be a long and complex one to win, to follow through the appeals process and to put into effect. Many, therefore, are looking to Congress for a solution.

PROBLEMS OF NATIONALIZATION

Two basic legislative approaches to reform have been suggested so far. The more drastic one, for nationalization, seems undesirable for many reasons. First, there is no evidence that the government is more capable of running so large and complex an industry than private concerns. The U.S. Postal Service should be proof enough for anyone of this.

Second, political considerations would be artificially injected into an industry which vitally affects the economy: Just picture funds for a new refinery being held back in Congress to force construction of the Three Sisters Bridge. Third, such a move would set a horrible precedent: Rich as we are, we are not rich enough to buy entire monopolies each time we feel exploited.

A more commonly advanced proposal is that the major oil companies be broken up and the industry reorganized along functional lines. This would mean reconstituting each integrated company into several separate companies, each operating at only one level (production, transportation, refining, marketing). This proposal goes to the heart of the problem, and its adoption would result in eliminating the major anti-competitive defects. Each level of the industry would have to pay its own way, without subsidy from other operations. Supplies of crude oil and refinery products would be equally accessible to all, encouraging new independent refinery capacity and independent marketers.

But there are practical obstacles to its adoption. The enormous complexity of the companies' corporate and financial structures, the legitimate interests of stockholders, lenders and employees and related difficulties would have to be resolved. This is not to say that it could not be done; it could if the necessary commitment were made. The idea has gained increased respectability in economic circles lately, and Democratic Sen. Philip A. Hart of Michigan is holding hearings on his proposed Industrial Reorganization Act, which would accomplish basic structural reform of seven of our concentrated industries, starting with automobiles and including oil. But given the power of the oil companies and of the institutional investors controlling large amounts of the companies' stock, Congess would likely be a long while in mustering the courage and determination necessary to take this step.

FORCING COMPETITION

The advantage of requiring by law that all domestic sales of crude oil and refined products be made through a new commodity exchange is that it would accomplish the same goals—and possibly some additional ones—but encounter far fewer obstacles.

Sales through familiar commodities "futures" contracts—which promise delivery of a certain quantity at a later date—would make crude oil equally accessible to all refiners and potential refiners, and at a price set by supply and demand in an impersonal market. This would likely encourage new entry into refining, adding badly needed capacity; our present shortages are the result of insufficient refining capacity as well as of insufficient supplies of crude oil. It would also create reliable sources of supply for independent marketers, who could then compete more effectively against the dominant integrated companies, as well as force the integrated companies to compete more against each other.

It would also be necessary to require that sales of refined products be made through the exchange so that integrated companies could not use profits from refinery operations to subsidize their marketing systems. Otherwise, marketing would remain unattractive for prospective new entrants, leaving the integrated companies with final control of our supply of petroleum products.

What would result is an open competitive system in which oil industry dealings would become far more visible than they are now. Some of the basic information we now lack about the industry would become available through the trading system. As with all commodities trading, brokers would require regular data on current inventories and reliable forecasts of expected supplies, which would be provided by a government agency, just as the Agriculture Department currently issues regular crop forecasts vital to trading in farm commodities.

Establishing such a system, which Congress could do under its power to regulate interstate commerce, would clearly be neither as complex nor as difficult to do as nationalizing or splitting up the integrated oil companies.

Indeed, Warren Lebeck, president of the Chicago Board of Trade, remarked in an interview last November that the nation's largest commodities exchange was considering initiating trading in petroleum. He said that oil's uncertain price situation made it a natural trading commodity for both hedging purposes—providing a form of supply insurance to major users—and speculation, both qualities of a good futures contract. (Speculators buy and sell contracts for profit rather than actually to acquire the commodity.)

The necessary price fluctuations could conceivably respond to everything from a new oil find, a new Mideast embargo, fuel conservation steps, development of alternate sources of energy, insufficient tankers for transportation or increased refining capacity being built.

Lebeck did see some difficulty in finding a convenient size for a petroleum contract—"a tank car is too small and a pipeline batch is too large," he said—and in standardizing the quality of crude oil for trading. If the Chicago board moved in this direction, he remarked, it would probably start with trading in a couple of refined products. (The New York Cotton Exchange currently trades contracts in propane, a light petroleum distillate). One would think that on an exchange devoted solely to petroleum and petroleum products, the problem of contract size and quality could be overcome—particularly considering the likely financial boon it would provide to the commodities trading business.

A number of questions naturally arise about this plan. Couldn't the majors merely bid up the price of crude oil on the exchange to preclude independent refiners? What about the record of commodities exchanges, which have been beset by charges of manipulation? How would it affect development of new oil sources? Wouldn't the middleman-broker's fees actually add to the price of oil? Would foreign oil be included?

First, the majors would be effectively restrained from artificially bidding up crude oil prices. To do so, they would have to engage in a highly visible program of bid-rigging requiring the cooperation of so many outsiders—including the many brokers transacting the trades—that it would become an open secret. Imagine oil industry executives telling their brokers, "I don't want it at $8 a barrel—I want to pay $15." Anyone who tried to keep a conspiracy of such proportions quiet would have to be naive or foolish, and the oil industry is neither.

Of course, the oil commodity exchange's rules, like those of current securities and commodities exchanges, would prohibit such price manipulation, making it subject to appropriate penalties. It is true that commodities exchanges have not always been the most honorable places, and that the Commodity Exchange Authority which is supposed to regulate them is something of a toothless tiger. But there have been many calls to increase its authority or create a new independent agency similar to the Securities and Exchange Commission. The oil plan might provide just the incentive needed to bring about reform. Otherwise, policing powers could be placed in another government agency.

All this is to say nothing of the antitrust laws that could be brought down on anyone attempting such a vast price-rigging scheme. Businesses naturally try to keep the price of their raw materials as low as possible, not as high as possible. The rigging would be almost self-evident. Direct evidence would not be needed to win such a case: The Supreme Court has held that direct evidence is not necessary in any action of this kind, that inferences from the circumstances are sufficient to prove an antitrust violation.

For these and other reasons the integrated companies would have to begin competing against each other for the crude oil they produce, trying to minimize the cost to their refineries.

COULD OIL BE HELD BACK?

Judging from past experience, oil executives might be expected to contend that any profit reductions resulting from increased competition would discourage them from exploring for new oil. But the oil exchange device should have no adverse impact on crude oil supplies. Supply would largely be determined by demand.

If demand rises, prices would go up sufficiently to attract the required production of new oil. This is illustrated in a recent issue of the Oil and Gas Journal showing that wildcatting by independents has followed profits at least since 1948. Sometimes, of course, supplies cannot be expanded swiftly enough to meet demand, the situation we have been experiencing. In such cases, the price of crude oil would likely be bid up to a point where it could again lure enough new supplies.

Some cynics might suggest that the integrated companies could intentionally withhold some supplies as an alternate way of pushing up crude oil prices and precluding independent refiners. It is possible that they could, and the market mechanism alone could not deal with this. But if some supplies were withheld, independent wildcatters would probably rush out again as prices and profit prospects rose, and encouraging too much of this certainly would not be in the interest of the majors.

The integrated companies have been helped in maintaining control of domestic oil supplies by state "prorationing" programs. Five leading oil-producing states—Texas, Louisiana, Oklahoma, New Mexico and Kansas—have such laws, by which they set permissible production levels from individual wells. The ostensible purpose is to assure that production from each well is maintained at a level of maximum technological efficiency. In practice, however, these programs have sometimes worked to limit production and prop up prices.

The federal government has helped support these state programs with the so-called "hot oil" act, which prohibits interstate shipment of crude oil produced in violation of state laws. At present all five states are permitting wells to operate at 100 per cent of their maximum efficient rate of recovery. But when and if we move out of our short-supply situation, we can expect a return to production limits.

While the commodity market plan would not reach these state laws, the federal government has the power under the "hot oil" act and under the Interstate Oil and Gas Compact to eliminate any anticompetitive consequences of these state statutes. While this power has never been exercised, it still remains available.

IMPORTS AND FEES

The question of whether foreign oil would be included under the commodity market plan cannot be answered categorically at present. We clearly cannot force oil producing nations to sell crude oil for less; we need it and are in no position to dictate price to them. But it might be possible to maintain a dual price structure on the exchange, one for domestic crude and one for oil brought in from abroad. Those with the responsibility for creating and operating the exchange would be in the best position to determine this. In any case, if and when we do achieve energy independence, foreign oil definitely should be included.

Finally, the commodity broker's fee, which is normally only a fraction of a futures contract's value, would not add significantly to the price of oil. Any fees incurred by speculators trading in contracts would be absorbed by them, not by the ultimate recipient of the commodity. The final purchaser would only pay once.

The plan, of course, is not intended as a cure-all for our energy difficulties. But it would help restore competition to the oil industry and help ease the oil problem. Moreover, it would do so in a way that might well gain wide support—on Wall Street, in the commodities business and out on Main Street, as well as among the professional reformers. It would be an important step in the right direction.

TROOP CUTS IN ASIA

Mr. CRANSTON. Mr. President, this morning I had the privilege of presenting testimony before the Senate Appropriations Committee in support of troop cuts in Asia.

Specifically, I proposed cutting our present force level in Asia roughly in half, by bringing home approximately 100,000 land-based U.S. military personnel from five Asian countries: Japan, including the Ryukyu Islands; South Korea, the Philippines, Taiwan, and Thailand.

Last September 26, the Senate passed a Byrd-Humphrey-Cranston amendment calling for a reduction of 110,000 U.S. troops from overseas by the end of calendar year 1975. That amendment was dropped in conference. The Senate Appropriations Committee, however, pursued this idea in its report of last December, stating that it would take action on its own if the Department of Defense did not act. My testimony today was intended to take this process one step further.

Mr. President, the administration has submitted an $85.8 billion defense budget, up $6.3 billion from the current level of spending. If for no other reason, the need to curb our nagging inflation compels us to look for places in the defense budget where we can make responsible cuts. I submit that troop cuts in Asia can save us literally billions of dollars without weakening either our national security or the basic defense needs of our allies.

Mr. President, I ask unanimous consent that my testimony before the Appropriations Committee be printed in the RECORD.

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

TESTIMONY ON OVERSEAS TROOP CUTS BY SENATOR ALAN CRANSTON

Mr. Chairman, and other members of the Committee, I am here today to follow up on my long-standing interest in overseas troop cuts and to pursue some Congressonal initiatives that we talked about last year. I'm grateful once again for the courteous attention which I never fail to receive from you.

As you know, I have long advocated substantial troop reductions in Europe. At present, the issue of European troop cuts is complicated not only by the European Security Conference and by the current round of talks between NATO and the Warsaw Pact, but also by President Nixon's recent statements on the subject. I still favor significant cuts in Europe, and I will work closely with Senator Mansfield in support of his efforts to that end.

Today I want to focus on Asia.

I propose cutting our present force level in Asia roughly in half, by bringing home approximately 100,000 land-based U.S. troops from five Asian countries. If these men are deactivated, direct manpower savings alone would amount to roughly $1 billion annually in future years. Indirect savings in support, construction, maintenance, logistics, and the like could add up to several billion dollars more per year. The balance of payments savings associated with such a cutback would be roughly $800 million a year. All of this, of course, would help fight inflation, and hence hold down the cost of future defense spending.

Before I discuss this proposal further, let me briefly review the background of my testimony today.

As you may remember, Mr. Chairman, I testified before the Defense Appropriations Subcommittee last September 12 and urged a substantial cut in the number of land-based U.S. troops stationed in foreign countries.

On September 26, the Senate passed a Byrd-Humphrey-Cranston amendment calling for a reduction of 110,000 U.S. troops from overseas by the end of calendar year 1975. That amendment was dropped in conference.

On December 13, during debate on the defense appropriations bill, I was prepared to offer an identical amendment, but I withdrew it at the suggestion of the distinguished Chairman of the Committee, Senator McClellan. During that colloquy, the Chairman reported that he and the ranking minority member, Senator Young, had held a frank discussion with the Secretary of Defense in which they told him of the Committee's intention to impose a reduction in the number of overseas troops and facilities. The Chairman then quoted to me a section of the Committee's report, which I would like to quote also:

"We have held this action in abeyance, however, upon receiving firm assurances from the Secretary of Defense that the matter is under active consideration and that recommendations will be submitted to the Committee in the very near future. The Committee intends to pursue this matter on its own and if such action is not forthcoming, it will undertake to impose overseas force reductions during fiscal year 1975."

If you remember, Mr. Chairman, you and I and the ranking minority member, Senator Young, were in substantial agreement on the desirability of cuts. You added that—

"The colloquy that we are having on the floor now in my judgment, will have some significant effect in the next few months."

Those "next few months" have passed by, Mr. Chairman, and very little has happened since we talked last.

It's time, I submit, for Congressional action.

The Defense Department tells me that the factsheet listing U.S. troops by country as of December 31, 1973, will not be ready for another week. But I understand that few changes—and none of substance—have been made since September 30.

The Pentagon apparently intends to keep U.S. forces in East Asia and the Pacific at or near their present high level—approximately the level they were at when we discussed all this last year. Such was the thrust of the testimony presented to the House Appropriations Committee on March 1.

A few minor cutbacks have been indicated, to be sure, but nothing more. In January 1973, the United States agreed to reduce its military personnel in mainland Japan, now numbering about 19,000, by about 10% over the next three years. But that amounts to only a little over 600 men a year. No reduction in U.S. personnel was announced for Okinawa, where some 38,000 U.S. troops are based. For fiscal year 1974, estimated annual operating costs of maintaining troops in Japan and the Ryukyus add up to $916 million.

For Korea, where roughly 40,000 U.S. troops remain twenty years after the Korean war, Secretary Schlesinger said that the Pentagon was considering a "mobile reserve," based in Guam and Hawaii, that would permit a slow withdrawal. That is a hopeful hint of change, but, with all due respect to the Secretary, I will believe it when I see it. I suspect it will occur any time soon only when and if Congress orders it to occur. At least for the time being, the annual operating costs of maintaining those troops in Korea will remain at about $619 million.

Elsewhere in Asia, U.S. troop strength has not changed significantly either.

In Taiwan, we still maintain about 7000 men at a cost of $139 million in FY 1974.

For the Philippines, the last count registered 16,000 U.S. troops. Operating costs for FY 1974 are estimated at $297 million.

In Thailand, there are still roughly 40,000 U.S. troops. Our annual costs there now run to about $759 million. This huge U.S. presence, of course, consists largely of U.S. airmen who formerly flew bombing missions over Indochina. Now, with Congressional and public sentiment running so heavily against renewed bombing or any other form of direct U.S. involvement, I can't see what good those men are doing there.

Altogether, Mr. Chairman, as of September 30, 1973, there were 159,000 U.S. troops stationed in South Korea, Thailand, Japan (including the Ryukyu Islands), the Philippines and Taiwan. Of those 159,000 land-based troops, I propose a cut of 100,000 over the next two years, or roughly 31% each year.

Still remaining in the area would be the other 59,000 land-based troops, plus 33,000 on our fleet in Southeast Asia and the Western Pacific, plus another 14,000 in Guam, totaling 106,000 men—over half of our current force level.

In my testimony last September, I named two main reasons why substantial troop cuts can be made in Asia. Neither reason is dependent on the relaxation of cold war tensions, which could conceivably be reversed.

One is the dramatic economic growth of our allies, and the other is the history of the vast U.S. military and economic aid program that has funneled so many U.S. resources into the hands of friendly governments around the world.

Ten years ago, for example, South Korea's GNP was $2.7 billion. In 1972 it was just under $8 billion. U.S. aid in FY 1972 through 1974 has been averaging a half a billion dollars a year, three-fifths of it military.

For the Philippines, the GNP figure ten years ago was just over $4 billion. In 1972 it was almost $8 billion. U.S. aid in FY 1972 through 1974 has been running between $101 million and $160 million, one-third to one-half of it military.

Taiwan's economic growth has been equally steady, and Japan's has been nothing short of spectacular.

Altogether, Mr. Chairman, according to figures inserted into the Congressional Record by Senator Inouye on March 6 of this year, the Administration originally requested $425,418,000 in economic and military aid for South Korea, the Philippines, Thailand and Taiwan in FY 1974. (Figures for the PL 480 program are in flux and were not included.) The foreign aid appropriations bill for FY 1974 reduced that request to a total of $264,367,000—a saving of over $161 million.

Mr. Chairman, if you add together the direct cost of maintaining troops in those five countries, plus the aid figure of $264,367,000 that I have just mentioned, the total is $2,994,367,000 for FY 1974, or just under $3 billion.

In the immediate wake of World War II,

the argument could reasonably be made that protection by U.S. troops would permit our allies to rebuild and recover from the devastation of war. But those years have long since passed. The stationing of U.S. troops abroad in such large numbers was never intended to be permanent.

Mr. Chairman, in his testimony on March 1, Secretary Schlesinger admitted that the major reason for keeping American forces in Asia at this high level "lies under the heading of political rather than military considerations." He suggested in particular that the Chinese wanted U.S. troops to remain in the region to counterbalance the Soviet presence in Asia.

Frankly, Mr. Chairman, I think this is a very dubious line of argument.

It's certainly not our job to carry out the goals of Chinese foreign policy—particularly not when it costs us $2.7 billion in FY 1974 to maintain these troops. If in fact the Chinese really do want our troops to remain in Asia, which I frankly question, a case should still be made that it is in our national interest to keep them there. I do not believe any such case can be made. The Chinese have a growing armed force of their own, and a population of close to 800 million. Let them cope with their Russian threat. Our detente with China was never supposed to mean a new form of containment of the Soviet Union, the object of our affection in our other effort to achieve detente.

Other political arguments advanced by the Administration in defense of overseas troops often center on the political stability which a U.S. military presence is supposed to provide.

For example, the then commanding general of the U.S. Military Assistance and Advisory Group in Taiwan said to the House Foreign Affairs Committee on July 8, 1973:

"American interests require that . . . a reasonable balance of power be maintained to permit the development of peace and political stability. This means that an American presence in the area is required to preclude creation of a power vacuum that would destroy any hope of such a balance."

Mr. Chairman, I think we should stop talking about "power vacuums." I think that a local government itself should be and usually is largely responsible for its own fate. For a revolution to occur, there must be severe domestic problems, not merely conspiratorial influences from abroad.

In three of the countries I have been talking about, Thailand, South Korea, and the Philippines, there have been major changes in the form of government in the last year and a half. In Thailand, dissident groups led by students succeeded in overthrowing the quasi-military dictatorship there, and as a result there is real hope for democracy. In South Korea and the Philippines, however, democracy—admittedly imperfect—gave way to martial law. Yet in none of these three cases has it been suggested that U.S. troops were responsible for the instability, nor could their mere presence have prevented it.

To the extent that the U.S. military role *does* influence domestic stability, it takes the form of military aid and military advisers. One lesson the Vietnam war should have taught us is that this form of promoting "stability" tends to become associated with the survival of one particular government or leader rather than with a stable political climate in general. To the extent that it becomes geared to the status quo, U.S. aid can and often does end up being used to put down domestic disturbances that threaten existing elites. At worst, such aid encourages recipient governments to persist in unrealistic policies, to engage in repression, and to disregard calls for reform.

The most current example is the Philippines, where the Marcos government has been using American weapons to put down the Moslem rebellion in the southern islands. Not so long ago, Thai troops used American weapons to cope with an insurgency in northeastern Thailand. And I would not be surprised if the governments of South Korea and Taiwan used American weapons in the same way at some future date.

I think we should keep our distance from that kind of "stability."

Still another defense of overseas troops comes under the heading of the so-called "tripwire theory." According to this notion, American troops are a human tripwire guaranteeing American military involvement should hostilities break out. Rational calculations that might keep us out of a war will supposedly be swept aside by the sight of American boys bleeding on the battlefield. Without such a stimulus, it is argued, we would selfishly abandon an ally to the enemy.

In my testimony before the Defense Appropriations Subcommittee last September, I argued that the tripwire theory was a poor foundation on which to base a military or a political decision. If a conflict breaks out, our response should not be based on revenge. Our policies should be designed to give us the freedom to choose whatever response is in our best national interest. American lives should not be hostage as human sacrifices to insure that we will follow a policy that may not be in our national interest.

Besides, U.S. force levels in most countries are not sufficient to meet a full-scale attack. If the purpose of the U.S. deployment is to guarantee full-scale U.S. involvement—with massive participation of our manpower in combat—then a token force would do just as well.

So I, at least, am left with the suspicion that what we are up against is another version of the familiar "bargaining chip" mentality. According to this line of thinking, we shouldn't give up anything we have. Every expensive weapon, every soldier overseas, every possession in our arsenal is supposed to represent some sort of negotiating power which can be used to force concesions from the other side.

But although the "bargaining chip" argument is often made in the name of a flexible position, it actually locks us—inflexibly—into the status quo and deprives us of the freedom to move.

Furthermore, in the case of Asian troop deployments, it's not even clear whom we are bargaining with, or for what stakes, or why.

Mr. Chairman, on July 31, 1973, eleven former U.S. government officials who held responsible positions in the field of Asian affairs wrote a letter to Congressman Esch stating that 100,000 U.S. troops could be brought home from Asia and deactivated without harming either our national security or our important interests in the area. With the Committee's consent, I would like to have this letter included at the end of my testimony.

A partial withdrawal along the lines I have suggested will not unhinge the world. It will help to free up money that could be far better spent on domestic needs—or simply left unspent, which I suppose is a new but perhaps refreshing idea.

I trust you will agree that the time has come to cut overseas troops ourselves instead of waiting for someone else to do it for us.

Thank you very much.

JULY 31, 1973.

Congressman MARVIN L. ESCH,
Cannon House Office Building
Washington, D.C.

DEAR CONGRESSMAN ESCH: The United States is completing a significant reduction in our involvement in East Asia. We have withdrawn from direct participation in the conflict in Vietnam, and are soon to refrain from all direct combat operations in Indochina. We have also begun to establish mutually beneficial relationships with the People's Republic of China and the Soviet Union.

Because of these factors, we, the undersigned, believe that substantial reductions can be made in those military forces now deployed in East Asia and the Western Pacific. There are now 227,000 military personnel stationed in these areas, of whom 45,000 are in Thailand: 18,000 are in Japan; 5,000 are in the Philippines; 40,000 are in the Ryukyu Islands; 42,000 are in South Korea; 9,000 are in Taiwan; and 58,000 are afloat. We feel that at least 100,000 of these can be returned and deactivated with no harm either to our national security or our important interests in the area.

It is our sincere hope that Congress will take such firm and timely action as is necessary to bring our East Asian force level in line with present diplomatic realities.

Sincerely,

Robert Barnett, Former Deputy Assistant Secretary of State for East Asia and Pacific Affairs; Chester L. Cooper, Special Assistant to Governor Harriman for the Paris Peace Conference on Vietnam; Alvin Friedman, Former Deputy Assistant Secretary of Defense; Roger Hilsman, Former Assistant Secretary of Defense for Far Eastern Affairs; Townsend Hoopes, Former Under Secretary of the Air Force; Anthony Lake, Former staff member, National Security Council; Earl Ravenal, Former Director, Asian Division (Systems Analysis), Office of the Secretary of Defense; Gaddis Smith, Professor of History, Yale University, Speciality: 20th Century Diplomacy, Author of recent biography, Dean Acheson; Richard C. Steadman, Former Deputy Assistant Secretary of Defense for East Asia Affairs; and Paul C Warnke, Former Assistant Secretary of Defense for International Security Affairs.

PROBLEMS FACING HIGHER EDUCATION

Mr. BEALL. Mr. President, a recent issue of Educational Record contained a most thoughtful and timely article by Dr. Steven Muller, president of the Johns Hopkins University.

Dr. Muller discusses some of the important problems facing higher education today and urges rediscovery of principles basic to the tradition of higher education. As a member of the National Commission on the Financing of Postsecondary Education, Dr. Muller discusses some of the issues that the Commission considered.

Because of the interest of the Congress and the public in this subject, I ask unanimous consent that his thoughtful article be printed in the RECORD.

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

RESTORING THE REPUTATION OF HIGHER EDUCATION

(By Steven Mueller)

Of all the criticism of American higher education one hears these days, two aspects are most disturbing. The first is increasing public skepticism about the usefulness of undergraduate collegiate education. The second is concern about what the standards are, if indeed there are any, by which undergraduate academic performance is judged and evaluated.

Concerns of this kind must be taken very

seriously. If a significant number of the American people have serious reservations about both the utility and the integrity of undergraduate education, then the entire community of higher education is in trouble.

For decades the prevailing conviction in America has been that a collegiate education is the passport to a better job. In their efforts to attract the students they want, colleges and universities have been well aware of this conviction, and they have helped foster a public image of higher education that is principally vocational. Today so many people go to college that an undergraduate degree no longer guarantees a better job, or in fact any job. As collegiate opportunities continue to open to an even greater percentage of all those eligible, the correlation between undergraduate degree and employment, or high-level employment, will decrease even further. Even more parents will then question the use of a collegiate experience that is not followed by a good job.

There is nothing higher education can or should do to guarantee desirable employment to college and university graduates, but surely the time has come to rediscover the virtues of higher education that are not related to employment. A look at the past may help in this rediscovery.

It used to be that only a racially and economically privileged minority had access to higher education in this country. Members of this aristocracy, most of whom were young, white, wealthy, and male, were able to regard the vocational consequences of higher education as a useful but not crucial by-product. To the extent that employment was desirable, it was almost always available for these young men after they completed their higher education. A few among them who were highly talented became great achievers. In addition, a small number of very talented individuals who were not of the monied class were admitted to higher education, and as a result, found employment normally reserved for the aristocracy on the basis of both their talents and their education.

Because the college or university experience was visible, and led to top-notch employment, the relationship between the content and consequences of higher education became confused. The real relationship of higher education to vocation was blurred by the effect of an economic, social class phenomenon. Parents ambitious for their children sought higher education for them. They confused social and vocational ambition and assumed that a college or university education was the magic key to the best jobs. This assumption was partly correct, principally for social and economic reasons, and its partial validity sustained it and the confusion on which it was based.

INHERENT MERIT

Lost in this confusion was recognition that higher education has merit in its own right, apart from its vocational utility. An investment in the developing human personality, higher education is not linked inevitably to vocation. Obvious as that may be, the value of higher education beyond employment is consistently denied by most public expression. It is customary to say or hear that a college graduate who holds a low-level job is wasting his or her education.

How much truth is there in such an assertion? Is an educated waiter, cabdriver, housewife, janitor, mailman, or whatever really by definition a waste or a betrayal of intelligence and promise? A sounder judgment would be that an educated person can enjoy his or her education regardless of vocation. The primary rewards of higher education are personal and subjective. In this sense almost everyone either needs or can use higher education, whether it is needed for employment or not.

The judgment that higher education is enriching becomes even more significant in the light of another consideration. For the young aristocracy of days long gone, higher education was in substantial part preparation for leisure—leisure then reserved for the affluent. Today leisure is not only available to, but also even forced upon, almost all adult members of our society. But we are a physical and competitive people and we have sought active rather than contemplative forms of leisure. It becomes difficult to speak of the enjoyment of leisure when many people, totally unprepared for it, find it instead to be a burden and a bore. American society urgently requires democracy of leisure in the sense that all citizens should have access to constructive opportunity for self-development and purposes other than earning a living. Higher education in large part represents this opportunity.

SEEKING SELF-DEVELOPMENT

There is already much evidence of how widely and deeply felt the need for higher education is among people with leisure and without employment problems. A substantial component of continuing education is designed specifically for those who seek self-development rather than vocational training. Unfortunately, continuing education is still primarily restricted to an older segment of the population because we still think of the college generation predominantly as a prevocational multitude of the young.

All this suggests that the recovery of the reputation and appeal of higher education may rest on a new emphasis upon the utility of education for its own sake. It also suggests, with new emphasis, that the distinction now made in higher education between the college generation and the older population is probably neither valid nor useful. If education is pursued for its own sake, as an investment in self and as a seeding process for a harvest of richer leisure, then there is little logic in drawing sharp age distinctions.

USEFULNESS OF CANDOR

Obviously there is a relationship of higher education to vocation, particularly when preprofessional preparation is involved. It may be useful, however, to be more candid about the distinction between vocational preparation in higher education and the nonvocational aspects. Such candor might produce recognition that most Americans would benefit from both, and that vocational and nonvocational education can be pursued in sequence or in parallel, for two equally valid purposes. Colleges and universities would then be seen—properly and attractively—as educational resources for all, rather than as vocational training camps for the young. Of course this is not new, but a fresh and sharper emphasis on the nonvocational mission of higher education would be a healthy, overdue and desirable corrective to the self-image and the public image of the American college and university community.

The question of standards in higher education is not unrelated to considerations of the usefulness of higher education. As our colleges and universities have proliferated and expanded to serve an ever-increasing proportion of the population, the process of higher education has become highly institutionalized. Process is a significantly double-edged sword: students are often processed more than they are educated. The tendency of the campus to become a prevocational training camp in which the young are sequestered has been reinforced because this facilitated institutional management.. However, institutional characteristics have had an even greater impact on standards of judgment and evaluation.

PROPAGANDA OF DIVERSITY

There is real—and destructive—tension between the varied, individual needs of the millions of people who seek higher education and the institutional patterns and purposes of the colleges and universities to which the people turn. As institutions, American colleges and universities suffer from a self-inflicted malady of mutual imitation which is potentially disastrous. The propaganda of American higher education points proudly to a rich diversity of colleges and universities, most of which were founded to meet particular and even distinctive educational needs, and each of which claims an individual character of its own. The ever more visible truth is that the whole community of American higher education is obsessed by devotion to a single model, and that colleges and universities are less concerned with the needs of their students than with a frenzy to become as alike as possible.

Institutionally, American higher education is a hierarchy dominated at the apex by a single model, the twentieth century American research university. To a marked degree, every college or university seems to lack self-respect and self-confidence insofar as it falls short of conforming to the model of the major research university.

INSTITUTIONAL AMBITION

The most obvious symptom of this peculiar malady is publicly visible institutional ambition. Two-year institutions founded to meet special needs, often primarily vocational, seek avidly to broaden their range and become four-year institutions. Four-year institutions founded to meet the needs of undergraduates seek to offer graduate programs and become quasi universities. Universities founded for special purposes seek to become complete major research universities. Ultimate institutional status appears to consist of a full doctoral program in virtually every discipline.

Other evidence of institutional ambition is that the status of faculties is measured by the proportion of Ph. D.s—without examination of how relevant this proportion is to the purposes of the faculties. Colleges tend to boast of the number of baccalaureate recipients who go on to graduate schools, as if it were self-evident that this alone were the path of greatest honor and fulfillment. There is widespread institutional pretense that all degrees granted are alike, which is so obviously not true that no one really believes it.

THE SINGLE STANDARD

And here may be the heart of the problem. By treating the major research university as the dominant model, American higher education is well along the road of pretending that a single standard of performance can prevail throughout the entire community of colleges and universities. This could be, if colleges and universities were all alike. They are not. As a result the pretense of the single standard has produced corruption at every level.

The major research university, for example, properly presumes a higher level of both preparation and motivation among its students than should necessarily be assumed by many other types of institutions of higher education. However, when the major research universities dropped required courses in basic English some time ago, these also tended to disappear from the curricula of many other institutions. This kind of corruption works the other way also. The major research universities today are far less frequently the setters of the single standard than its prisoners. As they have expanded—in large part lest they seem too exclusive, when in fact their great task is to be intellectually highly exclusive—they have conformed to an illusory common standard which is not properly theirs. For example, because most students in higher education have no essential need for a second or third language, the major research universities tend no longer to require a third or even a second language of their students, who probably do have such an essential need. Gresham's law prevails, and the illusory common standard has be-

gun to reduce high standards without raising lower ones. Using the words *high* and *low* at last touches bedrock.

RETURN TO STANDARDS

A return to reason and standards of integrity in American higher education requires a rediscovery of the fact that human talents and intellects vary, but that individual worth and merit bear no necessary relationship to orders of talent or intellect. A good and valuable person certainly does not necessarily possess the highest intellectual potential, nor does a brilliant intellectual necessarily rank as a good and valuable person. As unnecessary as it may seem to make explicit something so obvious, it is precisely this distinction that has been blurred within American higher education. It cannot be denied that the major research university is of a higher intellectual order than other institutions of higher education, and that it rightly should serve an academic clientele of the highest intellectual order. However, this does not make the major research university a better institution than a community college, only a different one. By the same token, intellectual standards required of necessity in the major research university are not inevitably relevant in a community college, which instead requires standards of its own, appropriate to its mission and clientele.

PURSUIT OF AN ORDEAL

Higher education cannot have it both ways. Either the academic community returns to a diverse array of colleges and universities that serve different needs and employ different standards, or the community evolves into a more homogeneous national system of like institutions that employ a common standard. Why not the latter is an obvious question. The answer lies in the tradition of American democracy. One of the ideals of that tradition is self-development for every person to the maximum individual potential. Pursuit of that ideal has prompted the opening of opportunity for higher education to a historically unprecedented proportion of the population. This ideal is difficult to serve by means of a homogeneous set of institutions committed to a common standard; the standard would either be so low as to deny full opportunity to the more gifted intellectually, or so high as to deny full opportunity to the less intellectually gifted.

The tradition of American higher education is that new and different colleges and universities were founded to meet new and different human needs. It is a sound tradition. Colleges and universities might do well to return their primary attention to the needs of their students, and to emphasize honestly that which differentiates one institution from another. In the wake of such reorientation, more honest and open distinctions could follow between research and teaching faculties. It is generally true that at major research universities, with their intellectually gifted and highly motivated students, the same faculty can be committed to both research and teaching, though problems have been obvious with this assumption. However, to extend this duality throughout most of the college and university world is nonsense, and fair neither to faculties nor to students. Unfortunately, this is being attempted.

A full and honest return to the American tradition of diversity in higher education not only would allow different types of institutions to respond vigorously to the specialized and varied needs of most of the population for some form of higher education; but it would also help to solve a number of present problems related to competition among institutions and to standards.

MORE COOPERATION

Colleges and universities would compete less for students if they could more honestly and directly appeal to more specialized and clearly defined clientele whose particular needs they could serve well. They could cooperate more effectively with each other on occasion when acknowledged differences point to complementary opportunities. There would be better reason to counter the trend toward the mega-campus, which has proven so complex to administer and so alienating in human terms, once the pretense need no longer be made that a single institution best serves a vast array of different needs.

As for standards, there is almost no limit to the benefits that would accrue from openly acknowledged and practiced differentiation. Within each institution there would be a rejuvenating challenge to set uniquely appropriate standards. Student-teacher ratios would vary widely, and appropriately. Institutional self-respect would be discovered in terms of measurement against unique criteria, not in subservience to some unattainable and illusory single model. Students could move at different stages through differentiated institutions, rather than being institutionalized in only one.

The greatest benefit of all, however, might be a return with full commitment to measurement of student performance. There is nothing invidious in evaluation of performance, but lately the myth abounds that there is, in academic terms. Athletics may be democratic, but measurement of performance is practiced without question. The analogy is far from satisfactory, but it can usefully be carried even further. The two sexes generally do not compete against each other in athletics, and their performances are judged by different standards. (The point of course is not to argue for differentiation of the sexes educationally, but only to note the accepted practice of using different standards in principle.) Different standards are commonly accepted in athletic competitions for the physically handicapped. Why is it not then possible to apply different standards to educational performance at different levels of talent? It is possible. Indeed, it is the failure to apply different standards, and the pursuit of a single standard, that may be partly responsible for recent hostility to any measurement of academic performance.

THE LOGIC OF MEASUREMENT

Higher education is designed to enable each individual to develop his or her own potential to the fullest. The logic of this is that when many entirely different human talents and gifts are involved in an array of educational activities, achievement must be measured by more than a single standard. There is no logic in denying the validity and necessity of measurement of performance. To deprive students of the challenge and reward of careful measurement of performance is corrupt pedagogy. Regrettably, corrupt pedagogy is prevalent today in American higher education. Those in higher education have cause to worry when the public questions whether mere institutionalization for several undergraduate years without clear measurement or evaluation can be represented as higher education. Integrity and candor are at stake, and so is the reputation of American higher education.

MARKET DEVELOPMENT

Mr. DOLE. Mr. President, this morning the Senators and Congressmen were hosted to the annual wheat breakfast sponsored by Western Wheat Associates, Great Plains Wheat, Inc., and the National Association of Wheat Growers. This year's event was an outstanding one, highlighted by an address, "Market Development in a Seller's Market" by Milton Morgan, chairman of the board of Western Wheat Associates.

Mr. Morgan's comments call attention to the improvement in our wheat exports and the importance of wheat in the search for world peace. To give this speech maximum exposure and distribution, I ask unanimous consent that it be printed in the RECORD.

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

MARKET DEVELOPMENT IN A SELLER'S MARKET

Mr. Chairman, Senator Bellmon, Ladies and Gentlemen, it is my pleasure to talk to you for a few moments this morning regarding the need to continue and strengthen our wheat market development program even during this time of a seller's market. Voices have been raised during the past few months urging an embargo on United States wheat exports. Consumers are complaining about the rapidly increasing prices of food, including bread. This is understandable but there are many good reasons why wheat exports must continue.

Indeed, our two regional market development organizations, Western Wheat Associates and Great Plains Wheat, have not locked the front door, sat in the back room with the blinds down and left the phone off the hook. Instead we have placed even greater emphasis on strengthening trade relationships with our foreign buyers to assist them in resolving the difficulties they are facing in obtaining the quantities of wheat they need under conditions of tight world food grains supplies and higher prices.

SEARCH FOR WORLD PEACE

It is difficult to arrange the priority of the many reasons that the United States should continue to export wheat and other agricultural commodities. Perhaps the most important overall reason is the positive influence these exports have had on the "search for world peace." It is now clear that agricultural exports played a very important role in the détente that has been developed between the United States and both the Soviet Union and the Peoples Republic of China. The President's mission to Moscow that led to a new era in U.S.-Soviet relations was preceded by overtures in the field of agriculture. Virtually all of the trade that has resulted from our warming relationship with the Peoples Republic of China has been in agricultural products.

Our traditional trading partners and allies have also recognized the importance of the productive capacity of United States agriculture and our ability to deliver. This was clearly evident in the uproar that followed the temporary control of soybean exports imposed last spring. Sufficient supplies become more important to our customers than higher prices.

Perhaps more important is the fact that people around the world are becoming aware of the interdependence between nations which is necessary to improve their standards of living. People everywhere are finding they need some things that only other countries can supply in sufficient quantities at reasonable prices. They need grains, food and fiber from the United States, oil from the Middle East and rubber from the Far East. We all need each other as markets for what we all can produce so that we all can afford to buy what we all want and what we all must have to survive.

BALANCE OF TRADE

Another vital reason the United States must continue to export wheat and other commodities is to regain and maintain a favorable balance of trade. We must export agricultural commodities if our consumers are to have oil, compact cars, TV sets, coffee, tea, bananas and spices. Agricultural exports during fiscal 1973 amounted to 12.9 billion

dollars and this year may reach the fantastic total of 20 billion dollars. The 10 billion dollar surplus in agricultural exports over agricultural imports this year is expected to put our trade balance in the black for the first time since 1970. By the way, this surplus will be enough to pay for all of our imported energy this year.

U.S. agricultural exports are the primary reason that the American dollar is gaining strength. This is important if we are going to be able to meet the higher prices for oil and other energy materials that we must have to keep our system working. It is also significant to note that the international role of agriculture has changed from one primarily of aid to one of commercial trade.

THE BENEFITS OF FULL PRODUCTION

All farmers in the United States would much rather produce from fence to fence than to operate with acreage restrictions provided, of course, that they received a fair return for their efforts. Expanding agricultural exports have resulted in tremendous savings to the United States taxpayer. Land retirement and subsidy costs were running about 4 billion dollars annually for 40 million acres. For wheat alone, 20 million acres were annually withdrawn from production at a cost of about one million dollars.

I must point out, however, that farmers are worried over the potential effect of overproduction. We do not want to build up price depressing surpluses again. Frankly, we are quite concerned as to the extent that the predicted 2 billion bushel wheat crop this year will affect price levels in the face of rapidly escalating costs.

The cost of producing wheat has risen dramatically during the past year. Last June, a farmer in Western Nebraska paid $55 per ton for anhydrous ammonia—today he may have to pay as much as $400 per ton, if he can find it. Farm machinery is impossible to purchase off from the lot. It often takes a waiting period of 6 to 9 months to obtain a new farm truck, tractor or combine. A medium size combine, equipped to also harvest corn, now costs $37,000. Three years ago a farmer had to pay $12,000 along with a trade in of a good used combine. This year his cash cost for the same trade has risen to $17,500.

Fuel costs have more than doubled. Last spring the farmer could buy diesel fuel for 16¢ per gallon; now it costs 37¢. Last year he could buy gas for 27¢; this year 48¢ per gallon. Furthermore, there are no discounts for volume tank purchases.

These are a few examples of the many increased costs of farm inputs that require much higher prices for wheat and other commodities than 12 or 18 months ago. The continued expansion of agricultural exports is the only way the farmer will obtain adequate prices under a free marketing system.

PRODUCTION FAR EXCEEDS DOMESTIC USE

A more practical and obvious reason that we must continue to export wheat and other agricultural commodities is that our production far exceeds our domestic use. During this marketing year, the total domestic and export wheat usage is estimated at 1 billion 972 million bushels. Domestic requirements are estimated at 772 million bushels for food, feed and seed which is less than 40% of the total use. Domestic use will only utilize 38% of our estimated 1974 wheat production. The export market today is far bigger than our domestic market.

CONTINUING MARKET DEVELOPMENT IN A SELLER'S MARKET

Let me come back again to a point made as I began these remarks. Great Plains Wheat and Western Wheat Associates must continue a market development program even though we have been in a seller's market. We are concentrating our efforts in a wide range of "trade-servicing" activities. Trade servicing is aimed at resolving trade problems, developing and exchanging market information, providing technical assistance and generally improving the climate of trade. Because of the uncertainty and anxiety that characterizes the international commodity markets today, there is an unusual need to strengthen communication links between the buyers and sellers, whether government or industry. The market development cooperators are uniquely well suited to fill this role.

Market development under today's conditions could be called a "bridge to trade expansion." There are compelling reasons to believe that market development efforts will always be essentail to many commodities and that expansion of agricultural exports will continue to be a national goal. This is not a time that the market development cooperator should lock the front door. This is the time that he should install an extra phone and keep his suitcase packed.

WHERE DO WE GO FROM HERE?

While concluding my remarks, may I ask this question of everyone in this room, "Where Do We Go From Here?" Are we still in a seller's market? Or are we in the transition to a buyers' market. The price of wheat has fallen sharply during the past three weeks—over $1.00 per bushel. During this past year, we have been on a jet plane ride in the market, soaring to new highs in prices and exports. The flight has not always been smooth and has often been characterized by violent accelerations and breath-taking drops. The ride is not over. We are still roaring along at 30,000 feet but occasionally an engine falters and, as we nervously grip the armrests, we wonder "Where Do We Go From Here?"

We are still rocketing along in space, subject to sharp climbs and abrupt frightening falls. We cannot predict for sure what will happen during the next few years, or even the next few months. Too many factors that are uncontrollable and cannot be foreseen affect our situation; but we do know that we must continue to carefully plot our course and that we must use every moden facility to scan ahead for storm clouds as well as sunshine. We can do much to pilot our own ship. We have customers to service—a crop is planted and must be sold following harvest.

With your cooperation and support, we will continue to climb to new heighths, along a smooth path and to a smooth landing onward toward our next objective.

Thank you.

SENATOR CHILES ON PROCUREMENT REFORM

Mr. CHILES. Mr. President, on March 1 of this year, the Senate passed S. 2510, a bill to create an Office of Federal Procurement Policy (OFPP). The bill has been referred to the House Government Operations Committee and, with Chairman HOLIFIELD's dedicated leadership, we will probably see action on the bill by the House before the end of May.

By its prompt action, the Senate has shown a unique response to a documented need and has taken steps to fill a void in procurement direction and guidance.

Mr. Arthur F. Sampson, the Administrator of General Services Administration, who served with Chairman HOLIFIELD and myself on the Procurement Commission, is an articulate spokesman for procurement reform. He spoke to the Federal Bar Association briefing on Government Contracts on March 5, 1974 and addressed himself to the issues involved in trying to promote changes in this vital area.

The two basic goals that Mr. Sampson emphasized deal with problems that S. 2510 seeks to eliminate: Modernizing the mammoth Federal procurement system and, thereby, making it easier for the private sector to do business with the Government.

Mr. President, I ask unanimous consent that Mr. Sampson's remarks be printed in the RECORD.

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

REMARKS BY ARTHUR F. SAMPSON

The Procurement Commission report is over a year old. And it isn't getting any younger. Or more exciting. Or more full of potential.

Over the past year the report has generated a lot of interest. A lot of guessing, and more speeches than any of us would care to hear. I, myself, have gone out around the country—and I know some of the other commissioners have, too—much like a missionary. Selling the need for change in Federal procurement and offering the Procurement Commission report as the basis for that change.

What I've been saying is really very simple. I've been saying that all the changes needed in Federal procurement and all the changes recommended by the commission are focused on two fundamental goals:

GOAL NO. 1

We've got to modernize the mammoth Federal Procurement System. And

GOAL NO. 2

We've got to make it easier for the private sector to do business with the Federal government. All our efforts, I've said, should be devoted to these two goals.

The first goal—modernization—is really directed to the workings of the Federal procurement establishment. And it's a massive establishment—thousands of specialized employees, a $57 billion annual "output" of procurement actions, and every citizen of this country as a direct or indirect client.

In so large a system, there is bound to be some waste, some inefficiency, some conflict. We must seek them out and eliminate them. And we must search out the logic in the system. The economies we can make. That's a fundamental aim of all the procurement commission recomendations and all our work to implement them.

The second goal—making it easier to deal with the Government—is equally important. It deals not with the inner workings of the system so much as the outward face of it. It's a concern not so much for operating efficiency as for quality of product.

It's as simple as this: The easier we are to deal with, the more attractive Federal business becomes to private businessmen. The more attractive the market, the more competition. And more competition means better products and better services for the taxpayer's dollars.

These two goals are what the procurement commission is about. That's what I've been saying for the past year and I still believe it. And the responses to this view are very encouraging. There is a lot of interest and a lot of attention and a lot of concern with the Federal procurement system shared by groups such as yours and by private citizens around the country.

But what's really happening? To someone not familiar with the ins and outs of Federal procurement there wouldn't seem to be much change or much current action.

Well, that's a pretty good guess.

Sure, a lot of backscratching. A lot of pushing and pulling. A lot of coordinating. But, to date, not one single major procurement reform has come out of the process. Sound and fury. . . .

Right now GSA and the other procurement agencies are involved in a process of developing positions on all of the procurement commission's recommendations.

By Executive Order 11717 dated May 9, 1973, the President transferred to GSA certain management policy functions from OMB. In a subsequent statement on May 22, 1973, the President called on GSA to take the lead in the development of Government-wide management policy in four highly sensitive areas including procurement. This in a partnership with OMB.

In response to the President's order, we have established an office of Federal management policy at GSA.

The office has a broad charter to formulate, prescribe and assure compliance with Government-wide policies relative to the functions of procurement, financial management, property management and automated data processing. The most important procurement mission presently is the coordination of executive branch effort relative to the procurement commission report.

GSA is leading the efforts of: 14 lead agencies chairing, 74 task groups involving, more than 300 people all working to develop an executive branch position and, where appropriate, implementation for every one of the recommendations.

And a panel of recognized government procurement experts has been formed to assist in planning this effort.

Based on present schedules, we will have task group proposals for executive branch positions or position implementations on nearly 100 percent of the recommendations by the end of fiscal 1974.

And a special unit has been formed in GAO to review and report to Congress on executive branch efforts regarding the reports. So, while GSA is watching the task groups, the GAO is watching GSA.

This process of discussion and coordination *can* be useful.

Some commission recommendations need close study before developing a position and a strategy to implement them. Recommendations, for example, concerning the selection of architects and engineers, Government profit policies and independent research and development. We have the mechanism now for discussing these and other difficult issues.

There are other recommendations which require legislation and so require a careful and complete approach. In that way, when legislation is introduced, it will be fully supported and speedily enacted.

For example, we will be supporting, in the near future, legislation for a common Government-wide procurement statute, proposing bills to increase the small purchase negotiation authority from $2,500 to $10,000 and to extend the truth in negotiations act to all federal agencies.

Our coordinating procedure can be useful also in implementing those commission recommendations that do not require legislation. That do not require deep debate.

Many recommendations are subject to managerial action without legislation and without that much discussion.

Recommendations such as: A reasonably uniform approach to debriefing unsuccessful offerors, the placement of procurement in agencies, the role and authority of contracting officers, re-evaluation of ADPE equipment acquisition procedures in light of total economic cost, are but a few of perhaps 30 or 40 recommendations which are amenable to administrative action.

The interagency coordination going on now promotes consistency in decisionmaking on these recommendations.

Finally, a thorough and complete debate of issues is an educational process. The Commission report exposed some elements of the Federal procurement community to brand new issues. Thus the task groups and their position development support the goal of building a sophisticated and professional procurement workforce.

But for all its value, this interagency coordination will not result in the dramatic changes necessary—not one single major procurement reform—without the establishment of an Office of Federal Procurement Policy.

I've done a lot of talking about the OFPP issue and I'm going to continue—it's so vitally important.

Establishing an OFPP is the single most important procurement commission recommendation. And its the philosophical basis for most of the others.

Let's face it, we're running a sixty billion dollar purchasing program like a garage sale! No one at the front of the store. No one in charge. If Proctor and Gamble or General Motors or IBM ran their purchasing like that it would certainly put their stockholders out of sorts—if it didn't put them out of business altogether.

We might agree on the need for an OFPP, but how to structure it? How would it work?

First, I believe, it has to have a statutory base. That's the only way it will have permanence enough to grapple with an evolving Federal procurement system.

Senator Chiles' bill to establish an OFPP has now passed the Senate and Representative Holifield has introduced one. In substance, I support both. I do disagree, however, with the provision in the Senate bill which, in effect, gives the Congress 90 days in which to veto major policy changes proposed by the Administrator of the OFPP. To my mind, this provision is too rigid a means of coordination between the executive branch and the Congress. And it would impair the ability of the OFPP to make the major reforms we need.

But, whatever the details, the Office of Federal Procurement Policy must be established by law to make it last.

A second characteristic of an OFPP. It has to have clout.

Our Office of Federal Management Policy is directing interagency work on the Procurement Commission report. It is working and it is the only game in town. But, it works on concensus and turns to OMB as the tie-breaker.

It will never have the clout of an OFPP as the Commissioners saw it. And it shouldn't have the title.

The Office of Federal Procurement Policy has to be set up in the Executive Office of the President. To give it true directive authority in the executive branch. To give it the strength to withstand the tremendous pressures that will surround it.

Finally, the Office of Federal Procurement Policy has to be an expert group—but a small one to avoid duplication. And to avoid the tendency to get involved in procurement operations.

That's the OFPP the commissioners proposed—small, strong and set up in law.

All the interagency cooperation and coordination is fine. And we are pushing to keep the process moving ahead more quickly. But no major issues can be settled and no major reforms made until some overall procurement authority is established.

Of course, that's just the problem.

Nearly everyone is "for" an OFPP. They're for it as long as they can structure it and as long as it leaves them alone.

The OFPP is a "motherhood" issue. But even motherhood can be a bad thing under some circumstances.

Compounding that problem, there are opponents to central procurement policy authority. In spite of the success of Senator Chiles' bill in the Senate on Friday there may be a lot of lobbying in the House against an Office of Federal Procurement Policy.

A third problem. I think we've lost momentum. That's the most dangerous problem of all.

Let's look at what's at stake. We have in our hands a tremendously powerful tool. The procurement commission report. Months and months of research went into it and volumes of testimony. It proposes improvements that are realistic. Changes that can be made.

It's the most comprehensive study of Federal procurement ever done. If we let it fade out or get filed away, it's unlikely that the climate of change and the cooperation it has fostered can be reproduced for years.

If we don't act on the commission recommendations now, we'll be postponing procurement reform for five years at least.

There's never been a true constituency to push for procurement reform—it's a technical and complex subject.

We can't look to government contractors, to business in general or to the public to push for change. It's up to us in the executive branch—from contracting officers to top managers. And it's up to Congress. Passage of S. 2510 is a strong step towards reform.

We must give up our parochial views, adjust our special needs to a larger system, and see Federal procurement—for the first time—as the single, major Federal function it truly is.

We should devote all our attention to the establishment of central procurement authority to direct the policies of that system. Then we should work on the system to modernize it and make it easier to deal with.

The recommendations of the Commission on Government Procurement hold the promise of millions of dollars of savings and improved quality of service to the people.

And beyond the savings, beyond the quality of service, procurement reform offers us all who are involved in it the confirmation of our belief in good government.

GENOCIDE CONVENTION

Mr. HUGH SCOTT. Mr. President, the matter of genocide continues to be a matter of concern to many of my constituents. Past presidents of the American Bar Association just today made known to me by telegram their sentiments on this continuing controversy. I ask unanimous consent that their telegram be printed in the RECORD.

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

[Telegram]

WASHINGTON, D.C.

Senator HUGH SCOTT,
U.S. Senate,
Washington, D.C.:

We support the report of the Senate Foreign Relations Committee dated March 6, 1973 concerning the genocide convention and urge that the Senate advise and consent to ratification thereof.

William P. Gossett, Orison S. Marden, Robert W. Meserve, Earl F. Morris, Bernard G. Segal, and Whitney North Seymour.

NUCLEAR INDUSTRY STILL UNRESPONSIVE TO SAFETY EXHORTATIONS

Mr. GRAVEL. Mr. President, in a story entitled "AEC Warns of Shortcomings in the Nuclear Industry" by Lee Dye, the Los Angeles Times of December 26, 1973, reported as follows:

Top Atomic Energy Commission officials have warned representatives of the nuclear industry that they have not maintained the level of performance dictated by the nature of their business.

In a series of meetings across the country in recent weeks, the officials have accused the industry of counting too much on luck and not enough on quality control.

Nuclear plants are not as reliable as had been expected, and the ABC routinely discovers serious shortcomings in the industry's safety programs and frequent violations of AEC regulations, according to messages delivered to the industry.

AEC participants in the program include L. Manning Muntzing, the agency's top regulatory official; AEC Commissioner William Doub, and other top officials.

THE NIXON ADMINISTRATION ECONOMIC POLICY IS PARALYZED

Mr. HUMPHREY. Mr. President, in the face of soaring inflation, rising unemployment, and falling production, the Nixon administration continues to demonstrate its unprecedented inability to make any headway in protecting the American people from their economic nightmare.

But far worse than its failures is the administration's apparent decision to give up the fight. The President's proposed fiscal 1975 budget and annual economic report indicates an appalling apathy toward our current national economic woes and defeatism that the American people must not be asked to endure.

As the New York Times editorialized last Friday, "national economic policy appears paralyzed. . . . The beginning of a program to stop inflation requires an act of will by Government in coping with complex problems, rather than the present soggy mood, aggravated by a Watergate-logged President, in which nothing can be done."

Given this vacuum of leadership in the executive, Congress must act, and act quickly, to shore up our sagging economy, to prevent a deepening recession, and to curb inflationary pressures.

We already have several bills before Congress which are targeted to increase employment, encourage production, and fight inflation. They must be reviewed on an urgent basis by Congress and enacted. The President must not be permitted to force his defeatism on the Congress.

I believe Congress could take a major step to get the economy moving ahead by passing Senator MONDALE's proposal (S. 2906) to allow taxpayers to substitute a $200 tax credit for each $750 exemption, at their own discretion. This tax cut would benefit most those who have borne the brunt of last year's inflation, our low- and middle-income taxpayers. It would also improve the progressivity of the tax system, and serve to restore taxpayer confidence which has been so severely eroded in the last year by recent revelations of tax avoidance. And Senator MONDALE's proposal would provide the right amount of stimulus to a weak economy. It would give money to those taxpayers who are most likely to return it quickly into the spending stream, thus bolstering personal consumption expenditures, which have been particularly weak in the past 6 months.

Granting a tax cut now could also be anti-inflationary. George Perry, an eminent economist, argued before the Joint Economic Committee that "part of a social contract for wage moderation should include a tax reduction that would restore some of the after-tax income loss of middle- and lower-income wage earners—an attempt to raise incomes via the tax table rather than via the bargaining table."

Second, Congress has before it S. 3027, the Energy Emergency Employment Act. This legislation, which I have authored, would create a major public employment program to provide jobs for those workers who have been laid off or who are unable to find employment in the private sector as a result of declining production. If the administration had fulfilled its obligation under the Employment Act of 1946 to "promote maximum employment, production, and purchasing power," it would have included a public employment program in its budget. Yet, all the administration will admit is that if the situation deteriorates further, they have contingency plans to deal with recession. What these plans consist of is one of the best kept White House secrets.

Mr. President, it is time for Congress to act—unemployment has already reached 5.2 percent—almost 5 million American people without jobs—and most forecasters expect it to reach 6 percent by the end of the year. When and if the administration decides to propose some employment measures, they will no doubt be too little and too late.

With respect to inflation, it is clear that more than 60 percent of the increase in the Consumer Price Index in the past year has been due to price increases for food and fuel. Congress should roll back domestic oil prices as a first step toward reducing inflationary pressures. Second, one of the major causes of the food inflation has been mismanagement of agricultural policies by this administration, which resulted in creation of a wide gap between supply of and demand for the products of American agriculture.

To prevent this from happening in the future, I have proposed the creation of a national and international system of reserves of major agricultural commodities.

The reserves system which I have proposed would protect consumers and farmers from erratic changes in food prices.

It would introduce an element of stability into our highly volatile grain markets and assure our foreign trading partners that the United States is a reliable exporter of these key grains.

Mr. President, the economic trouble we find ourselves in today is by no means hopeless. Congress can pass a tax cut for working people that could stimulate production and assist those who need it most.

Congress can and should pass a public employment program to alleviate the terrible burden which is being imposed in the name of economic stabilization on unemployed workers. Congress can and should take the lead in reducing domestic oil prices and can develop a food policy which avoids the sharp swings in the availability of supply which we have experienced in the last few years.

But, as the New York Times editorial of March 22 stated:

It is up to Congress to step into the vacuum left by White House inaction and impotence.

If we do not take the lead, it will not be done. Therefore, I urge all of my colleagues to move ahead as rapidly as possible on these and other programs and policies that the American people urgently need. Today is our moment, and we cannot let it pass without incurring the strong criticism of those who have elected us to positions of public responsibility.

Mr. President, I ask unanimous consent that the editorial from the New York Times, entitled "Inaction or Inflation," be printed in the RECORD.

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

INACTION ON INFLATION

For American consumers, it is slaughter at the checkout counters and the gasoline pumps, food and fuel prices soared again in February, giving another big thrust to skyrocketing consumer prices. With last month's increase of 1.3 per cent, the cost of living has climbed 19 per cent in the past twelve months—the first double-digit rate of inflation in consumer prices since 1948. As a result, the real spendable income of workers has dropped 4.5 per cent below a year ago.

In the midst of this dangerous inflation, national economic policy appears paralyzed. Partly, this is because the speed-up of inflation is taking place while production is dropping and unemployment edging up. Policymakers are afraid to tighten fiscal and monetary policy, lest they exacerbate the recession that President Nixon has declared is not going to happen. Their liberal critics, in fact, are urging the Administration to provide at least moderate fiscal stimulus to the economy. Without stimulus, these critics warn, the hoped-for recovery in the second half of 1974 may never occur. But the Administration rejects this course, out of fear that it would worsen the inflation. Chairman Stein of the President's Council of Economic Advisers, notes that though 63 per cent of the February price increase was in the food and energy areas, inflation in other areas was also substantial, and hence "great caution is needed about measures . . . to stimulate the economy."

The Administration, having convinced itself that price-wage controls only make a bad situation worse—a point on which it needed little convincing—has no intention of trying controls again. The existing stabilization program is in process of rapid disintegration ahead of its formal April 30 expiration date. The Administration seemingly wants to retain mandatory controls only on fuel and health services, with a residue of jawboning and gentlemen's agreements in construction and a few other fields, in line with the prescription of Director Dunlop of the Cost of Living Council.

Faced with the failure of past policies, some economists—including such conservatives as Milton Friedman and the economists of the State Street Bank and Trust of Boston—are saying that if we can't lick inflation, we should join it: that is, adjust interest rates, wages, rents, contracts, and so on to reduce inflation's impact on any group in the society. What the conservatives fear is that the effort to halt inflation will involve an increase in government power over the

economy sufficient to wreck the free-enterprise system.

This represents a counsel of despair. There is real danger that "indexing" all incomes so that they go up or down with the price level would cause inflation to accelerate or simply become a way of life, a senseless merry-go-round that distorts decision-making and misuses resources.

The beginning of a program to stop inflation requires an act of will by Government in coping with complex problems, rather than the present soggy mood, aggravated by a Watergate-logged President, in which nothing can be done. It is by no means impossible to devise a combination of fiscal measures to tax away windfall gains of some industries, especially oil, while providing some relief for working people, whose real incomes have been undermined by inflation. Such action may indeed be essential to prevent a wage explosion when controls lapse. The mess the Administration made of controls does not mean that such messes are inevitable. It is up to Congress to step into the vacuum left by White House inaction and impotence.

TITLE I—H.R. 69

Mr. BUCKLEY. Mr. President, events in the House of Representatives yesterday have left me saddened and concerned over the fate of hundreds of thousands of disadvantaged children in numerous larger cities across our Nation. I speak of the refusal of the House to make any changes in the unfortunate new formula drawn up by the Education and Labor Committee for the allocation of education funds under title I of the proposed extension of the Elementary and Secondary Education Act, H.R. 69. The House defeated several amendments which sought to make the formula more equitable and responsive to concentrations of poverty and educational disadvantages. The size of the votes reflects an antilarge State and major population center bias which is both surprising and dismaying.

As defined in section 101 of the 1965 legislation, the purpose of title I is "to provide financial assistance to educational agencies serving areas with concentrations of children from low income families to expand and improve their educational programs by various means which contribute particularly to meeting the special educational needs of educationally deprived children." Unfortunately, the House committee change in the allocation formula has the effect of directly undermining and changing the intent by dispersing title I funds around the country and to relatively less disadvantaged children, rather than channeling them to local educational agencies which have large numbers of needy children. Thus, those children most in need of additional educational assistance will lose some of the insufficient aid they currently receive, while children with relatively less need for such help will receive additional aid. I submit, Mr. President, that such an approach is self defeating, unwise, and should be rejected.

A major reason for this change in emphasis is the substitution of the Orshansky index as a major factor in the allocation formula. The appropriateness of this index has been strongly disputed in many quarters, and even the developer of the index, Mollie Orshansky, recommended in committee hearings that "further analysis of the formula be conducted before it is used as a poverty index." Unfortunately, this was not done. The essential problem with the index is that it does not draw a comparison between rural and urban families, but rather between farm and nonfarm families, with the main emphasis on food as a component of the family budget.

This distinction obscures and misstates the cost-of-living differences between rural and urban areas by giving little weight to the extra expenses and higher costs incurred in urban areas. Thus, the effect is to shift money to the rural areas and away from the urban areas where concentrations of poverty and the problems of education are the greatest and increasing. In addition, the number of children involved will increase under this formula by over 50 percent, thus seriously diluting the amount of money available per child.

Another change in the new formula is the reduction in the percentage of AFDC children used in determining allocations. However, in answer to questions submitted by the House Committee on Education and Labor, the Social and Rehabilitative Service of HEW asserted that AFDC data was the best available on which to base the distribution of funds:

> Although there are variations in AFDC eligibility and payment levels which do favor States with less restrictive eligibility rules and higher payment levels if AFDC data are used to allocate funds, we are unaware of any other more adequate data which is provided county-by-county on a relatively current basis (yearly) which could be used for an equitable distribution of funds.

The third unfortunate change in the formula is the imposition of a ceiling of 120 percent of the national average per pupil expenditure on the State aid rate, 50 percent of which is used as a multiplying factor in the allocation formula. This particular provision was directed in committee specifically against my own State of New York, which has a per pupil expenditure of 150 percent of the national average, as well as other urban and high cost-of-living States which are making an extra effort in the field of education.

It is asserted that a high per pupil expenditure proves that such States are wealthier and therefore should receive less. This is surely specious logic. The effect of this change is to penalize those States that are trying harder to provide a good education for their young, and to reward those States which are making relatively less effort in this field. The staffing ratio of New York exceeds the national average by 25 percent in instructional staff and 18 percent in classroom teacher staffing. This is needed not only to help provide quality education, but also to help deal with the additional education problems encountered in large urban centers.

While it is true that New York receives more dollars than other States under the present title I formula, it gets comparatively less than other States do for their children. New York receives only 19.8 percent of its average per pupil expenditure for a title I child, while such States as Minnesota and Mississipi are currently receiving 25 percent and 89.5 percent, respectively, of their per pupil expenditures. In addition, Federal funds in general account for 5.4 percent of the total expenditures in New York for elementary and secondary education, while the Federal share of Mississippi's expenditure, for example, is 26 percent. Under the proposed formula, New York State stands to lose approximately 25 percent of its current title I funds and, in New York City alone, as many as 100,000 poor children could lose the benefits of title I services.

It is thoroughly ironic, not to mention unjust, that New York State which, according to the Advisory Commission on Intergovernmental Relations, is making the highest tax effort of any State in the country and yet has one of the lowest returns of the dollars that its citizens send to Washington, should be singled out as getting too much Federal money and be legislated against for its efforts to provide quality education for all its children.

Mr. President, while all of us recognize the need for some reform in title I allocation formula, it is clear that the House committee formula does not really correct any of the shortcomings in the old formula but, on the contrary, actually creates some new, more serious inequities. In fact, it dilutes the effectiveness and subverts the purpose of title I. It simply does not make good sense, nor policy.

It is unfortunate that the committee hastily approved this formula without the requested further analysis and pertinent data, and in an atmosphere of hostility toward New York and other heavily populated areas.

It is even more unfortunate the whole House would not support commonsense and the national interest by making needed changes in the formula during floor debate on the bill.

In any case, I urge the Senate to enact a just and equitable title I formula in whatever ESEA legislation comes to the floor. I am told that the Senate Committee on Labor and Public Welfare has included a reasonable formula in S. 1539, the Senate ESEA bill. I hope that, if the formula should become an issue in conference with the House, the Senate conferees will continue to support and fight for an equitable formula.

Mr. President, we must strive to maintain the purpose of title I and to insure that very poor and disadvantaged children of our Nation, especially those in the overcrowded, psychological pressure cookers of our larger cities, receive their fair share of the educational funds voted by Congress.

AIDING FOREIGN REPRESSION

Mr. McGOVERN. Mr. President, recently in an editorial in the Columbia, Mo., Missourian, the paper praised the efforts of my colleague, Senator JIM ABOUREZK, and his efforts to amend the Foreign Assistance Act of 1973.

Most Americans are familiar with the Nixon administration's export of wheat to Russia and the imports of oil from the Middle East, but what most Americans are not familiar with is this country's involvement in other, not so publicized, imports and exports. Senator ABOUREZK has noted that, among other things, in recent years we have exported almost $3 million worth of fragmentation grenades to the national police forces of three countries, and we have exported millions of dollars worth of supplies and training aids to some of the most repressive regimes in the world for them to control their populations. We have imported hundreds of police and para-military personnel from these regimes to teach them how to build and detonate explosives, how to wipe out pockets of opposition, and how to instill fear into the minds of their fellow citizens.

Certainly, this activity falls far short of either the definition or the spirit of the intentions of our foreign aid program. Senator ABOUREZK has stated that if the American people knew about this activity, they would want it stopped immediately. I couldn't agree more.

Mr. President, I ask unanimous consent that the Missourian article be printed in the RECORD.

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

AMERICAN FOREIGN ASSISTANCE MUST NOT AID REPRESSION

If news is whatever the editor thinks it is, then editors all over the United States fell on their faces last October. For that was the month when, in a losing cause, 44 U.S. Senators voted terminate American financial support for the practice of torture in countries around the world.

The vote came on an amendment to the Foreign Assistance Act introduced by Sen. James Abourezk, D-S. Dak. Elected to national office for the first time in 1972, Sen. Abourezk is one of the few bright spots in a lackluster Congress.

In a little-noted speech Oct. 1 in support of his amendment, Sen. Abourezk reminded the Senate that from 1965 through 1972, the United States supplied $2.9 million worth of fragmentation grenades to the national police forces of three countries. In addition, the U.S. Navy paid an American firm $400,000 in 1971 for constructing and delivering new isolation cells—called tiger cages—to Con Son Island in South Vietnam.

"One would be hard-pressed to find the American humanitarian spirit in furnishing grenades and isolation cells," Sen. Abourezk said.

Sen. Abourezk went on to note that in the eyes of many people around the world, "the foreign policy of the U.S. has increasingly come to mean police power, military aid, military alliances and support for repressive and authoritarian governments as a means of creating our own definition of world stability."

It is little wonder foreigners make such a connection. The Indochina War tarnished the U.S. image badly, of course, and our support of anti-democratic governments like the one in Greece has not helped matters much, either. But our national image can only plummet to new lows as a result of a report by Richard Arens, a professor at Temple University, which Sen. Abourezk inserted in the Congressional Record.

Professor Arens maintains that last year the United States provided $2.5 million in military assistance, training and advice to the right-wing government of Paraguay. Perhaps that would not be so bad if it were not for the program of "systematic liquidation" which the Paraguayan government is presently employing against the Ache Indians, a Paraguayan minority group.

According to Professor Arens' report, which was originally published last year in The Nation, Aches "are being hunted and indiscriminately killed regardless of age, sex, or position."

The Paraguayan slaughter has been acknowledged and denounced by the Roman Catholic Church of that country and by the World Council of Churches. Professor Arens says that British and German publications have from time-to-time run various exposes documenting the extermination of the Aches. But never has an outcry been raised in the United States, not even by the U.S. Ambassador to Paraguay, who is reportedly a close friend of Paraguayan ruler, Gen. Alfredo Stroessner.

Under the circumstances, one would think nothing could be more of an incentive to such an inhumane government than a continuing flow of aid, and yet the combined total flow of aid, and yet the combined total of all American military and economic aid to Paraguay reached $11.5 million last year.

It is this sort of callous indifference to cruelty that Sen. Abourezk would like to see eliminated from the American budget. His defeated amendment reads in part: "(No funds) . . . shall be used to provide training or advice, or provide any financial support for police, prisons or other internal-security forces of any foreign government . . ." That is a sensible statement of what American policy should be.

FLORIDA REMEMBERS JOSEPH E. LEE

Mr. CHILES. Mr. President, one of Jacksonville's and Florida's most distinguished adopted sons was Joseph E. Lee. In the 47 years that he lived in this city and State, Lee established himself as a brilliant lawyer, an outstanding theologian, a captivating orator, a masterful politician, an illustrious statesman, and a social, civic, religious and fraternal leader.

Joseph E. Lee was born in Philadelphia, Pa., on September 15, 1849. He attended that city's public schools as well as the famous "Institute for Bold Youth." He obtained his law degree from Howard University School in 1873, where he was a student of the brilliant John M. Lanston, dean of the law school.

His legal career was commended in April, 1873, when he was admitted to practice before the Florida Supreme Court on the motion of Attorney General William A. Cocke. He was the first black lawyer in Jacksonville and the third one in the entire State. Lee was also one of the first, if not the first, lawyer in Florida to have a law degree. His clientele was statewide and included some of Florida's wealthiest citizens. Lee had a brilliant legal practice that lasted for 47 years and ended on March 25, 1920, when he died in his law office at 23 E. Beaver Street.

In November of 1874 Lee was elected to the lower house of the Florida legislature. He was a member of that body for the next 8 years. In 1880 he was elected to the State senate, where he served until 1882. Lee was a very active legislator, and he served on the following legislative committees: Judiciary, Privileged and Election, Engrossed Bill, and Education.

Lee's Federal appointments were as impressive as his elected record. Throughout the 1870's and 1880's he was either the Deputy Collector of Custom of the Port of St. John or the Deputy Collector of Internal Revenue of Jacksonville. He was the Collector of Customs of the Port of St. John from 1890 to 1894 and from 1897 to 1898. The last Federal appointment that he held was the Collector of Internal Revenue of Jacksonville from 1898 to 1913.

In 1884 he was nominated by his political party to be a delegate to the constitutional convention of 1885 which had to rewrite the Florida Constitution as its duty.

The achievements of Joseph E. Lee as a religious leader matched his other accomplishments. He was a member of Mount Zion African Methodist Episcopal Church where he served as the superintendent of its Sunday school. He later became a minister in his denomination and was the pastor of three of Jacksonville's most famous churches, Mount Zion, Mount Olive, and Grant Memorial. A charter member of the East Florida Conference of the AMC Church, he later served as a presiding elder.

On April 3, 1888, Lee was elected municipal judge of Jacksonville over two white candidates. He was the only black man to ever hold a judgeship in the history of Jacksonville.

As a political leader and statesman his brilliant abilities were known and respected on the local, county, and congressional levels. Joseph E. Lee was a major force in the Republican Party of Florida for almost 50 years. He was both the chairman of the Duval County Republican and secretary of the State Republican Parties for almost 40 years. At the time of his death in 1920 he was still holding these positions and delegate to the national Republican convention of that year.

Lee's contribution as an educator was made at Edward Waters College where he was a trustee of that institution for over 30 years. In this position he played a major role in the development of that institution of higher learning.

The fraternal and civic activities of this "man of all seasons" were as exciting as his other careers. Lee was the worshipful master of Harmony Lodge No. 1 and the grand messenger of the Grand Lodge of the State of Florida. He was also the grand worthy chief templar of Florida's Order of Good Templars as well as the recording secretary of the Union Benevolent Association which provides aid to the poor, aged, and the infirm.

Perhaps Lee's greatest contribution was to the youth of his days. They idolized him, not only did he both inspire and influence them during his lifetime, he also wrote his name in their minds forever. When James Weldon Johnson wrote his autobiography, "Along This Way," in 1933, he remembered the Joseph E. Lee from his youth. He wrote:

I was in my teens when the city government was reorganized and Joseph E. Lee, a Negro and a very able man and astute politician, was made judge of the Municipal Court.

In December 1972 A. Phillip Randolph told a reporter for the New Yorker, who was writing an article on the dean of the civil rights movement, of how his father looked up to Lee and tried to influence his children to do like him. It is of interest to note that the statement by Mr. Randolph was made 52 years after the death of Joseph E. Lee.

Joseph E. Lee was truly a man of all seasons who wrote his name forever in the history of Jacksonville and Florida.

SCHOOL SMOKING ROOMS

Mr. MOSS. Mr. President, Mr. Norman Cousins has written an article entitled "School 'Smoking Rooms' Only Intensify a Problem." This article appeared in the Seattle Times on March 24, 1974. I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. MOSS. Mr. President, as the Senate will remember, this body and the House voted overwhelmingly to exclude the advertising of cigarettes from television and radio in an effort to halt the growth of diseases such as lung cancer, emphysema, and other maladies connected with the smoking of cigarettes. One of the particular areas of focus was to halt the appeal to young children who watch television very avidly. Unfortunately, the decrease in smoking has not been nearly as great as had been expected. And young people still seem to be getting suggestions from other forms of advertising, and particularly from examples set by their elders, so that the incidence of smoking has continued to climb among the young people.

This article deals with the failure of some of our schools to try to educate children as to the dangers of smoking and to instill some discipline to halt the growing use of tobacco by young people. The article criticizes severely the practice of a Connecticut high school which has set aside a room where students are free to smoke.

I think all of us should consider this problem and be concerned about it. Voluntary agencies of the Lung Society, the Cancer Society, and others make an effort to educate our citizenry. We should have the cooperation of our schools.

EXHIBIT 1

SCHOOL "SMOKING ROOMS" ONLY INTENSIFY A PROBLEM

(By Norman Cousins)

NEW YORK.—In the small Connecticut community where I live, the high-school authorities have reserved a large room in which students are free to smoke. There are no restrictions as to age.

The theory is that youngsters are going to smoke anyway, no matter what teachers or parents do, and that it is far better to permit the children to smoke in the open than in washrooms or behind stairways.

The trouble with this theory is that it assumes the school authorities have no choice but to yield to the inevitable. Educators do have a choice. They can use all the means at their disposal to help give their students a respect for life. For nothing the school can do is as important as educating in the fragility of human beings. It makes little difference what else a school does. If it doesn't create respect for the preciousness of life and for the need to nurture it and safeguard it, then nothing else the school teaches will have full value.

The educators who favor school smoking facilities contend there is something hypocritical about trying to prohibit smoking when so many teachers and parents find it impossible to break the habit themselves. Here, too, the flaw in the reasoning is not recognizing that the weaknesses or inadequacies of adults must not become the standard. It is precisely because such inadequacies exist that there must be a place in the society where youngsters can be exposed to standards on which there is no compromise.

As for the argument that children are bound to imitate grown-ups, it is important to remember that society has a responsibility to keep children from being harmed, no matter what adults do and no matter what examples adults may set. Once a person attains his legal age, he has a right to jeopardize his health if he wishes. Until that time society has the responsibility for protecting that individual.

With specific reference to the health hazards of smoking, it is quite positive that no amount of education will convince some youngsters that cigarettes are a serious hazard to their health—any more than any amount of education can convince some grown-ups of those hazards—but this does not mean that the school should put its seal of approval on smoking for teenagers, which is the very clear sign a school gives when it officially sets aside a room for smoking.

In our own Connecticut community, 13- and 14-year-old children have equal access to the smoking room along with 18- and 19-year-olds. The authorized smoking room thus becomes a habit-forming center for smokers.

One of the unfortunate aspects of the situation is that it undercuts those youngsters who understand the dangers of cigarettes. It is difficult enough for these nonsmoking students to exercise influence over the others without having to contend with the misguided permissiveness of school authorities.

I don't know how many high schools in the country are providing smoking facilities for young people. Not many, I hope. These schools perform no service to the youths of America or to themselves in their shortsighted effort to deal with furtive smoking. All they succeed in doing is to intensify rather than to mitigate an important national problem.

There are few more serious issues before the nation than the condition of our youth. One of the most serious aspects of the problem is that various forms of addiction are searching out younger and younger victims. Caspar Weinberger, secretary of health, education and welfare, has asserted that thousands of 12- and 13-year-old children are now becoming alcohol addicts. Does this mean that we will now have some elementary-school officials tell us they will have to be "realistic" and provide facilities so that children won't be forced to drink secretly? This is an extreme example, of course, but it may serve to indicate the absurdity of surrendering to a problem rather than focusing on new ways of trying to solve it.

What do we have to look forward to as a nation if we scuttle all standards in the upbringing of our young people?

This year the United States will spend almost $100 billion for defense purposes. What is it we are trying to defend? Real estate? Property? If our main purpose is to protect human beings, what about the harm being done to millions of young Americans through all forms of addiction? It is difficult to think of any worse damage that could be inflicted on this country than the damage we inflict on ourselves through irresponsible policies based on surrender rather than effective leadership.

CIRCUIT COURTS OF APPEALS

Mr. BURDICK. Mr. President, today the Subcommittee on Improvements in Judicial Machinery, which I am privileged to chair, commenced a series of hearings dealing with legislation which proposes to afford some immediate relief to our overburdened courts of appeals. These hearings will extend over the next several months and will relate to S. 2988 through S. 2991, which contain proposals to create additional judgeships in seven of the circuits and the recommendations of the Commission on Revision of the Federal Court Appellate System relating to the fifth and ninth circuits.

It is my desire to comment briefly on the volume of the caseload in these courts and the nature of the problems in judicial administration which arise from such a caseload, to the end that Members of the Senate may be informed of the importance of these hearings.

For several years the courts of appeals have had serious problems attempting to cope with an ever-increasing number of cases filed in these courts for appellate review. Some indication of the magnitude of the problem will become apparent by reference to certain judicial statistics over the past 20 years. In 1953, 3,226 cases were filed in the several courts of appeals which then had a total complement of 57 judges, or an average of 50 cases per judge. In 1963, the caseload had risen to 5,039 cases and the number of authorized judgeships had increased to 78, making an average of 64 per judge. However in 1973, the most recent year for which statistics are available, the total filings in these courts had risen to 15,629, which for 97 authorized judgeships resulted in an average of 161 cases per judge. Thus, in just the past 10 years, the total caseload of the courts of appeals has tripled while the number of judgeships has increased by 24 percent.

In 1973, in the fifth circuit, total filings were 2,564 which is only slightly less than the total nationwide filings in 1953. The caseload in the ninth circuit in 1973 was a close second with 2,316 cases. In recognition of the fact that a bench of 15 judges cannot handle a caseload which 20 years ago was deemed to be a sufficient caseload for 57 judges, the Commission on Revision of the Federal Court Appellate System filed with the Congress on December 18, 1973, its report recommending that both the fifth and ninth circuit be divided into two new circuits. While this recommendation concerning the fifth and ninth circuits will be considered at a later date by the subcommittee, it is imperative that the subcommittee now turn its attention to those other circuits which have experienced a correspondingly large increase in judicial business and which increase, in turn, gave rise to the Judicial Conference's recommendation that new judgeships be created to share the workload.

Only 7 short years ago when the Congress last considered a circuit court omnibus bill, a caseload of as little as 60 cases per judge in a circuit was

deemed sufficient to justify the creation of an additional judgeship. By contrast, the circuits which we will consider in this series of hearings had the following filings per judge during fiscal year 1973:

First circuit	134
Second circuit	190
Third circuit	133
Fourth circuit	225
Sixth circuit	140
Seventh circuit	140
Eighth circuit	103
Tenth circuit	130

In order to maintain some relative degree of currency in their dockets, many of these courts have been forced to adopt various screening procedures whereby the least complex cases—as well as those of little merit—could be identified and decided within a minimum period of time. Lawyers in these circuits have generally accepted such procedural innovations, recognizing that the only other alternative would be an unacceptable delay in the appellate process. An appraisal of these and similar innovations adopted by some of the courts of appeals is a matter which should be considered by the subcommittee and evaluated in the light of the requirements of due process and principles of fundamental fairness.

Notwithstanding the employment of innovative and expedient procedures, many of these circuits have absorbed the ever-increasing caseloads by lengthening the time required in order to obtain a final decision from the court. In 1966 the median time interval from filing the appeal to final disposition was 8.3 months and in 1973 it was 19 months for civil cases and 15.8 months for criminal cases. It may well be true that "justice delayed is justice denied." If so, it is imperative that Congress authorize for each court of appeals a sufficient number of judges to the end that those judges, sitting on a court which employs those procedural innovations which do not sacrifice either due process or fundamental fairness, will be able to furnish appellate review without undue delay.

The concept of delay itself is somewhat nebulous. In evaluating the various statistics showing the length of time required to process a case from notice of appeal to final decision, one should bear in mind the time limitations contained in the Federal rules of appellate procedure:

Forty days are allowed for filing the record on appeal

Forty days thereafter are allowed for appellant's brief and the appendix;

Thirty days are allowed for respondent's brief; and

Fourteen days are allowed for a reply brief.

Thus, 124 days are required for the parties to get the case ready for consideration by the court. In fairness, no lapse of time can be charged to the court until the parties have performed their tasks required by the rules. However, the court does bear the responsibility for unwarranted extensions of these initial time requirements.

Beyond this initial period of 124 days the appellate procedure must allow sufficient time for the following action by the court:

The case must be set on a calendar;

Reasonable notice of the date for argument must be given;

The case must be argued or submitted on the briefs;

The judges must hold a decisional conference;

An opinion must be prepared, circulated and finally published; and

Throughout this handling by the court there must be adequate time for study of the briefs and record, independent research by the judge or his law clerk, and composition of the opinion.

In the processing of a large volume of appeals it is not unreasonable to postulate that the time required for action by the court could range from 60 to 90 days.

Thus, on the face of things, 184 to 214 days is probably the optimum time for the appellate process in the Federal courts of appeals, under present procedural rules and absent expedition by both the parties and the court.

In the 11 circuits of our Federal system, a study of those cases terminated after oral argument or submission on the briefs, discloses that the average time to complete this appellate process in fiscal year 1973, ranged from 220 days to 466 days. The average time for each circuit is as follows:

	Days
First	229
Second	220
Third	344
Fourth	284
Fifth	276
Sixth	293
Seventh	433
Eighth	245
Ninth	428
Tenth	327
District of Columbia	466

While these figures demonstrate the extent in the appellate process, elimination of this delay is not our only point of concern. For interwoven in our consideration of this whole problem, is the nature of the workload which the system imposes on the judges of these courts.

When a judge is engaged in a week of hearing oral arguments, his time is largely consumed by preparation for those arguments on 20 to 30 cases per week. He must read briefs, look at selected parts of the record or exhibits, and study memoranda prepared by his law clerks, to the end that his participation in the hearing and the conference on the case after argument will be both productive and meaningful. Thus, weeks of sittings are generally not weeks in which written opinions can be produced. If a judge has 11 weeks of sittings during a year, and if 4 weeks are vacation time, and 2 weeks are lost to holidays and annual circuit conferences, there are left only 35 weeks for work on opinions and other judicial work.

In 1973, on a national average each circuit judge wrote 36 signed opinions, 40 per curiam opinions, and participated in twice that number of opinions which were written by his two colleagues on the three-judge panel. In addition, he acted alone or joined other judges in terminating 49 cases per judge which were terminated without oral argument or submission on the briefs.

Thus, our appellate system required the average judge to produce and participate in the following decisional workload for each of the 35 weeks:

Signed opinions—1 written 2 participates	3.0
Per curiam—1.1 written 2.2 participates	3.3
Other terminations—1.4 written 2.8 participates	4.2
Total	10.5

Therefore, the appellate system expects an average judge to produce judicial decisions at a rate of two per day for 35 weeks per year. In many of the circuits, the judges have exceeded this workload in an effort to keep pace with the large caseload. At some point additional increases in the so-called productivity of these judges poses questions whether we are threatening quality in order to achieve quantity.

I have presented this broad outline of the problems of our circuit courts, in an attempt to illustrate the issues before this subcommittee in these hearings. Some of these same issues are being considered in depth by the Commission on Revision of the Federal Court Appellate System which will make its final report to Congress either this September or next year, if its time is extended. However, that Commission has already reported that in two of the circuits, the fifth and the ninth, the problem is no longer amenable to solution by creating more judgeships. Rather, it has recommended that those circuits be divided.

Mr. President, the subcommittee has already noticed its initial series of hearings to be held on March 27 and 28, and on April 4, 10, 11, and 23, at which we will examine in depth the caseload, workload, and procedures of each of the 11 circuits. If any of my colleagues desire specific information concerning the circuit which includes their particular State, I would be pleased to accommodate them.

OLD DUNBAR HIGH SCHOOL: IS IT TOO GOOD TO TEAR DOWN?

Mr. KENNEDY. Mr. President, I would like to enter in the RECORD an account from the Washington Star-News on March 25, concerning proposals to replace one of the oldest high schools in Washington, D.C.

Dunbar High School has become an historical landmark in the eyes of many Washingtonians because it served as the training ground for so many men and women who are today prominent Americans. Indeed, a Member of this Senate, Senator EDWARD M. BROOKE, my colleague from Massachusetts, is a graduate of Dunbar High School, as is the District of Columbia Representative in the House of Representatives, Congressman WALTER FAUNTROY.

I request unanimous consent to print in the RECORD the March 25 article from the Washington Star-News.

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

OLD DUNBAR HIGH SCHOOL: IS IT TOO GOOD TO TEAR DOWN?

(By Jacqueline Trescott)

Adversaries in the long, complicated battle to save the 58-year-old Dunbar High School from the wrecking ball are lining up for the last charge.

Since 1968, when the Board of Education decided that Dunbar, built at First and N NW in 1916, had passed its prime, pro-Dunbar forces stayed on the sidelines, confident that "they'll never tear down Dunbar—why, everyone who's anyone has gone to Dunbar."

Meanwhile, moving ahead with their plans, the school board, the urban renewal agencies and anyone who approved money for the "new" Dunbar became the "enemies." Suddenly, last winter, the defense—some alumni, notably Sen. Edward Brooke and local historians and historical societies—began to realize the "enemies" meant what they said.

Then, a crushing blow from the Office of the Schools' Superintendent last Feb. 6 when Barbara Sizemore announced that 14 million to rehabilitate the old building was too much and that a new Dunbar had to be built instead. She added, "a scale replica of the old Dunbar building to be enshrined and displayed in the new building as a symbol" would be included.

The other side was incensed, saying "it was all railroaded through" and letters poured into the offices of three key Dunbar alumni, Brooke, '37, James Banks, the mayor's housing official, '45, and Del. Walter Fauntroy, '51.

The Battle of Dunbar is a daily conflict of economics and emotion. The captain of the defenders is Mary Gibson Hundley, a former Dunbar languages teacher, who has given much of her 76 years to securing the school's niche in history.

As she sat explaining her strategies, Mrs. Hundley angrily said, "don't listen to Jimmy Banks or that Barbara Sizemore, she's only been here four months . . . it's not too late until the bulldozers arrive" and then gently fingered "The Dunbar Story: 1870–1955," a book she wrote in 1965.

"The people who want to destroy Dunbar aren't judging on the right criteria. They are interested in putting up a bright shining building. They are not concerned with the accomplishments of the graduates, the people who worked there and its link to the beginnings of the District's history, said Mrs. Hundley.

"I mean, don't they understand it was THE high school. In its early days, people came from all over to teach there, Harvard graduates, Oberlin graduates and it had one of the highest salaries in the country," Mrs. Hundley, a Latin and French teacher, finished at the old M Street School in '14, Radcliffe College, cum laude, in '18 and later earned a degree from Middlebury (Vt.) College.

The Dunbar story starts in 1870. That was the year William Syphax, who is Mrs. Hundley's grandfather, and William Wormley, opened the Preparatory High School for Colored Youth in the basement of the Fifteenth Street Presbyterian Church. The school was moved to quarters in the Thaddeus Stevens, Charles Sumner and Myrtilla Miners schools and in 1891 became the M St. High School at First and New Jersey. The Dunbar building, which cost a half million dollars and was named for poet Paul Lawrence Dunbar, is within the original 10 square miles of the City of Washington.

In the days of segregated public education, Dunbar was Washington's only black academic high school.

Throughout her life, Mrs. Hundley has had a strong sense of history. Her family traces its roots to Virginia's Custis family and George Washington's slaves. Her grandfather served under nine secretaries of the Interior and was President of the Board of Trustees of the Colored Schools of Washington from 1868 to 1871.

Mrs. Hundley's deepest quarrel with her enemies centers on "their disrespect for the past. Unlike Europeans, Americans don't adopt reverence for what has been put into their value system."

Neither side is challenging the fact that Dunbar graduates have made tremendous contributions to world history. One side just values that fact a little more.

Dr. Charles Drew, the discoverer of blood plasma. Rayford Logan, the eminent historian. Folklorist and poet Sterling Brown. Artist Elizabeth Catlett. Judge William Hasties, once governor of the Virgin Islands. Robert Weaver, a former Presidential Cabinet officer. Samuel Z. Westerfield, the late ambassador to Liberia. Paul Cooke, president of D.C. Teachers College. Benetta Bullock Washington. Francis Dent, George E. C. Hayes, Frank Reeves, the lawyers who argued segregation cases before the Supreme Court. And, Charles Houston, the prominent NAACP lawyer, who argued the case, when Mrs. Hundley and her husband were blocked from moving onto 13th Street by a restrictive real estate covenant; thinks to him, they're not legal any more. They all went to Dunbar. H. Minton Francis, deputy secretary of Defense for Equal Opportunity, class of '41, and a fifth generation Dunbar graduate, argued, "There's nothing like Dunbar any more. It was a source of brain power; it has contributed to the history and lifeblood of this city. And Dunbar wasn't a school for the elite. Students from all economic classes and parts of the city went there. Brains were recognized, not money."

In his letter to Banks, Francis, who attended the University of Pennsylvania and West Point after Dunbar, asked, "since we are proud of black history and want to inspire the young black men and women of today and tomorrow, why can't we preserve Dunbar in the tradition of West Point, which enshrines the places where Lee and Grant lived? I think we should talk about inspiration, not just dollars and cents."

Former vice-superintendent of schools, Benjamin Henley, Dunbar '28, says he's "altogether for a new building and improved facilities." Says Henley, "my days at Dunbar were some of the happiest of my life and I realize there's some sort of feeling for the new building. But I think we should look ahead."

The "new" Dunbar, designed by a Dunbar graduate is a $17 million split-level tour de force, with school and stadium facilities flowing into one another.

The "old" Dunbar, a Tudor-style buildnig, which has a "non-regulation" size football field and stadium, was listed by the Afro-American Bicentennial Corporation as one of the most important structures in the city. Dunbar is scheduled on the city tour of the American Institute of Architects during its national convention in May.

In the final phase of the Dunbar campaign, the remaining tactics for the preservation forces are pressuring city officials, Congressmen and the Joint Committee on Landmarks.

Being designated by the Joint Committee is crucial and the question of Dunbar was reportedly brought up at the December and February meetings but set aside until the Committee establishes new rules for designation, which will include public hearings.

Even though the school board has authorized demolition, the Committee can still recommend that Dunbar be included in the National Register of Historic Places. Peter Smith, a field officer with the National Trust, believes that "Dunbar should be preserved. The question is how to go about it." He has talked to Banks, who is also the District's State Historic Preservation Officer.

"The feelings at Banks' office is that once the school board acted the matter was entirely out of their hands. But if it is declared a landmark, besides the prestige, the building is available for matching grants for actual brick and mortar work, restoration, from the Park Service. And second, before it can be torn down, the President's Advisory Council on Historic Preservation, will have to have a hearing if federal funds are used for new building," said Smith.

In Superintendent Sizemore's February letter to School Board president Marion Barry, she said that Dunbar "was a reservoir of nostalgia for a segment of the D.C. populace," but the present building did not meet the building codes and if the old Dunbar were saved "the new building would have to be compromised."

Still, the school board has been harshly criticized by the preservation forces for lack of interest in social history and "doing what is expedient." In a recent issue of the New York Times, architectural critic Ada Louise Huxtaable made a similar observation. "The problem may be that Washington, the seat of history, fails to understand what history really is. At any rate, it misses the point of urban history abysmally."

In the last few months, James Banks has been accused of "letting the Dunbar matter slip right through." He was not in town last week to discuss Dunbar, but his executive assistant commented, "Mr. Banks is very concerned about Dunbar but he doesn't have any authority over the matter. The decision to raze the school was made five years ago, the appropriations have passed Congress, and Mr. Banks can't make a decision that is the work of the City Council and the school board. Some very prestigious people have written him in the last few months and they should be writing to the school board."

So the action turns to Capitol Hill. Sen. Brooke wants have a "full hearing" on the demolition, which isn't scheduled until the new building is completed two years from now. According to Brooke's aides, the senator is canvassing among the Congressmen on the District Committees to build up support for the Dunbar fight.

Mrs. Hundley has met with Del. Fauntroy who promised a full investigation. "One of our problems is that too few people were preservation conscious before a couple of years ago, when the Bicentennial chatter started," said Mrs. Hundley.

"What we are faced with now is plain politics. They're worried about urban renewal and we're worried about heritage. Those people in City Hall can do what they want to do, if it's for their advantage."

Down the street from Mrs. Hundley's modest home, filled with photograph's of her family and students from the 35 years she taught at Dunbar, is Cardozo High School. She walks to the window and looks out, speaking softly and a little wistfully, "that school was built the same year as Dunbar but they aren't planning to tear it down. I don't want to deprive children of a good education. All I want is for that building to be recognized for what went on inside, a unique education system.

"Can't they use the old building for a community center or adult education facility; that's what they did with Franklin School. This is a noble cause. That school gave the nation something no other school did in its time.

"I'm not an old fool, am I? It's just that when you leave this earth, you don't want to be remembered as someone who just cashed her checks. I want to be remembered as a fighter for something of value."

NUCLEAR SAFETY: LITTLE THINGS MEAN A LOT

Mr. GRAVEL. Mr. President, sloppy quality control could inflict a severe

nuclear accident on this country. Dr. Henry Kendall, physicist at MIT, has put the problem very succinctly indeed:

Defective workmanship can remain hidden, and surface at the time of an accident, either to cause it or to aggravate it beyond control.

Just bad weld in some piping could lead to a catastrophic loss-of-coolant accident, for instance, since the cooling system is only as strong as its weakest link.

Failure to detect defective motors could be extremely serious, too. On February 22, 1974, the AEC regulatory staff announced it is investigating the recall by Westinghouse of motors which are used in some nuclear power safety systems. The announcement said:

It appears that some of them may not meet the performance standards claimed by Westinghouse—specifically that they can be started and come to full speed in five to six seconds under conditions ranging down to 80% of normal voltage.

Every second would be crucial in the event of a loss-of-coolant accident, for example.

In September 1973, improperly installed control rods were discovered at the Browns Ferry nuclear powerplants; fortunately, none of the plants had yet started operation.

Common construction activities like pouring and cadwelding concrete have mammoth public safety implications if the concrete is going to hold and protect a nuclear reactor vessel.

Sloppy and possibly dangerous workmanship by the architect-engineering firm has been discovered on the concrete foundation for the Midland, Mich., nuclear powerplant. According to an AEC appeal board:

The architect-engineer did not have properly trained construction personnel to handle the vibration of the concrete, and neither it nor the applicant [utility] had quality assurance engineers on-site sufficiently knowledgeable in concrete work to recognize the deficiencies in the procedures.

Citing public safety considerations, the AEC suspended construction at Midland on December 3, 1973. After another inspection on December 7 and a meeting with Midland bankers and the chamber of commerce on December 10, the AEC reversed the construction ban on December 17.

On March 10, 1974, excessive vibration in the steam turbine of the nuclear plant at Prairie Island, Minn., required it to be shut down, again. Vibration can become an extremely serious safety problem if it leads to pipe ruptures or flying turbine blades which disable other systems.

These are just a few examples of construction and manufacturing problems. There is no sure way for the AEC to catch them all. The flaws which go undetected in nuclear powerplants are time-bombs which may bring this country to its knees in the most terrible manner some day.

NEW DEVELOPMENTS IN INDIAN LAW

Mr. KENNEDY. Mr. President, I would like to call to the attention of my colleagues an important development in the field of Indian Law—the establishment of the American Indian lawyer training program which undertakes to provide opportunities for continuing education in Indian law to the Indian lawyer. I am pleased to note that the founder of AILTP, Mr. Richard Trudell, is a former director of the Robert F. Kennedy memorial fellowship program. The memorial has worked with Mr. Trudell and his colleague, Mr. Alan Parker, in the development of the new program.

AILTP's first project has been the publication of the Indian Law Reporter, a comprehensive monthly report on developments in Indian law. Other projects contemplated by the American Indian lawyer training program are a summer intern program for Indian law students, a fellowship program to enable young Indian attorneys to practice law on reservations, and a national working conference to help tribal governments develop ways to negotiate more effectively.

It is my hope that those of my colleagues who share my interest in Indian affairs will take note of what I believe to be these promising and significant developments in the field of Indian law.

I ask unanimous consent to have two letters pertaining to this matter printed in the RECORD.

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

ROBERT F. KENNEDY MEMORIAL,
Washington, D.C., March 4, 1974.

Senator EDWARD M. KENNEDY,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR: The Memorial has been helpful to Dick Trudell in launching the American Indian Lawyer Training Program. The enclosed letter has gone to all Trustees and will shortly go to various Friends of the Memorial.

As you remember, until starting this project, Diek was Director of the Fellows Program.

As ever,

RICHARD W. BOONE.

ROBERT F. KENNEDY MEMORIAL,
Washington, D.C., March 1, 1974.

DEAR SIR: I would like to call your attention to an important development in the field of Indian law.

As many of you remember, in the summer of 1972 Dick Trudell came aboard as director of the Memorial's Fellows Program. He directed that program for a year before deciding to concentrate all of his energies on work with Indians. Dick is himself a Santee Sioux and the first Indian to have passed the Bar in Nebraska.

Starting out with three ideas—the need for a monthly report on developments in Indian law, the need to upgrade the experiences of Indian law students, and the importance of making it financially possible for young Indian attorneys to return to reservations to practice law, Dick began to develop the outlines of a program, At the Memorial we worked with him on those ideas and helped arrange some initial contacts with foundations. However, the real credit for developing the American Indian Lawyer Training Program (AILTP) goes to Dick and his colleague, Alan Parker, a Chippewa-Cree from Montana.

The Indian Law Reporter, AILTP's first project, is now a reality. (See attached brochure.) Dick and Alan are currently working to secure funds for a summer intern program for Indian law students and a fellowship program to enable young Indian attorneys to practice law on reservations. Also, in mid-March AILTP will coordinate a national working conference to help tribal governments develop ways to negotiate more effectively in their own interests. Tribal judges, council representatives, Indian lawyers and law students will attend.

The American Indian Lawyer Training Program now has offices in Berkeley and in Washington, where the Memorial is providing space.

In its responsiveness to Indian self-determination and its commitment to support that goal by developing professional competence, we believe the American Indian Lawyer Training Program is unique.

The program is still in an initial stage. Dick and Alan will be working hard over the next months to make the Indian Law Reporter a piece of exemplary reporting and to launch the other projects mentioned above. Several Board Members and others close to the Memorial have already been asked to help in AILTP's development. We hope that if contacted, you will do what you can to help make the program successful.

Very sincerely,

RICHARD W. BOONE.

CANADIAN OIL—A CASE IN POINT

Mr. MOSS. Mr. President, our problems of energy needs will not go away with the lifting of the Arab embargo nor with our country's long-range plan of achieving energy self-sufficiency.

Sooner or later we must recognize that energy requirements and the methods used to meet those needs affect all the people of this earth—rich nation, poor nation—developed and underdeveloped countries.

We are concerned, and rightly so, with achieving energy self-sufficiency. But as we have just seen, with the Arab embargo, our world is now so small that one group acting on its own can affect all of us. World economies affect us all. National necessity must be served, but in the long run we should find ways to effect stabilization of world market, world trade, and world needs in a manner which will best serve all of us.

I offer as a case in point an editorial of March 15, 1974, from the Globe and Mail, Canada's national newspaper and ask unanimous consent that it be printed in the RECORD for the benefit of the Senate as food for thought.

Excessive pricing in one province at the expense of other hungry provinces is bad for Canada. In the world community, the short-sighted greed of one nation or one group of nations can adversely affect the well-being of consuming nations. Economic disruption may spread to engulf us all.

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

THE NATION COMES FIRST

Before April 1 the federal Government has to decide that the national interest comes ahead of the demands of Alberta and Saskatchewan for every last dollar the world would pay for oil and natural gas. It would be a betrayal of all Canada if federal policy permitted Alberta to become one of the richest spots on earth while the rest of the country was beggared.

At the end of March the interim oil agreement, which held domestic oil to $4 a barrel in Canada and cushioned the price of imported oil for the East, will end. Alberta and

Saskatchewan want to move the price of their oil then to the world price, which is around $10.50 a barrel. It would be a jump that could break the rest of Canada.

Ontario Energy Minister Darcy McKeough this week, in a speech to the Legislature painted a grim portrait of what could happen and a sensible portrait of what should happen.

If the producing provinces are permitted to sell to Canada at world prices, the whole economy of the country would be distorted or damaged. Energy is a component of practically everything we produce. The manufacturing industries of Ontario would be depressed, some of them finished; there would be massive unemployment.

If the price of oil, already sharply increased, were to more than double again, how could any industry incorporate it without inflationary price increases of its products, or without going bankrupt?

That would be the immediate, chaotic effect. As damaging a one lies further down the line. The United States is bent on achieving energy self-sufficiency. If it does (and it will) there is every probability that it will maintain lower energy prices at home to give it a competitive advantage on world markets. The United States is our biggest customer. If we go to world prices now, we will build labor and capital structures based on those prices which would be hard to reverse. We would become totally uncompetitive with the United States—and they wouldn't even want our oil.

At present Canada is the most fortunate country on earth. We alone among industrial countries have enough oil and natural gas for our own needs, although at present we export half our oil and import half—a matter to be corrected with extension of national pipelines. If we hold the price of oil and of natural gas below world prices now, we have an immediate competitive advantage on world markets; and we keep the country functioning on a more or less even keel.

Mr. McKeough has long made it clear that Ontario is prepared to pay more for domestic oil, prepared to buy Alberta coal, prepared to make way for the development of secondary industry in Alberta. What he is not prepared to do, and what Ottawa cannot be prepared to do, is to sell out the interests of all the citizens of Ontario—and of other non-oil-producing provinces—to serve Alberta.

Mr. McKeough's proposal is that on April 1 domestic oil go to $6 a barrel. That would be an increase of 50 per cent; no pittance; for Alberta around $850-million or almost half that province's current annual budget. The subsidy to hold imported Eastern oil to the same $6 he would draw entirely from the oil export tax—oil money for oil money.

The Energy Minister is less set on the $6 price—although he considers it rational in relation to present world prices—than he is set on the decided price being maintained for at least two years. No matter what happens, there is going to be upheaval. But what is even more damaging is uncertainty, and this uncertainy extends to natural gas as well as oil prices.

Industry is hesitating whether to build at all or to build elsewhere. Mr. McKeough mentioned two Ontario companies that want to spend $100-million to produce needed fertilizer (and jobs), and whose plans are endangered "because of their inability to purchase natural gas". The producing provinces want more than they are entitled to for natural gas as well as oil.

The fear that oil may swiftly rise to almost $10.50 a barrel is enough to discourage much more massive industry from building at all, to create great unemployment. The price set April 1 must be well below the world price, and it must be set for two years, so that there will be security while enormous change is worked out.

Ottawa should be—Ontario is—willing to meet other Western demands in return for reasonable prices and security. If Alberta and Saskatchewan refuse to make the deal amicably, then Ottawa must use its constitutional power to impose a settlement on the basis of national necessity.

CLEAN AIR ACT AMENDMENTS PROPOSED BY ADMINISTRATION

Mr. MUSKIE. Mr. President, on Friday of last week, Environmental Protection Agency Administrator Russell Train transmitted to the Congress a series of proposed amendments to the Clean Air Act. At the time of transmittal, I indicated that my reaction was negative to those proposals which expanded the scope of pending energy emergency legislation. I also indicated I would carefully consider the other proposals out of respect for Administrator Train and the battle he had waged within the executive on behalf of clean air.

Subsequent to transmittal of these proposals, questions have been raised regarding their future. I understand that some officials in major metropolitan areas with serious air quality problems are considering relaxing present pollution control efforts on the sole basis that these amendments have been proposed. Also, I understand there is a great deal of general public concern as to the potential environmental impact for what appears to be wholesale retreat on clean air efforts.

Because Administrator Train has not yet sent to the Congress any more than the brief statement of purpose included in his transmittal letter, I have not been able to determine the specific purpose of each of the administration's proposed amendments.

There are several, however, which are sufficiently clear to be discussed at this point. These amendments, which appear to be the products of the Federal Energy Office rather than the Environmental Protection Agency, need to be placed in the perspective of the legislative process to assist those who are in doubt as to the future of the clean air program.

It is important to know that the Subcommittee on Environmental Pollution, which has legislative responsibility for consideration of these amendments, has scheduled no hearings on them nor will specific legislative hearings be scheduled in the near future.

For the past 2 years the subcommittee has been evaluating the implications of the 1970 Clean Air Act. The first result of that evaluation was S. 2772, the auto emission standards extension legislation which passed the Senate last December.

In addition, on November 15 we began our detailed evaluation of the transportation-control requirements of the law. The subcommittee has a schedule which calls for hearings in April and May to review and evaluate other issues raised by the Clean Air Act. Following conclusion of those oversight hearings, we will determine the need for and the timing of any legislation.

As to the amendments themselves, it can be said generally that they depart from the spirit of the 1970 Clean Air Act in that they substitute doubt for certainty and delay for deadlines. For example, the proposed flexibility to establish new timetables for transportation-control plans, eliminates, for all practical purposes, the usefulness and value of deadlines. By proposing two potential 5-year extensions from the 1977 deadlines for clean, healthful air and by proposing that only control measures which do not result in unreasonable social or economic change can be taken, there appears to be little possibility that major metropolitan areas with difficult problems would ever have clean air.

The need to keep tight timetables was recognized by the mayor of the Nation's most seriously polluted city when he recently called for no more than a 2-year delay in the deadlines for implementation of transportation-control plans in his area.

Mr. President, I ask unanimous consent that the statement of Mayor Thomas Bradley be printed in the RECORD following my statement.

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

(See exhibit 1.)

Mr. MUSKIE. Mr. President, inasmuch as there is no record to justify the 10-year extension proposed by the administration's bill, I would caution State and local air pollution control officials not to assume that the administration proposal is in any way a fait accompli.

Mr. President, while I have questions regarding other aspects of the Environmental Protection Agency proposal for general Clean Air Act amendments, I will withhold them until a later date when I have had an opportunity to evaluate their implications in more detail.

I would like to comment specifically on aspects of the administration's transmittal which I consider to be a gross breach of faith and which I understand were initiated in the Federal Energy Office. The provisions which relate specifically to energy emergency authority, coal conversions and auto emission extensions represent significant departures from our prior agreements. And, there is no reason whatsoever for inclusion of these proposals in this legislation at this time.

In the first place, representatives of the House and the Senate and the administration have been negotiating on a redraft of legislation to provide the administration with the necessary authority to deal with present and near-term energy shortages. All parties agreed, albeit some reluctantly, that the clean air aspects of that legislation would be identical to title II of the energy emergency legislation which the President vetoed earlier this year.

Now in the midst of those negotiations the administration has chosen to transmit a series of amendments to the Clean Air Act which change radically the thrust and impact of the energy emergency—clean air provisions. And I know of no reason why the administration should choose to transmit these amendments to those provisions at this time unless it is their intent to violate the agreement previously reached and attempt to change in major ways the provisions of

title II of that bill when it reaches the floor of the House or the Senate.

I would like to discuss the administration's proposed changes in those provisions in order that my colleagues can see the extent to which this administration intends to use the Nation's deep distress with energy shortages to gut the clean air effort. The redrafted clean air features of the energy emergency bill would do the following:

First. Companies choosing to convert to coal would have until January 1, 1980, rather than January 1, 1979, to meet applicable emission control requirements.

Second. All requirements to agree to achieve "continuous" emission reductions at the end of the suspension period have been dropped and so-called intermittent control strategies—the rhythm method of pollution control—have been substituted.

Third. Any source ordered to convert would have until May 15, 1977, rather than November 1, 1974, to make a decision whether or not to convert back to oil, thus reducing the leadtime for the installation of control technology and increasing the doubt within the coal industry as to the certainty of their markets.

Fourth. The authority of the Administrator to require interim use of reasonably available clean fuels during any variance period has been modified to give the cost of use of such fuels priority over air quality requirements.

Fifth. All procedural protections relating to hearings and notification of affected State and local officials have been deleted—apparently more evidence of the administration's commitment to the concept of "new federalism".

Sixth. The new administration bill would require suspension of Clean Air Act emission control deadline—and thus air quality protective of public health—solely on the basis of the unavailability of "domestic" supplies of fossil fuels. Even as the administration is announcing success in lifting the Arab oil embargo, they would propose to make short-term environmental policy wholly dependent on the availability of domestic fossil fuel supplies.

Seventh. Coal conversions could be ordered for virtually every fossil fuel-fired electric powerplant in the country rather than the very limited few anticipated by the Energy Emergency Act. Under the Energy Emergency Act only a minimal number of facilities with existing coal use capability could have been mandated to switch to coal. Thus only a few facilities could take advantage of Clean Air Act deadline extensions. By definition the Administrator's authority was limited to those facilities which have the "capability and the necessary plant equipment" to burn coal. Under the new proposal the Administrator has to find if the necessary plant equipment to burn coal is "reasonably available" to the facility which is ordered to convert. This provision would expand the scope of the act far beyond anything anticipated. Not only would the potential havoc to the environment be enormous but the public could be ripped off for millions of dollars from crisis conversions for coal supplies or pollution control equipment.

Eighth. In addition to those aspects of the proposal which relate to coal conversion and energy shortages, the administration has also transmitted a series of amendments to the auto emission standards requirements of the 1970 act. These proposals were considered and rejected by the Congress last winter. They include a provision to extend for 3 rather than 2 years the 1975 interim standards for hydrocarbons and carbon monoxide. The amendment also includes a provision to abandon entirely the efforts to reduce oxides of nitrogen emission from new cars.

The administration bill proposes that the statutory standards and deadlines for cleanup of oxides of nitrogen be eliminated and that the Administrator set a standard based on technology, cost and energy efficiency and air quality—the same basis for determining emission control levels which existed prior to 1970 and which resulted in an increase rather than a decrease in the emissions of oxides of nitrogen from automobiles.

Mr. President, I think America needs to have the capability to utilize domestic fossil fuels. I think our utilities should have the capability to burn our coal as well as oil. And I think over the next 5 to 10 years we ought to require that major electric generating plants have the capability to burn both. But this policy need not require the sacrifice of clean air. In fact, our policy can and should require the installation of air pollution controls on all facilities which have such dual capability to insure against any reduction in air quality as a result of fuel switches. It is preposterous to suggest that the decisions of the electric utilities to utilize solely foreign oil for price and pollution control reasons in the 1960's should now be a justification for abandonment of clean air efforts. Their responsibility is to provide both electricity and clean air. This can be done with an orderly policy of coal conversion and emission control installation. And this is the kind of policy which apparently this administration is not prepared to consider.

Mr. President, as I have said before, there are matters included in this package which merit the consideration of the Congress and they will be considered at the appropriate time. In the interim, I would only caution those affected by these amendments not to assume their enactment on the basis of their transmittal or their introduction.

EXHIBIT 1

REMARKS BEFORE THE SUBCOMMITTEE ON ENVIRONMENTAL POLLUTION ON THE IMPACT OF THE AIR POLLUTION PROBLEM ON THE RESIDENTS OF THE SOUTH COAST AIR BASIN

(By Mayor Tom Bradley)

Mr. Chairman, Members of the Subcommittee, I am pleased to have the opportunity to appear before you today to discuss the impact of the air pollution problem on the residents of the South Coast Air Basin and to comment on aspects of the Clean Air Act Amendments of 1970 and possible alternatives to Environmental Protection Agency proposals for its implementation. As you know, Los Angeles is no stranger to air pollution—We have been coping with it longer, and possibly with more concerted efforts, than any other area of the Nation.

For years, we in Southern California have been growing increasingly aware that our air pollution was steadily worsening. At the same time, as our anxiety rose, there seemed no way that we could participate in a solution to the problem—it was everywhere, and yet it was regarded as a highly specialized, technological problem. First, incinerators were banned, then industry controlled, and then finally we discovered that we, ourselves, in our automobiles, represented the largest single part of this problem.

It was the automobile which gave Los Angeles its mobility, its spread out pattern of growth, and its unique quality of freedom. Now it seemed that the automobile was going to blight this good life. And we had no way of dealing, as a community, with this vehicle we had become dependent upon. It had made each of us individually free and now it threatened all of us together.

This spirit of freedom in Southern California is reflected in the fierce independence of its sovereign incorporated cities—78 of them in Los Angeles County alone. And, yet it is possible to drive through 15 cities in 30 minutes on a freeway. In light of the "balkanization" of individual local jurisdictions, control of moving sources was shifted to the State government in 1967, and we here in the troubled area were further isolated from the power to improve our situation to help ourselves.

Only in recent months, after these long years I have described, have we begun to find ways to use our local initiative to free ourselves of this blight.

A year ago January, and again in June of last year, EPA issued Transportation Control Plan proposals containing measures which were clearly untenable in Los Angeles because of our extreme dependence on the automobile. The obvious necessity of finding and providing realistic alternatives lit an unprecedented spark of cooperation among local jurisdictions in this part of the Nation.

A local agencies task force was formed, comprising representatives of Los Angeles County, the Southern California Association of Governments, the California Highway Patrol, the California Department of Transportation, the League of California Cities, the City of Los Angeles and others. In a very short period, and under the most unfamiliar and difficult circumstances, a plan of transportation controls was developed and submitted by the joint members of the task force to the EPA.

Subsequently, EPA included many of the task force's recommendations in a revised Transportation Control Plan, and added parking surcharge, parking management, and gasoline rationing measures to bring massive reduction in vehicle miles traveled (VMT), in order to achieve the National Ambient Air Quality Standards by 1977.

In the City of Los Angeles, I established a task force of Department heads to examine the new EPA proposal. Simultaneously, the local agencies task force reconvened to develop a multi-jurisdictional response.

Before discussing their findings, I would like to describe another experience which befell the City just at this time. I am referring to the energy crisis, which arrived in Los Angeles last November with a force few other major cities have felt.

The Arab oil boycott brought the City's Department of Water and Power a shocking 48% shortfall in anticipated residual oil supply for electric power generation. The Department had prepared and now hastily proposed an emergency electricity use curtailment program. Examination revealed that some mandatory measures, including a 50-hour workweek limitation and rolling blackouts, would cause massive unemployment and social disruption. I quickly

appointed an Ad Hoc Committee on Energy Conservation to develop equally effective, less damaging alternative measures.

I want to impress on you how grave and how real this shortfall was at the time. It was our responsibility to regard the amount of fuel we had on hand or under contract as the sole supply we could rely upon.

Further, the day this supply would run out represented an absolute deadline. Working under these circumstances we had to develop ordinances which would minimize dislocations which seemed, at that time, inevitable. This was a sobering experience, and it taught us a great deal about the design and implementation of regulations to discourage, or curtail very basic consumption practices of our citizens.

Now, returning to our review of the most recently proposed EPA Transportation Control Plan, the City Department Head's Task Force quickly recognized the parking surcharge proposal to be extremely disruptive in its potential social and economic impact.

It takes surprisingly little curtailment to put a major dent in an expending economy. For example, we were concerned that our Phase I energy curtailment objective of 12% might bring some unemployment. Los Angeles has actually achieved a continuing 17% savings, without apparent damage. But measures intended to reduce accustomed patterns by 88%, or even 50%, as EPA has been compelled to propose, would clearly be socially and economically devastating. The grim reality we faced in our residual oil shortfall has given us, in Los Angeles, a sobering glimpse of the nature of such disruption.

How, then, can we proceed toward attainment of the National Ambient Air Quality Standards without causing severe impacts on our citizens, businesses and industries? There are forces that propose to change the Standards, themselves. I oppose such changes. No such action affecting the public health should be taken, pending the final report to this Committee of the study now under preparation by the National Academy of Sciences. While I continue to fully support the objectives of the Clean Air Act Amendments of 1970, I reluctantly agree that to avoid gutting the Act and to avoid serious economic dislocation, further amendment is necessary to provide for extension of the 1977 deadlines in regions now subject to extreme air pollution conditions. Such an extension should only be for the minimum period of additional time required to achieve the National Ambient Air Quality Standards without causing unreasonable hardship, and should be contingent upon continuing demonstration of good faith efforts on the part of the State and local governments concerned. And I think that minimum period is no more than two years.

In the meantime, we must find the most rapid and most healthful course—the critical path—to safe air quality considering not only the peak concentrations of air pollution during extraordinarily bad conditions, but the more common, lower levels which form the unnatural background environment for our growing children and our senior citizens.

I firmly believe that we in California must assume the initiative at state, regional and local levels, and in so doing, eliminate the need for increasing federal incursions in air quality control.

In this respect, we in the City of Los Angeles are instituting many new programs as incentives to the use of public transportation in an effort to bring a reduction in the use of the personal automobile. For instance, in this last month the City has adopted:

(1) An ordinance that could pave the way for an extensive system of street lanes for priority use by buses and automobiles carrying car-poolers;

(2) Designation of one lane of a major downtown street for use as contra-flow bus lane to speed commuters from our new El Monte busway through the business district to their offices;

(3) A grant applicaton for expansion of an existing program to a million-dollar computer car pool-matching program for city employees. This will soon be expanded to the private sector, to other government facilities in the civic center, and to other centers in the region;

(4) A contract with the Southern California Rapid Transit District for immediate implementation of a subscription bus program for city employees. This program will also soon be expanded to the private sector and other government employees.

In the area of near-term mass rapid transit development we are cooperating with the Southern California Rapid Transit District in preparation of a demonstration grant application to the Urban Mass Transit Administration which will test a major line-haul transit corridor featuring express bus lanes on freeways and city streets, supported by feeder services which will include dial-a-ride and jitney bus programs to enhance the attractiveness of commuting by public transportation. During off-peak hours these jitney buses and vans will provide inexpensive intra-neighborhood transportation for shoppers and others with local travel needs.

I would like to take a moment to point out that almost all of these services I have described are dependent on the availability of large numbers of new buses. Yet, as I told Senator Hart's Committee recently, buses are in woefully short supply. Production has actually declined markedly over recent years, and is dominated by ony G.M. and two lesser assemblers. One of the most significant actions the Congress could take in helping us help ourselves would be to bring about immediate and drastic increases, by whatever means, in the availability of new buses.

It is known that incentives to use public transportation will work more effectively when combined with disincentives to use of the personal automobile. But as I have mentioned, disincentives can cause serious social and economic disruption. Our City Department Heads' Task Force found the parking surcharge proposal to be very dangerous if applied as written in the EPA regulations. Disincentives are also very unpopular with all of us who are accustomed to "business as usual." For instance, we found that citizens would respond wonderfully, during the height of the energy crisis, if they considered their allotted curtailment equitable and straightforward. Where there was room for any doubt about fairness, or a lack of information, citizens became suspicious and angry. In this respect, EPA couldn't have chosen more controversial disincentives than the parking surcharge and parking management proposals. They seek to discourage use of the personal automobile by making parking, a secondary aspect of that use, scarce and expensive. This is a little like discouraging walking by forcing the walker to wear pinching shoes.

In addition to the transportation improvements I have listed, there are other areas where inadequacies would best be remedied by local initiative. I have mentioned the unprecedented cooperation between various local jurisdictions in forming the local agencies task force to develop an alternative response to EPA's Transportation Control Plan proposals. LATAC, as the group has now come to be known, has continued to meet through the recent period of changes in the Transportation Control Plan and development of the indirect source regulation proposals. While the group probably reflects a consensus of local attitudes on such matters, it is subject to criticism in two major respects: its membership is dominated by representatives of governments and agencies situated wholly within Los Angeles County, and it has no statutory power to officially adopt or implement its proposals.

At the same time, both the Transportation Control Plans and the new Indirect Source Regulations under the State Implementation Plan are clearly indicating the need for some form of basinwide authority. The California Air Resources Board has introduced legislation to augment the existing basinwide coordinating councils with membership for incorporated cities, as well as counties, and to provide for development and implementation of a plan for attainment and maintenance of acceptable air quality throughout the South Coast Air Basin. While satisfying a large portion of the EPA requirement, the ARB proposal causes us great concern in two areas:

1. Growing as it does from an attempt to deal with a single environmental problem, th proposal creates a single-purpose planning and regulatory institution. Matters of great importance in the region, such as housing, redevelopment, health care, and parks and recreation facilities, would not play a significant role in this planning.

2. Representation on the newly constituted Basinwide Coordinating Council does not adequately reflect the population of the region. Decisions made by the Council will be of critical importance to each community and county within the region.

We would prefer that the ARB proposal be reconstituted to place the new mechanism in the Southern California Association of Governments, the federally-recognized regional planning agency of record.

1. The Indirect Source Regulation could be actually "administered" by the regional planning agencies while "enforced" by the appropriate air pollution control districts.

2. In those instances when an indirect source facility is recognized as having particular socio-economic value to the community, the air pollution control district could rely exclusively upon the recommendations of the regional planning agency.

Such a reconstitution would largely resolve the problems we have cited, and would ensure that most decisions concerning these vital matters could be resolved at the local level. I consider it essential that we, at the state and local level, move with forceful initiative to provide adequate and appropriate institutions to deal with our inter-jurisdictional problems such as air pollution. It would be very unfortunate for this initiative to move to the federal level. I am not sure that they could administer a fair and effective permit program. I am sure that they should not have to do so—and it is for us to remove the necessity by managing our own problems within this basin, positively and aggressively.

If we act in good faith with such examples of local initiative, there are areas where only the Federal Government, on its part, can help to get the job done.

As you know, control of automotive emissions and the State Implementation Plans, including the Transportation Control Plans, are related under the Act. To the extent that such emissions are successfully controlled, the burden on our citizens under the Transportation Control Plan can be lessened. Yet Congress and the EPA are under continuing, intense pressure to relax regulation of new car emissions. The opposite should be the case. The President and the Congress should support the EPA forcefully in expediting development of cleaner cars. If the auto industry itself does not show real initiative, on a significant scale of action, I would propose either federal regulation or taxation based on auto weight, engine displacement, or degree of fuel consumption and exhaust emissions, or other actions the Congress may deem necessary to ensure prompt industry responses in producing cleaner vehicles.

Finally, as we ourselves became familiar with the true extent of measures that would

be required to attain the National Ambient Air Quality Standards—or simply to knock down the more constant unnatural background level of air pollution that I have mentioned before, we began to grasp the extraordinary cost in dollars that would be involved. Yet, unlike the Federal Water Pollution Control Act, the Clean Air Act Amendments have no provision for support of local jurisdictions whatsoever. Let me illustrate: one interim solution to Los Angeles' need for balanced transportation opportunities would be an expanded bus fleet in conjunction with a package of freeway and street modifications. The Southern California Rapid Transit District has estimated that it might be necessary to add a new fleet of as many as 5,000 buses to meet requirements of the Clean Air Act Amendments. I think it is becoming clear that these will be needed, but 5,000 buses represent acquisition costs of approximately $320,000,000, and annual operating costs of $100,000,000.

Only the Congress can begin to fill such a need.

Another area where federal assistance will be essential involves the funding of all necessary functions of state and local government in developing and implementing all aspects of state implementation plans. Clearly, as deadlines for compliance approach, planning and implementation activities are increasing geometrically. The state and local governments cannot be expected to absorb these progressively increasing costs even as their true, index revenues are diminishing as a result of slowing economies and inflation.

The federal budget does not reflect the needs of cities to respond directly to the twin demands of the energy crisis and the failure of state and federal controls to reduce air pollution from industry and automobiles. The primary thrust should be to control pollution at the source, but the program for local air pollution control agencies is the same as last year, despite the increased demands on local air pollution control programs. Technical assistance and training are cut. Little is being spent for developing techniques for monitoring air quality.

In your telegram of invitation to testify you have expressed particular interest in alternatives to the transportation controls which may achieve the same ends. The debates which have surrounded these proposals have been time consuming, often angry exchanges. Yet we know of no other way which will as effectively bring home to all government officials, industries and citizens, their role in the problem and their respective responsibilities in solving it. Local governments do have a central role to play in the attainment and maintenance of acceptable air quality. We are now doing our best to help EPA and others to understand the implications of these new and unfamiliar regulations by applying our first-hand experience of the way things actually happen, where they actually happen.

Thank you.

DIVERSE GROUPS ENDORSE NUCLEAR POWER MORATORIUM

Mr. GRAVEL. Mr. President, the more that people understand about nuclear power today, the less they want it. The following groups have recently endorsed a nuclear power moratorium, and this is just a partial list of recent additions:

Chapter 727 of the American Assn. of Retired Persons, Tuckerton, N.J.

Local 5503 of the Communication Workers of America, Milwaukee, Wis.

Women's International League for Peace and Freedom, Philadelphia, Pa.

U.A.W. Community Action Council, Lima, Ohio.

The board of the Sierra Club, San Francisco, Calif.

The Greene County Legislature, N.Y.

The Ulster County Legislature, N.Y.

Local 525 of the Amalgamated Meat Cutters, Asheville, N.C.

The Catawba Central Labor Union, Rock Hill, S.C.

The New Jersey Friends Council, Loveladies, N.J.

Kansas Farmers Union, McPherson, Kans.

Opposition to the use of nuclear fission for energy is clearly not limited to "the environmental movement."

If the moratorium movement could match the millions of dollars which advocates of nuclear power spend on public education, there is no doubt in my mind that the American public would rapidly reject nuclear power. Informed people readily understand the grotesque implications of nuclear energy for the American way of life.

While Congress continues deferring to "experts" in the AEC and the Joint Committee on Atomic Energy, the public is consulting its own decency and commonsense, and discovering that nuclear power means a high probability of irreversible radioactive pollution, misery, and fear.

Persuasion is not a problem for moratorium advocates. Their problem is unequal access to the public's mind. In one word, the problem is money.

MACKENZIE VALLEY ROUTE FOR ALASKAN NATURAL GAS SUPPORTED BY 25 SENATORS

Mr. BAYH. Mr. President, years before the energy crisis became a national byword, when most Americans would have regarded an oil embargo and alternate day gasoline sales as fantasies, many parts of the country were already facing shortages of natural gas. In my own State of Indiana, gas utilities have had to limit new industrial customers in certain service areas for several years, and have even weighed the possibility of limiting new residential users. And, as my colleagues realize, our experience in Indiana is not atypical.

The shortage of natural gas results from a combination of factors, not the least of which is the fact that natural gas is by far the cleanest fuel currently available to American industry and consumers. It is also true that natural gas has been a relatively economical fuel, and comparatively easy to use without the refining or distribution problems that beset the oil industry.

Even as we move to develop new energy sources for the long term, natural gas must play an important role in meeting our energy requirements through the rest of this century. This is why the huge natural gas reserves in Alaska are so important to our entire national energy program.

Proven gas reserves in Alaska are in the range of 26 to 30 trillion cubic feet, or approximately 10 percent of current U.S. proven reserves. And, as is usually the case, we can anticipate that once drilling goes ahead on Alaska's North Slope that much more gas will be discovered.

Up until recently there appeared to be fairly general agreement that the most logical way to deliver Alaskan natural gas to markets in the lower 48 States would be via Canada. This approach, for which applications have been filed here in Washington, and in Ottawa, would permit the gas to enter a distribution system that would make it available throughout the country, from southern California to New England.

Ths route, which is being proposed by a consortium of pipeline companies here and in Canada, has the support of the Canadian Government, which is ready to guarantee uninterrupted shipment of U.S. gas to U.S. markets via Canada.

Last year, at the time we were weighing the best approach to delivering Alaskan oil to U.S. markets, Interior Secretary Rogers Morton was among key officials who expressed support for shipping Alaskan gas via Canada's Mackenzie River Valley. Secretary Morton, on several different occasions, said he favored construction of the line which would run from Alaska's North Slope southeasterly—picking up additional gas from Canada's Mackenzie Delta—and then southward through the Mackenzie River Valley to Caroline, in Alberta Province. At that point the line would split into several smaller lines providing natural gas from Alaska to consumers in all parts of the lower 48 States.

While Secretary Morton, whose Department will have to issue permits for the proposed pipeline to cross U.S. public lands, has previously gone on record in support of this route, the President's January energy message said:

Interior Secretary Morton expects to receive two competing applications for the gas pipeline in the near future, one proposing construction across Alaska and the other proposing construction across Canada. I have asked the Secretary to consider these proposals carefully but promptly and to deliver a recommendation to me as soon as possible.

While applications have already been submitted for the route through Canada, it will be some months before applications are submitted for the competing approach. This approach, briefly, is to ship the gas via pipeline to southern Alaska where it would be liquefied for tanker shipment to the west coast. Not only would this delivery system mean higher fuel costs for consumers and create regional supply imbalances, it raises the unfortunate specter of natural gas exports. The provisions of the Alaskan Oil Pipeline Act passed this year in no way limit the export of Alaskan natural gas. It is obvious, if this gas is liquefied for tanker shipment, that Japan and other energy-short countries would be ready to pay premium prices for the gas.

Since Secretary Morton had made his position in support of the Mackenzie Valley route clear in the past, I and several of my colleagues felt it would be appropriate—in light of the President's comments in his energy message—to ask the Secretary to reaffirm his previously expressed position on this extremely important issue.

Thus, earlier this month, Senators CASE, GRIFFIN, LONG, MONDALE, PASTORE, TAFT and I wrote to our colleagues asking them to join us in a letter to Secretary Morton on this subject. Our purpose was to solicit from the Secretary the

necessary reiteration of his position on this issue; an issue which is so important to meeting future national energy needs on an orderly and logical basis.

That letter has now gone to Secretary Morton, signed not only by the 7 of us who circulated the original letter, but by another 18 Senators. The 25 Senators sending the letter to Secretary Morton represent both parties and all parts of the country.

So that the contents of this letter may be generally known, I ask unanimous consent to print the text of our letter to Secretary Morton and the full list of signatories in the RECORD.

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

U.S. SENATE,
Washington, D.C., March 22, 1974.

Hon. ROGERS MORTON,
Secretary of the Interior, Department of the Interior, Washington, D.C.

DEAR MR. SECRETARY: We are writing in reference to one part of the President's January energy message. In his discussion of the natural gas reserves in Alaska the President said he has asked you to recommend whether the gas pipeline should be built across Canada or across Alaska.

As you know, formal applications have been filed here in Washington and in Ottawa for the necessary permits to proceed with the gas pipeline from Alaska, through Canada's MacKenzie Valley and into the lower 48 states where all parts of the country would have fair access to the gas. If the trans-Canada gas pipeline is constructed, it can carry 2 billion cubic feet of gas per day.

On the other hand, we understand that an alternative route is being considered which would involve shipping the gas to southern Alaska where it would be liquified for tanker shipment to the West Coast.

We strongly believe the national interest requires approval of the trans-Canada gas pipeline. Citizens in every part of the country will have fair access to Alaskan natural gas if the MacKenzie Valley route is selected. This is consistent with responsible national energy policy which should provide equitable treatment of all regions of the country in sharing energy resources.

Indeed, one of the broad areas of agreement during the debate on the Alaskan oil pipeline was that the gas pipeline would be built via Canada to enter a distribution system which would make the natural gas available to citizens across the country at the lowest possible cost. You acknowledged this point yourself when you told the Senate Interior Committee on May 13:

"We have recognized the clear benefits that a MacKenzie Valley route for this gas would have. . ."

That same month you were quoted as telling a Texas audience:

"I would like to see a natural gas line built through Canada to our Midwest as soon as possible."

The environmental impact statement on the Alaskan oil pipeline did raise the possibility of a gas line through Alaska. However, the impact statement reached the conclusion that "A gas pipeline through Canada to the Midwest seems to be much more feasible." This conclusion was based on strong evidence that an Alaskan gas pipeline and liquification would pose severe environmental and economic problems.

We hope sincerely that your position in support of the MacKenzie Valley route remains the same as it was in the past and would welcome a reaffirmation of your previously stated position on this issue.

Thank you and kind regards.

Sincerely,

Senators Birch Bayh, Clifford Case, Robert Griffin, Russell Long, Walter Mondale, John Pastore, Robert Taft, J. Glenn Beall, Howard Cannon, Dick Clark, Carl Curtis, Thomas Eagleton, Philip Hart, Hubert Humphrey, Jacob Javits, Thomas McIntyre, George McGovern, Claiborne Pell, Charles Percy, William Proxmire, Abraham Ribicoff, Hugh Scott, Robert Stafford, Adlai Stevenson, and Harrison Williams.

ETHICS IN POLITICS

Mr. MOSS. Mr. President, the need for a code of political ethics is evident due to charges and countercharges regarding the morality and ethics of many political personalities. The corruption uncovered in recent campaigns, and the resulting appearance to many individuals that politics is dirty business has created a low regard of many individuals who are associated with politics. This is extremely unfortunate, because most individuals who hold political office at every level of government are honest and dedicated public servants. Most politicians are not scoundrels. Most politicians do not engage in political graft. Most politicians care for the good of this country. However, because of the questionable, if not patently illegal, activities of a few politicians, a bad name has been given to a profession that should be second only to the ministry in public esteem.

The University of Utah is most fortunate to have a program that portrays a favorable image of politics. This is the Hinckley Institute of Politics. The institute, founded in 1965, is a nonpartisan educational organization that supplements existing programs in political science, history, economics and law. The institute has created respect for politics and politicians among students and the general public. It has inspired students to participate actively in politics, and has encouraged them to stand for public office.

It has convinced many individuals from all walks of life that politics is an honorable calling. Many individuals who have participated in the institute program have held, or are holding, responsible positions at every level of government. Several of these positions have been elective.

I have personally benefited from the service of several interns that have been provided by this highly successful program. I wish to commend Dr. J. D. Williams, the director of the institute, for his dedicated work to furtherance of the political awareness of all individuals who are fortunate enough to participate in this program.

Mr. President, the Hinckley Institute of Politics has recently adopted a code of political ethics. If all public servants would follow this code, the electoral process would be strengthened and the honor and dignity of all public servants would be restored to their rightful position. I commend this code to my colleagues, and ask that all persons who are involved in politics in any way give careful attention to the content of this most appropriate code.

Mr. President because of the applicable nature of this code to today's political problems, I ask unanimous consent that it be printed in the RECORD.

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

CODE OF POLITICAL ETHICS

PREAMBLE

One thing more important than my own election to office is the right of the people through free elections to choose a government acceptable to themselves. Furthermore, I clearly understand that a democracy cannot function without politics and politicians. Thus I pledge to conduct all aspects of my campaign in a manner which will strengthen the electoral process and bring honor and dignity to the practice of politics.

1. I pledge myself to become responsibly informed and to express my views frankly, openly, and truthfully, and to cooperate with the news media so that the public may be fully informed as to my positions. I respect the voters' right to know my stand on all the public issues in the campaign.

2. I will not intentionally misrepresent my opponent's record or position on the issues. If I inadvertently make false charges, prompt retraction will be made.

3. I will deal vigorously with the *public* issues before the electorate and will refrain from discussing the race, sex, religion, or national origin of my opponent. I will refrain from discussing my opponent's personal life except as it may bear *directly* on his or her fitness for public office.

4. I will not raise new charges or issues during the last forty-eight hours of a campaign which could have been aired earlier when my opponent would have had time to reply.

5. The contributions, in cash or in kind, the contributors and expenditures in my campaign will be fully disclosed so that voters may be informed before election day as to the sources of my financial support and the costs of my own campaign (including my own investment). I will not accept contributions of any kind which will obligate me once in office.

6. When running as an incumbent, I shall segregate as carefully as possible my official duties from my campaign activities, and not subsidize the latter with public funds intended for the former. I shall not coerce election help or campaign contributions for myself or for any other candidate from my employees or from suppliers and contractors.

7. I will not permit the use of unlawful surveillance or any other form of covert intelligence gathering against my opponent.

8. I pledge myself not to obstruct my opponent in any way from presenting his or her message to the public. Nor will I ever engineer negative demonstrations in my own meetings to convey the false impression of harassment by my opponent.

9. I pledge not to interfere in the nominating process and primary elections of another party.

10. I accept full responsibility for the conduct of those working in my campaign, and to that end I pledge firm action against any subordinate who violates any provision of this Code or the laws governing elections.

11. I pledge that, if elected I will (a) conduct my responsibilities in public office in keeping with the spirit and letter of this Code of Political Ethics, and (b) scrupulously

uphold the Constitutions of both my state and nation.

VIOLATIONS AND "MISREPRESENTATIONS" STAIN NUCLEAR RECORD

Mr. GRAVEL. Mr. President, the nuclear industry is not only failing to meet the AEC's quality control standards for nuclear powerplants, but industry is committing outright violations of AEC safety rules. Resistance to safety regulations is so strong that the industry has lied to the AEC rather than comply in several instances.

On December 26, 1973, the Charlotte, N.C., Observer revealed in an article by Wayne Nicholas that back in June, AEC inspectors at Duke Power's Oconee plant found 37 rule violations which were serious enough to endanger the public if they had gone uncorrected; these are called category II violations, the second most serious kind which can occur.

Duke Power's president, Carl Horn, was called to Atlanta to meet with the AEC's top official in the Southeast. In Washington, the AEC's deputy director of field operations said:

> Oconee's management-systems were not functioning in the way Duke represented them to us.

In May 1973, the AEC had to fine the Virginia Electric Power Co. $38,000 for a host of violations at its two Surry nuclear powerplants, including failure to report unusual safety-related events to the AEC.

"Misrepresentations" by Vepco to the AEC were reported as follows in the Charlotte, Va., Daily Progress, July 12, 1973:

> A VEPCO letter of December 14, 1972, reported 100 circuit breakers checked or verified. AEC inspection revealed only five checked . . . A VEPCO letter of December 12, 1972 reported certain valves checked and verified operable. AEC inspection found fewer valves checked than reported, and some inoperable. A VEPCO letter of December 15, 1972 declared a specific engineering study under way. AEC inspection revealed that the study had not been initiated.

There were several additional "misrepresentations" listed. A real whopper was subsequently revealed when the North Anna Environmental Coalition discovered in August 1973 that Vepco had failed to inform the AEC about an earthquake fault directly underneath its Louisa County nuclear powerplants. The construction of nuclear plants on top of faults is an undeniable violation of AEC policy, and nuclear utilities all over the country must be watching to see if Vepco gets away with it.

In Michigan, AEC inspectors discovered in August 1973 that operators at the Palisades plant of Consumers Power had knowingly released higher than normal amounts of radioactive iodine into air and water without informing the AEC; the AEC censured the company.

The record of nuclear utilities hardly inspires confidence in their determination to protect the human race from the most inherently hazardous technology ever deployed on the surface of the earth.

The Charlottesville, Va., Daily Progress has called for a nuclear power moratorium—July 12, 1973; the Charlotte, N.C., Observer has warned that it is "necessary to question the haste with which the country is rushing into nuclear power."—December 27, 1973; and the Detroit Free Press has said that:

> The rush to build nuclear power plants—has already produced more than its quota of mistakes and potentially dangerous malfunctions. The energy crisis must not become an excuse for sloppiness and indifference to public safety in the development of nuclear power plants—December 8, 1973.

COMMODITY DISTRIBUTION HEARINGS

Mr. HUMPHREY. Mr. President, I applaud the Government's decision yesterday to purchase $45 million of beef and contribute it to the commodity distribution program. Additional protein is needed in the program, and I know that this purchase will be a great boon.

It is unfortunate, however, to benefit via the back door rather than from affirmative, continuing support of the program on the part of the administration.

The Subcommittee on Agricultural Research and General Legislation, of the Senate Agriculture and Forestry Committee, is currently holding hearings on legislation of which I am a cosponsor, S. 2871, to continue the program of Government purchases of commodities for distribution to various nutrition assistance programs.

In a statement submitted for the subcommittee hearing record today, I pointed out the vital importance of maintaining the commodity distribution program administered by the U.S. Department of Agriculture, and I made several recommendations for improvements in our school food service assistance programs.

Mr. President, I find it incomprehensible that the Department is considering plans to phase out the commodity distribution program. Although we may presently be without the food surpluses on which the program was begun, the nutrition of our people, and especially that of children from lower income families, must be considered to be a high priority.

Mr. President, I ask unanimous consent that my statement be printed in the RECORD.

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

STATEMENT OF SENATOR HUBERT H. HUMPHREY

Mr. Chairman, I want to express my full support to S. 2871, The Family Nutrition Act of 1974, a bill to amend the Food Stamp Act of 1964. I believe this bill, which I have joined in sponsoring, can help address urgent problems in maintaining our nutrition programs.

S. 2871 would extend, on a permanent basis, the authority of the U.S. Department of Agriculture to purchase commodities on the open market when not in surplus. Failure to extend this authority—which is scheduled to expire on June 30, 1974—would pose serious problems for programs which rely on U.S.D.A. commodities, such as the school lunch program, institutions, supplemental feeding for women and children, and domestic disaster relief.

This proposed bill will directly address a crucial need of our schools, institutions, mothers and children, and Indian reservations. Phasing out the commodity programs, as desired by the Administration, would place a major hardship on those least able to afford it and would represent only a marginal saving to the Federal Government.

The cost to the schools and institutions in picking up these programs would be far greater than that presently borne by the Federal Government under existing statutory law, because of the ability of the U.S.D.A. to buy in quantity.

It also makes a little sense to provide funds to an organization such as the Red Cross to procure and keep commodities on hand for disasters. The U.S.D.A. has greater purchasing power and should continue to make its commodities available when an emergency strikes.

The Administration's opposition to continuing the commodity purchases has been stated numerous times. Secretary Butz has indicated that, in his view, these programs should be transferred to the Department of Health, Education, and Welfare. Assistant Secretary of Agriculture Yeutter, in a January 25, 1974 memo, recommended sharp reductions and "hopefully a phaseout" of all Government purchases.

The Yeutter memo suggests that a U.S.D.A. preliminary evaluation indicates that benefits to producers from our surplus removal efforts have not been great. There is no hint in the memo, however, as to what would happen to the people under this program. The only concern is how to get out of the commodity purchase and distribution business.

This attitude reflects a near obsession on the part of the Administration with turning the Department of Agriculture into an organization concerned only with commercial agriculture. The same attitude is reflected elsewhere in the U.S.D.A.'s determination to fight the establishment of a government held grain reserve program which would help meet food commodity assistance requirements.

In spite of this attitude and the preference expressed in the Yeutter memorandum to provide funds in lieu of actual commodities, the U.S.D.A. indicated on February 15, as required by law, that in the current fiscal year it would provide agricultural commodities and other foods exclusively to the States for school service programs.

I suggest that we should not assume that the February 15 announcement represents a change of mind on the part of the Department of Agriculture. Congress must state clearly and without qualification that this is an important program which should not be allowed to die because surplus commodities are no longer available.

The need for a firm Congressional stand on this issue becomes all the more essential when we confront facts of declining levels of commodities distributed to the States—the clearest indicator of the actual policy being followed by the Department of Agriculture.

In fiscal 1973 the Department provided $70.8 million in cash and $201 million in commodities to the States. The expectation by the U.S.D.A. for this fiscal year is that 95 percent of the programmed $313 million will be provided entirely in commodities.

However, Minnesota provides a case in point where this expectation is in direct conflict with the record of quantity levels of commodities received.

In fiscal 1972 Minnesota received 27.8 million pounds of commodities worth $7.6 million, and in fiscal year 1973 the commodities received totaled an estimated 20.5 million pounds worth $5.5 million plus $1.7 million provided in cash as a substitute for commodities. In fiscal year 1974, my state expects to receive 20.2 million pounds of food but no cash.

Because of inflation and the policies of the

Administration, we will be receiving much less in total than last year. I recommend that U.S.D.A. review their programming for fiscal year 1974 on a priority basis and take steps to make certain that the total program is not cut below the level of the last fiscal year.

In addition, I believe these reduced food quantities point out the need for an escalator clause directed toward maintaining a relatively constant quantity of commodities, and I urge the Committee to consider the need for such a provision.

Two provisions of S. 2871 merit specific commendation. One would improve Federal assistance to the States for the administrative costs of food service programs. A second provision would help Indian tribes on reservations obtain critically needed food assistance.

To encourage the States to administer the programs more efficiently, federal reimbursement to the states for all administrative costs up to 62½ percent is provided. This will enable the states to do a better job in certifying the eligibility of recipients.

The bill would also adapt the food stamp program to the Indian reservation. Under the current legislation, the Secretary of Agriculture has the authority to implement a food stamp program, at a State's request, in every political subdivision of the state. Because there is legal authority for holding that the reservations are not subdivisions of the State, authority is provided to the U.S.D.A. under this bill to enter directly into agreements with tribal governments in the administration of the food stamp program. The Federal Government would also pay 100 percent of the administrative costs attributable to the reservations.

The provisions with regard to Indian reservations and tribal governments take cognizance of the legal realities, and they offer several options in terms of establishing sound food stamp programs which are needed.

Mr. Chairman, in addition to my legislative recommendation on maintaining a constant quantity of commodities for distribution, I would suggest one further provision to assist the children of "near-poor" families.

I believe the Committee should consider making permanent the action taken last year to extend the income eligibility for the reduced priced lunch program to school children up to 75 percent above the poverty guideline.

We have evidence that increasing numbers of young people are dropping out of the program, and it is believed that many of these fall just above the poverty income guideline. Making this provision permanent will urge more schools to take the necessary steps to initiate the reduced price program and encourage many students to remain in the lunch program who would otherwise drop out.

The Committee should also take note of three further problems which this bill does not presently address.

First, the school breakfast and summer feeding programs are scheduled to expire on June 30, 1975, and it would be advisable to give early consideration to extending the authorizations for these programs.

Second, a recent survey clearly indicates the need for additional food service equipment. To address this need, I believe the authorization level should be increased to $40 million, rather than permit a reversion to the permanent level of $20 million.

Third, we need to monitor closely the implementation of the special milk program.

Congress last fall changed the eligibility for participation in the special milk program as follows: "Any school or non-profit child care institution shall receive the special milk program upon their request. Children that qualify for free lunches under guidelines set forth by The Secretary shall also be eligible for free milk."

To date, the U.S.D.A. has not changed its regulations in any way to reflect this change in the law. I call on the Department to explain why this section has not been implemented, and to set forth a timetable to move ahead on implementation.

In conclusion, Mr. Chairman, I urge that consideration of the Family Nutrition Act of 1974 be expedited and that Congressional enactment of this highly important legislation be accomplished without delay.

The school lunch program has already suffered because of rising prices and Administration policies. An estimated half million participants have been lost from the school lunch program during the past year. We do not want to see the commodity program phased out with school lunch and the remaining feeding programs moved over to H.E.W.

Adequate nutrition for our people and especially the children of lower-income families remains a priority need, and it is a responsibility that we cannot shirk. This program is a small price to pay to ensure that we meet this responsibility. I strongly recommend favorable action on S. 2871 to extend the Commodity Distribution Program.

THE CONTINUING WAR IN SOUTHEAST ASIA

Mr. CLARK. Mr. President, I ask unanimous consent that testimony I gave on March 19 before the Senate Armed Services Committee on the continuing U.S. involvement in Indochina be printed in the RECORD. I am honored to join a number of other Senators, including Senators KENNEDY, CRANSTON, AND ABOUREZK, in expressing my opposition to raising the authorization ceiling for military aid to South Vietnam by $474 million.

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

OPPOSITION FOR MILITARY AID TO SOUTH VIETNAM

Mr. Chairman, after 12 years of an American war in Southeast Asia—followed by a year of a "peace" that has been more the exception than the rule—it is time for Congress to make a comprehensive re-assessment of the continued U.S. involvement in Southeast Asia. More than a year has passed since the signing of the Paris treaty, yet the reports from Vietnam by American civilians, reporters, Congressmen, and military personnel lead to the conclusion that the only true withdrawal has been the withdrawal of combat troops. The American money, the American equipment—and perhaps, at times, the American direction still remain.

And that is not the intent of Congress or the American people.

There have been disturbing reports that U.S. liaison officers continue to give tactical and strategic advice to the South Vietnamese military, at least occasionally violating the Paris agreements.

Last Wednesday, Elizabeth Becker, of the Washington *Post*, reported that Major Lawrence W. Ondecker was actively directing combat activities near Kampot, Cambodia, The U.S. embassy in Phnom Penh has repeatedly denied that Americans are still giving military advice, and U.S. law specifically prohibits direct military involvement. Despite all of this, substantial evidence exists that this country still is involved in almost every phase of the continuing war in Southeast Asia.

According to the *Post* report, Major Ondecker was flown into Cambodia to supervise the defense of Kampot, now under heavy attack by rebel troops. Ondecker reportedly advised Cambodian officers in mounting a counter-attack and ordered several more helicopter gunships for infantry support through the U.S. embassy. More infantrymen were brought in, and "the top command was replaced within 24 hours." If Major Ondecker did indeed perform those activities as reported, he broke five separate federal statutes.

This story generated an angry response from the U.S. embassy. The result: Congress is left with conflicting reports and little hard information. But more than information and credibility are at stake here. The real question is whether or not the law is being broken whether or not the Administration is ignoring the clear intent of Congress, whether or not we find ourselves slipping farther and farther back into the morass of military involvement in Southeast Asia. We cannot seriously consider raising the military authorization for Vietnam when we suspect such conscious violations of the law.

I hope the Armed Services Committee can help us find out what is happening. There are so many examples of U.S. support in Southeast Asia that it is difficult to know where the investigative and legislative effort should concentrate. However, there is one document which contains a basic statement, the Paris agreement itself.

Article 4 of that agreement reads: "The U.S. will not continue its military involvement or intervene in the internal affairs of South Vietnam." Article 5 declares that: "Within 60 days of the signing of this agreement, there will be a total withdrawal from South Vietnam of troops, military advisors, and military personnel."

Of course, there have been significant violations of the Paris agreements by both sides. However, that is no justification for this country to continue military support of that aggression. There are indications that foreign aid to Hanoi has been cut significantly—even in 1972, it amounted to only one-third of our aid to Saigon.

Despite the intent of the treaty to end *all* military involvement, the total cost for military aid to South Vietnam this year alone is $1.126 million, and the Pentagon has asked Congress for a supplemental increase of $1.45 billion for now and next year. It has been estimated that when aid to Cambodia is included, the total is $2.3 billion for FY 1974 with a projected increase to $2.7 billion in FY 1975. In fact, we still are spending three times as much for military aid to South Vietnam and Cambodia as for economic aid.

Our involvement also includes CIA personnel, civilians employed by American defense contractors, and the many others who advise and work with the army of South Vietnam—the fourth largest army in the world. Some are necessary, but why must there be so many at such a great cost?

A recent New York Times article describes in detail how thousands of American personnel fit into the war effort through the supply, transportation, and intelligence systems. They build and repair jet engines, inspect and maintain trucks and machinery. They evaluate the rates of ammunition expenditure. And, they often give advice—officially and informally, military and nonmilitary.

Military aid also is channelled to South Vietnam and Cambodia through a number of unofficial devices. For example, there are reports of manipulation of Food for Peace funds.

Under one of the provisions of that program, the U.S. sells commodities for South Vietnamese piasters and then gives the money to the government to spend for military purposes. This is an obvious loophole for military aid. Estimates of the FFP funds that support the armed forces of Saigon and Cambodia range up to $300 million. By the most recent report, 80% of the proceeds in Cambodia pay for soldier salaries. South Vietnam will use all the money from the sale of its

U.S. rice to pay for government programs including the military program. As one director of CARE said, "The entire thing is little more than a way of getting around the Congressional mandate against using the American money in the war effort there." Moreover, while we feed soldiers in Vietnam and Cambodia, CARE estimates that U.S. aid to hungry children in other countries has actually declined.

As a member of the Senate Agriculture Committee, which has jurisdiction over this program, I am particularly concerned over its abuse—especially since South Vietnam and Cambodia are the only countries receiving these kinds of funds. Of course, the U.S. has officially ceased its direct military intervention in South Vietnam, and as President Nixon's 1974 budget states: "In keeping with the articles of the cease fire agreement, AID has terminated its assistance to the National Police and to the Vietnamese Corrections System."

But under the new classifications of "Public Works," "Public Administration," and "Technical Support," $15.2 million is being spent for police computer training, direct police training, police telecommunications, public safety, national police support, and corrections system support. Moreover, exhaustive Senate committee hearings, testimony of U.S. investigative teams, former U.S. intelligence personnel, former prisoners, Quaker medical staff, and Vietnamese political reform groups all have documented incidents of torture and deprivation of civil rights in Vietnamese prisons and police stations.

The South Vietnamese government has denied the widespread use of torture, and it even says that no one who is a non-violent, non-Communist dissenter is ever arrested for merely expressing a different point of view. But the estimates of political prisoners range from the 35,000 people that the State Department classifies as "civilian detainees" to 200,000—the figure suggested by the Committee to Reform the Prison System in Saigon. Hundreds of these prisoners have never been tried in a court of law nor allowed any legal representation. Night raids by security police and torture at interrogation centers seem to be a rule of operation. Many people have charged that political prisoners are reclassified as common criminals to "justify" imprisonment.

Why, then, do we continue to pour dollars and armaments into South Vietnam? Why do we continue support of a regime charged with such repression? Why are we once again putting our own credibility and reputation on the line in the face of legislation and international agreements to the contrary?

This country's relationship with South Vietnam must begin to change. The issue before us is not one of national defense or security. The request for the supplemental authorization is an attempt to negate Congress' efforts to cut back military aid to the Thieu regime. The continued support of his regime, at the old level, is simply a blank check for further abuses. An editorial from the Des Moines *Register* refers to U.S. involvement as "interference" and cites the fact that "the U.S. provides 80 per cent of the swollen budget of the Saigon government of South Vietnam. All but 1 per cent of this aid is for military and police purposes."

We have a chance now to again consider aid to Indochina. Congress should not reverse a policy decision to reduce military aid and put off once again the opportunity to initiate a real change in U.S. policy in Indochina.

Mr. President, we are playing a dangerous and expensive waiting game. There is no point in pretending that Vietnam is no longer our problem. We helped create the present situation. Our dollars continue to help imprison, bomb, and dislocate human beings, just as they did for 12 years before. But what is missing now is the support and will of the American Congress and the American people.

TO INDEMNIFY POULTRY PRODUCERS

Mr. STENNIS. Mr. President, on Tuesday of last week, two poultry producers in my State were ordered to cease operations and several others were on the brink of being so ordered, because an unacceptable level of a toxic chemical was found to be contained in several hundred thousand chickens. This chemical, Dieldrin, is contained in poultry feed purchased by these poultry producers from many sources, and the Government is convinced the particular batch of feed fed the affected poultry caused this excess concentration of Dieldrin in the poultry.

The affected poultry producers immediately contacted Mississippi's Commissioner of Agriculture who in turn contacted Members of our congressional delegation seeking a meeting that same week with the Environmental Protection Agency and the U.S. Department of Agriculture here in Washington to see what could be done about this problem. This meeting was held on last Friday.

Mr. President, almost immediately teams of Government officials visited the poultry farms affected in my State to confer with the producers and to take action to assure that no chickens containing this chemical would be marketed and possibly adversely affect the consuming public.

On yesterday, I cosponsored a bill to indemnify poultry and egg producers and processors who must remove their products from the market due to these products containing too much toxic matter.

As you know, this type of legislation is not unique, but rather is utilized often when catastrophes occur to our producers of food products. Mr. President, through no fault on the part of these affected producers millions of chickens will be destroyed. Huge sums of money will be lost by the producers, jobs will be affected and generally the economy will suffer if these losses must be sustained totally by these producers.

The bill does not seek to indemnify those who fail to abide by Department of Agriculture regulations. It is to help only the innocent producer.

Mr. President, the extent of our problem is not presently known, but at this moment Government personnel are utilizing their laboratories in Mississippi to ascertain just how serious it is. Fortunately, none of this poultry reached the market and none will, so there is absolutely no danger to the health of the public.

Millions of chickens are produced annually in Mississippi, and billions from all States are consumed annually by the public. To keep prices of these products stable, the producers must know that they can invest millions of dollars in producing poultry to feed America and still be protected if they are, through no fault of their own, required to destroy poultry which are contaminated.

The Federal Government has done an outstanding job in handling this unfortunate matter, and the poultry producers have cooperated every step of the way. It would mean financial ruin to the affected producers if they are not indemnified, and will seriously undermine the entire poultry industry in Mississippi and possibly a great part of the Nation.

Mr. President, I hope we can quickly pass this legislation and thereby prevent unnecessary losses to these producers.

HARD CHOICES IN THE NATIONAL HEALTH INSURANCE DEBATE

Mr. HART. Mr. President, on March 25 my distinguished colleague from Maine, Senator MUSKIE, delivered the keynote address to the New England Hospital Assembly in Boston, Mass. Senator MUSKIE's address discussed four areas in which difficult choices will be posed in the debate on national health insurance.

Senator MUSKIE suggested that comprehensive health coverage for all Americans will only be possible if we make a commitment to devote additional national resources to health. He suggested that the financing system for national health insurance must be one which distributes costs equitably among the population, relying primarily upon the tax system. He called for new systems of reimbursing health providers, such as prospective budgeting. And he pointed out that we must begin today to improve our health delivery system to meet increased demand under national health insurance.

Senator MUSKIE's address provides a thoughtful framework for analysis of national health insurance proposals. I ask unanimous consent that it be printed in the RECORD.

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

KEYNOTE ADDRESS BY SENATOR EDMUND S. MUSKIE

I hope to point out today some of the hard choices that face us in fashioning national health policy. That policy will be shaped in large part by the debate on national health insurance. It is in that debate that the hardest choices will be presented.

I

The ultimate goal of national health policy should be to provide every American, regardless of geographic location or socio-economic status, with access to quality, comprehensive health care. We have a long way to go to achieve that goal. Our system is a success in many respects:

The medical professions have made great progress toward preventing and treating illness, injury, and disability.

Those who administer and support our health care system—health providers such as yourselves, and those in research, health financing, and Government—have shown initiative and dedication in giving good health care to Americans.

Many Americans, as a result, receive excellent health care, at a cost they can afford to pay. But too many Americans do not share that opportunity.

Too many Americans find that their private or Government health insurance does not cover some or all of their health bills—and as a result they suffer financial disaster or—in some cases—do without needed care.

Too many Americans are rebelling at the long-term inflation in health care costs, which our present system seems unable to control without causing inequities and dislocations.

And too many Americans find that, even when they can afford it, good health care is not available—because most communities do not have enough of the right kinds of doctors or other health personnel; or because they do not have adequate hospitals or other health facilities; or because the fragmentation of the health delivery system makes it too inefficient and complicated to provide complete care.

These problems of paying for personal health, bills, controlling health costs, and improving our health delivery system can only be solved adequately by a system of national health insurance.

It is gratifying that the *need* for national health insurance is no longer in dispute. The public, health professionals, the administration, and the Congress all agree that national health insurance is a top priority for America. But there is little agreement on the *form* that national health insurance should take.

We will go through a lengthy, spirited, and complex debate before national health insurance becomes a reality. And this debate will present a series of hard choices about national health policy:

Choices of the kinds and amounts of health cost coverage to include in national health insurance;

Choices of the mechanisms we use for financing those costs;

Choices about how to control health costs; and

Choices about how to develop a health delivery system adequate to our needs.

II

The choices most familiar to most Americans concern the benefits to be covered by national health insurance. For the most visible failure of our present system is its inadequate protection against health costs.

Over three-fourths of Americans now have private health insurance. About twenty-three million of the elderly have medicare coverage. And about twenty-seven million low-income individuals receive protection under medicaid.

But some Americans have no protection at all, for even the most basic kinds of care: thirty-eight million Americans under age 65 have no protection against hospital costs, and forty-three million have no insurance for medical care costs. *National health insurance should at least provide coverage for those who now lack it completely.*

A second standard for judging national health insurance coverage is the kinds of health services covered, and the amount of coverage for each service.

Most insurance now provides little or no coverage, for instance, for dental care, drugs, nursing services, home health, and other types of out-of-hospital care. It is no secret that services which contribute to early detection and treatment of illness, and avoid costly hospitalization, can lead to better health at lower cost but are usually not covered, and patients thus do not receive these kinds of care. So to provide the full range of health services Americans need, *national health insurance should include comprehensive benefits for catastrophic preventive, nursing, home health, and other out-patient care,* in addition to adequate hospitalization and medical coverage.

To apply these standards to the benefit coverage, however, presents the *first hard choice* about national health policy: *the extent to which we are willing to devote additional national resources to provide increased coverage where it is needed.*

We now spend 7.7% of our gross national product on health. But that proportion must rise if we are to provide adequate coverage of health costs under national health insurance.

Part of the increase would be needed to expand health services, to meet the extra demand national health insurance would generate. And part of the increase would be needed for the cost of expanded coverage itself. Some of it could be offset by cost control measures included in a national health insurance system. But the net increase must be met by increasing our national health budget.

Making that commitment to an increased national health budget will be a difficult but necessary choice to make if we are truly to provide all Americans with comprehensive coverage of health care costs.

III

National health insurance must include not only increased health coverage, but also reform of health financing. As health providers, you are all too familiar with the present financing system—dominated by the complicated and overlapping structure of "Third party payments": some provided by the Government, some by private companies; each with their own set of forms to fill out, and each with their own regulations to meet. Streamlining that system must be one goal of National Health insurance, to lessen the bureaucratic burden on patient and provider alike.

Another goal, however, is to insure that the financing system for national health insurance distributes the burden of health care costs equitably.

Each of the 80 billion dollars we spent on personal health care in fiscal year 1973, for instance, came originally from the private resources of the American people—$30 billion, or 38 per cent, from Federal, State, and local taxes channeled through government programs; $21 billion, or 26 per cent, from insurance premiums paid out in benefits by private companies; and $28 billion, or 35 per cent, in direct payments by individuals.

Each of these sources or funds—the government, private insurance, and direct payments—distributes health costs differently among the population. The burden of government taxes, of course, is spread among most citizens based roughly on income—more or less progressively and equitably. Insurance premiums spread health care costs equally among those who pay premiums to each insurance plan. And direct payments are assessed solely on the basis of consumption of health care—in other words, the consumer pays all of these charges, but only when sick or injured. Direct payments thus can impose the most inequitable burdens on patients.

Each proposal for national health insurance uses a different combination of these sources to finance health coverage. And for health care available today, each of the proposals would change the existing distribution of health costs among the financing sources.

Changing the proportion of costs paid by direct payments, insurance premiums, and tax revenues presents the second set of difficult choices in the national health insurance debate.

I had the opportunity to study some of these choices when the Senate Subcommittee on Health of the Elderly, which I Chair, held hearings this month of the effect of the administration proposal on health programs for the elderly. The administration plan—known as "CHIP," for Comprehensive Health Insurance Program—does include some increased benefits for the elderly, such as coverage of catastrophic costs and out-of-hospital prescription drugs beyond a $50 deductible. But "CHIP" would actually increase the out-of-pocket costs for most of the elderly, by raising deductibles and coinsurance for hospital stays of less than sixty days.

The net result for the elderly under "CHIP" is an unwise trade-off—the increased benefits for the aged who get catastrophic and drug coverage would be financed in part from increased direct payments by the aged for hospital stays. Thus, some of the burden of financing expanded coverage would be placed on those who can ill afford it.

This trade-off represents exactly the wrong approach, I believe, to the choices about financing presented in the national health insurance debate.

The Nation has a responsibility to provide good health care to all Americans, regardless of need. Our responsibility includes an equitable financing system for that care. And an equitable financing system must rely primarily on the tax system.

Increasing the Government's share of Health Care expenditures will be a difficult choice to make, but one I believe essential to ensure fair distribution of health costs among the population.

IV

I know that this audience has strong views on *a third set of choices in the National Health Insurance Debate: controlling health costs.*

Cost control in the health industry is made especially difficult by the structure of the financing system, with its reliance on third-party payments. Such a large portion of charges are reimbursed on the basis of actual cost by these third parties (and not by the patient directly) that normal "Free Market" forces provide no effective restraint on cost increases. And the resulting inflation has been met with heavyhanded direct federal controls.

Throughout the period of controls, hospitals and the entire health industry have in general taken a responsible attitude toward controlling costs. The rate of hospital price increases, while still high, has steadily declined over the past five years, to a rate of under 10% last year. Hospital administrators from Maine and elsewhere have written me about their sincere concern for controlling inflation in their industry as well as in others.

At the same time, your objections to the current economic stabilization program as applied to the health industry have been heard loud and clear in Washington. And you have made evident your opposition to the administration's proposal to single out the health industry for continuation of controls beyond April 30, when the Economic stabilization act expires.

For the health industry as well as for other sectors of the economy, current economic conditions allow us no choice but to maintain an active federal role in controlling inflation. For most of the economy, that role should be one of gradual decontrol, allowing the free market to correct the dislocations which developed under the administration's helter-skelter imposition of phases and freezes since 1971. But this policy of orderly decontrol must be evaluated on an industry-by-industry basis.

The special problems of health cost inflation deserve their own unique solutions. These must include a continuation of some cost control measures to avoid an unconscionably large "inflationary bulge" which would result if controls were ended all at once. But *controls on the health industry must not impose an inequitable share of the burdens of inflation. The controls must be made more flexible.*

Controls should be responsive to the persuasive arguments I have heard that the current cost of living council regulations are so complex that they impose almost impossible administrative burdens on the small hospitals; that the currently allowed 7.5% rate of price increase is, in many cases, insufficient to cover rising costs; and that the uncertainty, and unresponsiveness, of the

wage and price control bureaucracy in Washington has stifled responsible planning for needed hospital expansion.

The frustration of Maine's hospital officials is acute, to say the least. It is well illustrated by the comment of one administrator who wrote me recently:

"I am completely convinced," he said, "that the bureaucracy in Washington cannot respond effectively to our problem. It simply has grown too big, too unwieldy, and too consumed with its own internal paper shuffling, red tape, and 'busy work' to respond."

In the long run, however, the problems of inflation in the health industry can only be solved by including in national health insurance an effective system for making health providers directly accountable for cost control. Effective control reform represents the third set of difficult choices in the national health insurance debate—choices on which your cooperation, and willingness to accept change, will be essential.

One hard choice will involve the degree to which national health insurance includes strong prospective budgeting provisions, or other new systems of reimbursement. Prospective budgeting, for instance, would make hospitals and other health providers responsible for planning, in advance, how to provide the most effective care within available resources. Such new approaches to reimbursement are the only alternatives to continued outside constraints on health management decisions.

Another hard choice will be what role private insurance companies play under national health insurance. Private insurance companies must be removed from their role as a buffer between health providers and fiscal reality.

These choices will be presented—and resolved—in the national health insurance debate. Their resolution will be most successful only with the full participation and cooperation of you and others in the health industry.

V

The final set of choices in the national health insurance debate concerns reform of the delivery system itself. Some needed reforms will include the development of new or neglected kinds of health services—such as HMO's, home health care, and paramedical manpower. Many of these reforms will involve changing and integrating institutional and professional structures—such as adding extended care to hospital services and expanding outpatient facilities, and integrating mental health and social services with primary health care.

On the need for most such reforms there is little dispute. And whether they will be encouraged by national health insurance will in large part be determined by the choices we make about coverage, financing, and cost control.

That brings me to *one additional set of hard choices* to make if reform under national health insurance is to be effective: *Choices about whether we are willing to devote the resources, today, to develop the improved health delivery system we will need when national health insurance begins.*

These hard choices will be presented as Congress considers the Federal health budget for fiscal year 1975. Here are some examples of how the administration's proposed budget would resolve those choices:

Eliminating support for education of allied health and public health professionals, and reducing health manpower funds generally by $320 million;

Eliminating funds for regional medical programs and comprehensive health planning; and

Again attempting to eliminate new Hill-Burton funds, and cutting all health facilities assistance by $170 million.

Overall, the administration requests that the Federal health resources budget be cut almost in half—from $1.5 billion this year to $790 million in fiscal year 1975.

I hope that we will choose a different course this year—and decide to give full Federal support to building an improved health delivery system now, while the national health insurance debate proceeds.

VI

We face many challenges in attaining our goal of providing assured, accessible, high quality health care—for all Americans. Hard choices lie ahead:

Choices about committing the additional national resources necessary to provide comprehensive care for all;

Choices about changing the distribution of funding sources for national health care, to insure that costs are spread equitably among the population;

Choices about cost controls, this year, and changing the reimbursement system, under national health insurance; and

Choices about how to begin to build, today, an adequate health delivery system.

Making these choices and others—while fashioning a sound national health insurance system—will be a difficult process.

But I am confident that America can meet that challenge.

NUTRITION FOR THE ELDERLY

Mr. KENNEDY. Mr. President, last week, the House of Representatives approved H.R. 11105, which extends the nutrition for the elderly program, title VII of the Older Americans Act, for 3 years.

The measure also increases authorization each year from $150 million currently to $150 million for fiscal year 1975, $200 million in fiscal year 1976, and $250 million for fiscal year 1977.

In the Senate, I introduced companion legislation, S. 2488, on September 26, with Senator PERCY. That measure now has 26 cosponsors. Many of my colleagues who are cosponsors of this measure were among those who originally joined me in offering S. 1163, which established the older Americans nutrition for the elderly program. That bill was signed into law on March 22, 1972.

Unfortunately, because of vetoes of HEW appropriations measures, it was not until July 1973, that funds were made available to the States.

The enthusiastic support for this program around the country was evident during our authorization hearings and later in support of my amendment to raise the fiscal year 1974 appropriations by $10 million.

Now we have a detailed report from the food research and action center of the stage of implementation of the program from around the country.

As important as the level of State activity is their description of the need to expand the program to permit more low-income elderly persons to participate. At this time of high inflation, the elderly, who are forced to pay far more of their limited incomes for food than other Americans, suffer most.

I am hopeful that S. 2488 will be approved by the Senate shortly and that additional appropriations will be made available for this program.

Mr. President, I ask unanimous consent that the report of the food research and action center be printed in the RECORD.

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

SURVEY OF TITLE VII—THE NUTRITION PROGRAM FOR THE ELDERLY, U.S. SENATE SPECIAL COMMITTEE ON AGING

This report is based on a survey conducted by the Senate Special Committee on Aging with the research assistance of the Food Research and Action Center.

Despite uncertainty over funding for the program, reports from the states indicate an encouraging response and an overwhelming need for congregate meal programs for the aged. Due to Presidential vetoes, nearly a year and a half elapsed between the enactment of Title VII of the Older American Act in 1972 and the appropriation of funds. Funds for fiscal year 1974 have not yet been released by the administration. In a relatively short period of time (6 months), all states have developed programs and will soon be feeding 200,000—212,000 elderly Americans daily.

This report considers the need for a commitment to the development and expansion of the Nutrition Program for the Elderly and discusses certain problem areas including the rising cost of food, the record-keeping and reporting system, the lack of state administrative funds and the need for flexible rules in rural areas.

Thirty-two states and Guam responded to the Title VII questionnaire. All other states were polled by phone.

NEED FOR EXPANSION

When the Nutrition Program for the Elderly was enacted, the Administration on Aging estimated that the first appropriation of $100 million would serve 250,000 older Americans daily. That was only 1.25% of the elderly population (20,049,592) and 4.5% of the elderly poor. Now, however, inflation and rising food costs have caused a drop in the estimated number of meals to 200,000—212,000 daily. At a time when costs are rising sharply, fewer of the older Americans with fixed incomes can be served.

The disparity between the present reach of the program and the need is shown by the attached chart. The overwhelming majority (47) of states see a need for vast expansion. For example, in Florida there are 1.5 million elderly who need a meal program and yet the Title VII project can feed only 9,604 daily at present funding levels. Of course the result is that there already are waiting lists of elderly eager to participate for whom there are no meals. Despite the fact that the program is just being implemented several of the states polled recently by phone report such waiting lists or expect them soon.

Another result of limited funding is that many areas have no program at all. States have been forced to restrict geographic coverage even though thousands of needy elderly live in "non-target areas." The attached chart indicates the number of additional projects and sites, if state programs were to meet existing needs. Many states report that the popularity of the program is outstripping expectations. At one site in New Jersey, for example, 25–30 elderly were expected the first day and 169 arrived. Another site in Illinois was planning for 100 meals and is already serving 180 daily.

Another factor adding to the need for increased funding is the increase in food costs. U.S. Department of Agriculture food price indices a 31% increase in the retail price of food between March 1972, when Title VII of the Older American Act was enacted, and December 1973. The Department of Agriculture has predicted that food prices will continue to rise during 1974.

Many states expect to have to cut back on the number of meals served in the future if no increase in funds is available. Projects hardest hit so far are those with on site preparation of a central kitchen. Where projects have contracted with caterers or with restaurants, many expect substantial price increases when the contracts are renegotiated. Some states have noted a considerable difference in price per meal between those contracts arranged by the projects funded earlier then those now just getting underway. Some states polled by phone suggest a 15–25% increase just for inflation alone should be provided for the coming fiscal year.

One state expects to have to cut back 600 of its 2879 meals served daily if it receives no increase in funds, i.e. a 21% decrease in the number of elderly who can participate daily. Projecting this estimate nationwide, the program would be serving only 158,000—168,000 daily nationwide, over a third less than the original goal for first year funding.

Another inflationary pressure is the increase in fuel costs. The difficulty in obtaining gasoline has made volunteers reluctant to help with transportation. Many project budgets, particularly in rural areas, were planned relying heavily on volunteer transportation.

THE NUTRITION INFORMATION SYSTEM

The overwhelming majority of states responding (35 out of 40) felt that changes should be made in the Nutrition Information System developed by a consulting firm for the Administration on Aging as a nationwide record-keeping and reporting system. While the need for good fiscal accounting, record-keeping and statistical data was recognized, it was generally agreed that some revisions in the system should be made so that it would not serve as a deterrent to the operation of a quality program for the elderly.

Feedback from the local level indicates that the staff who deal with the forms on a daily basis feel that the system is burdensome, complicated, even ridiculous. Estimates on the amount of staff time required to fill out the forms ranged from 45 minutes per day per site to 50% of staff time. Many indicated that record-keeping should be kept at a minimum so that staff time can be spent with people. A number of projects rely heavily on volunteers to operate sites. Volunteers generally want to serve people and many do not find filling out forms rewarding, particularly when the number is excessive. Some states report that the forms are too complicated for elderly volunteers to deal with.

The cost of implementing the system is another problem pointed to by many states. Some claim that it is impossible to operate a small project with minimal staff personnel. The record-keeping requirements create added administrative costs. Many believe that such funds would be better spent on meals.

A human cost of the Nutrition Information System is its impact on elderly participants. Some report that the system reminds the older American participants of the welfare system and its red tape. Of course, if an inordinant amount of staff time and funds must be spent on paper work, the quality of the program and services will suffer.

No state questioned the need for accurate reporting from projects. Indeed, many states are concerned that the cumbersome nature of the Nutrition Information System will itself cause incomplete and inaccurate data to be collected at the local level. Many fear that the burdensome nature of the system will cause pressured local staff to fudge reporting. Such data will, of course, be of questionable value. One populous state indicates it will soon be impossible to collect all the data required.

Dissatisfication with NIS is not a new development. Results from pilot testing sites also conclusively indicated that the information and forms required were unnecessary, cumbersome, burdensome on staff, and ill-suited to many projects.

A number of states have begun to try to adapt the system to the needs at the local level. Some have developed simplified forms.

Two suggestions made by several states were:

Do away with the daily unduplicated and duplicated counts which means keeping an attendance chart for each participant and

Collect some statistical information on a sampling or demonstration basis.

The widespread dissatisfaction with N.I.S. indicates that A.O.A. should consider a revision with strong input from state and local staff.

STATE ADMINISTRATIVE FUNDS

A majority of states (22 of 34) do not expect to have adequate funds to administer and evaluate nutrition programs in the future. The Older Americans Comprehensive Services Amendments, in an amendment to Title VII, prohibited the use of Title VII funds for administrative costs after Dec. 31, 1973. An unspecified amount under § 306 of the Older Americans Act is to be used. States were almost equally divided between recommending that 5% and 10% of the state allotment under Title VII be made available for state administrative purposes.

RURAL AREAS

Several rural states have requested that special rules be established to facilitate implementing Title VII projects in rural areas.

Specific suggestion which deserve serious consideration include:

States are presently limited to spending only 20% of Title VII funds on supportive services including transportation. Projects in sparsely populated areas need flexibility either in terms of the amount of funds which can be spent or in terms of services offered. The need for reassessment has become particularly acute since some rural areas have been hit hard by the fuel crisis.

The age limit for Native American participants should be dropped to 55. Excluding infant mortality, the average age of Indians dying in the U.S. is 53 years as compared to 68½ among whites. (Public Health Service survey, 1962–67) Consequently the number of Indians who live beyond 60 is small. Some tribal organizations have received limited funding based on limited population over 60 despite the fact that there are many more truly elderly Indians between the ages of 55–60.

State	Fiscal year 1973 allocation	Population 60 plus	Percentage of 60 plus poor	Date full implementation
Alabama	1,570,652	475,203	44.9	December 1973.
Alaska	500,000	12,197	24.6	June 1974.
Arizona	775,748	233,729	23.8	March 1974.
Arkansas	1,110,948	334,603	47.3	Apr. 1, 1974.
California	8,514,078	2,571,747	18.1	Do.
Colorado	881,096	266,890	25.1	Mar. 1, 1974.
Connecticut	1,379,108	414,991	16.9	May 15, 1974.
Delaware	500,000	63,815	24.0	April 1974.
District of Columbia	500,000	103,713	21.2	February 1974.
Florida	4,453,370	1,344,185	24.2	End of March.
Georgia	1,800,052	543,299	41.2	Mar. 31, 1974.
Hawaii	500,000	67,488	19.8	May 1, 1974.
Idaho	500,000	97,963	30.0	Apr. 1, 1974.
Illinois	5,200,388	1,571,497	24.0	Apr. 30, 1974.
Indiana	2,317,668	701,393	26.4	Apr. 1, 1974.
Iowa	1,580,228	477,392	28.3	June 1, 1974.
Kansas	1,216,296	367,545	28.7	May 31, 1974.
Kentucky	1,580,228	476,224	39.9	March 1974.
Louisiana	1,484,456	449,386	43.3	End of March, early April.
Maine	526,742	165,124	27.4	Mar. 31, 1974.
Maryland	1,465,302	443,561	21.9	Do.
Massachusetts	2,940,182	888,972	18.7	Apr. 30, 1974.
Michigan	3,601,004	1,089,225	24.0	Mar. 31, 1974.
Minnesota	1,867,542	564,373	26.7	May 31, 1974.
Mississippi	1,063,062	320,336	54.3	Mar. 31, 1974.
Missouri	2,595,406	783,632	31.3	Do.
Montana	500,000	97,171	27.5	October 1974.
Nebraska	833,212	250,396	28.4	Mar. 31, 1974.
Nevada	500,000	48,844	21.9	Mar. 30, 1974.
New Hampshire	500,000	110,272	25.4	Feb. 15, 1974.
New Jersey	3,342,422	1,011,034	18.7	Oct. 1, 1974.
New Mexico	500,000	105,158	35.8	June 30, 1974.
New York	9,308,986	2,813,580	21.7	April 1974.
North Carolina	2,030,354	614,180	39.0	Mar. 31, 1974.
North Dakota	500,000	93,813	27.6	March 1974.
Ohio	4,721,530	1,426,582	25.5	February 1974.
Oklahoma	1,398,262	421,310	38.4	Feb. 28, 1974.
Oregon	1,063,062	321,207	24.3	Apr. 1, 1974.
Pennsylvania	6,062,330	1,831,564	24.4	Apr. 30, 1974.
Rhode Island	500,000	147,164	24.9	Dec. 31, 1973.
South Carolina	948,136	286,272	43.0	Mar. 15, 1974.
South Dakota	500,000	109,740	31.9	Mar. 30, 1974.
Tennessee	1,838,810	555,977	42.2	Dec. 31, 1973.
Texas	4,759,838	1,436,955	34.8	Mar. 31, 1974.
Utah	500,000	112,540	26.0	April 1974.
Vermont	500,000	66,453	25.7	March 1974.
Virginia	1,781,348	538,034	31.3	May 1974.
Washington	1,522,766	460,089	24.5	Mar. 31, 1974.
West Virginia	919,406	278,969	39.1	Mar. 15, 1974.
Wisconsin	2,193,166	661,349	24.3	Mar. 31, 1974.
Wyoming	500,000	43,730	25.2	July 1, 1974.
American Samoa	250,000	1,029	(*)	
Guam	250,000	2,550	(*)	March 1974.
Puerto Rico	852,366	258,661	(*)	
Trust Territory	250,000	5,045	(*)	
Virgin Islands	250,000	3,630	(*)	

*Not available.

State	Meals served daily (fully implemented) fiscal year 1973	Number who would participate if adequate funds available	Number of projects and sites with fiscal year 1973 allocation		Number of projects and sites needed to feed all who would participate	
Alabama	3,470 plus	150,000	P–6	S–72	P–12	S–250.
Alaska	600	6,000	P–6	S–15	P–25	S–300.
Arizona	1,680	25,000	P–8	S–28	P–125	S–375.
Arkansas	2,000 plus		P–9			
California	18,413	30 percent of more of elderly population	P–52	S–300	P–100	S–300.
Colorado	1,850	50,000	P–5	S–49	P–30	S–200–250.
Connecticut	3,050	46,000	P–11	S–70	P–160	S–1,000.
Delaware	1,200	2,500–3,000	P–4	S–24	P–4	S–34.
District of Columbia	1,100	10,000	P–5	S–42	P–9	S–150.
Florida	9,604	Over 1,500,000	P–19	S–118	P–2, 850	S–17, 700.
Georgia	3,740	214,066	P–8	S–72	P–18	S–162.
Hawaii	1,310	4,160	P–4	S–13	P–4	S–32.
Idaho	1,080	10,500	P–8	S–37	P–11	S–55.
Illinois	10,936	354,828	P–30	S–240	P–50	S–440.
Indiana	5,366	200,000	P–11	S–119	P–22	S–500.
Iowa	2,994	43,015	P–11	S–81	P–11	S–170.
Kansas	3,719	7,500	P–5	S–50	P–20	S–80.
Kentucky	3,270	360,459	P–7	S–49	P–15	S–200.
Louisiana	3,090	Double	P–9	S–50	P–14	S–100.
Maine	1,500	3,427	P–5	S–24	P–5	S–57.
Maryland	2,879	60,000	P–12	S–62	P–22	S–137.
Massachusetts	4,600	10,000	P–18	S–100	P–23–25	
Michigan	7,300	12–15,000	P–31	S–127	P–95	
Minnesota	4,000–4,500	13,500 easily	P–17	S–105	P–Same	S–300.
Mississippi	2,358	Great potential for expansion	P–9	S–42		
Missouri	5,390	200,000	P–9	S–100		
Montana	930	1,500	P–5	S–15	P–10	S–33.
Nebraska	1,565	2,000	P–8	S–45	P–8	S–51.
Nevada	1,150	2,000	P–10	S–20	P–14	S–29.
New Hampshire	1,205	3,000 plus	P–6	S–22	P–6	S–56.
New Jersey	6,035	300,000	P–22	S–70	P–30	S–1,500.
New Mexico	2,000–2,500	3,500 plus	P–4 or 5	S–45–50	P–10–12	S–80–90.
New York	21,000		P–19	S–250	P–Same	S–500.
North Carolina	4,641	50,000	P–24	S–100		
North Dakota	650	600	P–6	S–15	P–10	S–20.
Ohio	8,200	50 to 75,000	P–18	S–176	P–75	S–300.
Oklahoma	3,086	100,000	P–5	S–44	P–11	S–1,333.
Oregon	3,000	5,000 or more	P–5	S–60	P–3 more	
Pennsylvania	13,766	500,000 daily	P–43	S–283	P–68	S–8,000.
Rhode Island	1,000	2,000	P–6	S–15	P–6	S–27.
South Carolina	5,484	15,000	P–12	S–51	P–30	S–200.
South Dakota	1,450	38,000	P–6	S–14	P–8	S–150.
Tennesse	3,840	200,000	P–5	S–78	P–9	S–240.
Texas	10,400	250,000	P–15	S–7	P–127	S–240.
Utah	1,030	1,000 or more	P–3	S–16	P–6	S–15 or more.
Vermont	1,100	8,000	P–7	S–41	P–7	S–65.
Virginia	4,000	120,000	P–18	S–90	P–22	S–330.
Washington	2,448	10,000	P–14	S–70	P–20	S–150.
West Virginia	2,000	6,000	P–12	S–79	P–16	S–100.
Wisconsin	4,900	Thousands more	P–16	S–78	P–50 more	S–200.
Guam	310	1,500	P–1	S–7	P–1	S–19.

FUEL FOR AGRICULTURE: PROMISE VERSUS PERFORMANCE

Mr. McGOVERN. Mr. President, my Subcommittee on Agricultural Credit and Rural Electrification today completed 2 days of hearings on the farm fuel situation, as part of our general investigation of the fuel and fertilizer supply, demand, and price situation.

Every Member of this body knows that, under the allocation regulations promulgated by the Federal Energy Office, the important food and fiber production in this Nation is to receive 100 percent of requirements of gasoline, middle distillate—largely diesel fuel—and propane.

It was disturbing to learn at these hearings as many Members of the Senate have learned in repeated contact with their constituents, that agricultural needs are not getting the promised 100 percent of requirements.

Indeed, the Department of Agriculture testified that fuel supplies for farmers are "tight to very tight" in parts of 30 States, an increase of 4 States from 2 weeks ago.

I think it fair to warn, as Chairman TALMADGE of the Senate Committee on Agriculture pointed out last December, that unless adequate fuel is provided for the farmers of America, the food supply of this Nation will be reduced to the point that there will be serious talk of food rationing.

Such a situation can and must be prevented, and I urge the FEO and other appropriate agencies to do all within their power to prevent it.

Representatives of the FEO identified one of the problems and addressed themselves to a possible solution. The following statement is from the testimony of Duke R. Ligon, Assistant Administrator of FEO:

SUPPLIERS' ALLOCATION PROCESS

At the present time, there is no mechanism in the regulations for the final supplier to certify his needs back upstream in the supply chain, when his total available supply is less than the demand of agricultural customers.

We have completed a redraft of the regulations which will incorporate a procedure whereby the seller at the end of the supply chain may certify his entire agricultural requirements upstream to his supplier, until eventually all agricultural needs are certified back to the refinery level. The refiner will then be obligated to set-aside supplies of fuel necessary to meet all agricultural needs and allocate this set-aside accordingly. The remaining supplies at the refinery level are then allocated, employing the allocation fraction in the same manner that total supplies are allocated under the current system.

Mr. President, the FEO spokesmen are hopeful that they can complete this redrafted regulation within 30 days. In view of the fact that the planting season is upon us in many parts of the United States, it is my hope that such a regulation can be implemented without delay.

It is also encouraging to hear the FEO's statement that lubricating oils will be covered by high priority allocation to agriculture under subsequent new regulations, also due to be forthcoming soon.

I have had a number of letters and calls from energy users who would be affected by a proposed redefinition of the "agricultural production" category of the mandatory allocation program.

Because of the critical importance of how the end user is classified, I asked the FEO spokesman to consult with our Subcommittee prior to finalizing the new definition of agricultural production. It is my hope that this modification, too, can be completed quickly and with minimal adverse effect on the producers of food and fiber.

The following is Mr. Ligon's testimony about plans to revise the agricultural production definition:

DEFINITION OF "AGRICULTURAL PRODUCTION"

Another problem which I know is causing concern in the agricultural sector is the definition of "Agricultural Production," under the Mandatory Allocation Regulations. Specifically, the problem boils down to separating agricultural production from that production which would otherwise be included under the category of "Industrial Production."

In the redraft of the regulations to which I alluded, we are considering revising the definition of "Agricultural Production." We are currently reviewing the entire issue with the Department of Agriculture so that a fair and equitable definition can be determined. In consideration of this revised definition, it is important to realize that the additional available supplies resulting from the lifting

of the Arab embargo will most likely allow for increased allocation to many sectors of the country including industrial production.

Another problem identified in testimony is the impact of the two-tier pricing system on cooperative and independent refiners. In his statement, Bill Brier, director of energy resources, National Council of Farmer Cooperatives, related:

The government, by regulation, fixes the price of so-called domestic old oil at about $5.25 per barrel. This production accounts for about 70–80 per cent of the total domestic supply. Newly discovered oil and stripper oil is exempt from price controls and currently sells for about $10.35 per barrel.

This policy discriminates against cooperatives and many other independent refiners because the inland refineries are often located near fields with an unusually high percentage of stripper well production. Thus, the farmer buying from a cooperative, which in some cases is his only source of supply, is paying as much as 5c to 10c a gallon more for his product than his counterpart buying from a major oil company.

The impact of sharply higher retail prices for refined petroleum products to the farmer is understood more clearly when one considers the fact that cooperatives provide nearly one-third of all the fuel consumed by agriculture.

The inequities apparent in this system strongly suggest the need for an equitable "blend price" which will treat all segments of the industry, and all consumers, on the same basis.

Mr. President, the purpose of our subcommittee's hearing was threefold:

First. To determine the energy and fuel requirements of U.S. agriculture and related industries.

Second. To evaluate the impact of the current fuels and energy shortages on U.S. agriculture.

Third. To evaluate current Federal mandatory fuel allocation regulations as they relate to both agriculture and related industries.

Due to the fact that U.S. agriculture is such a highly mechanized industry, petroleum and electricity are vital to its operation. Farming today accounts for about 3 percent of petroleum fuel and 3 percent of the electricity consumed in the United States. Major fuels used in farming are gasoline, diesel and LP gas—chiefly propane. While some natural gas is occasionally used on farms, agriculture's major uses of natural gas are manufacturing of nitrogenous fertilizers, herbicides, animal feed nutrients, and processing of farm products.

Fuel consumption in 1973 was estimated at 7.76 billion gallons as compared with 7.08 billion in 1969 and 6.47 billion in 1964. Electricity consumption on farms has doubled in the last two decades while farm numbers declined by one-half.

Estimated kilowatt hours used on farms in 1950 were 17 million, compared with 40 million in 1972. While the proportion used in farm production alone has not been estimated, use of electricity in farming has increased substantially as milking machines, elevators, augers, and other feed handling devices have been widely adopted.

By type of fuel, 4 billion gallons of gasoline, 2.5 billion gallons of diesel, and 1.3 billion gallons of LP gas were used in farming in 1973. Farm use of these fuels in 1974 will be even larger, due mainly to 20 million additional acres of cropland being brought into production.

And as one looks to future fuel requirements of U.S. agriculture, one must take note of the shifts taking place in types of fuels being used, as well as the seasonal demands for those fuels.

Diesel fuel use in farming has more than doubled since 1964. Diesel fuel accounted for 18 percent of all farm fuels in 1964 and 32 percent in 1973. The proportion of gasoline dropped from 64 percent to 52 percent, and the proportion of LP gas decreased from 18 to 16 percent over the same period. Increased numbers of diesel-powered tractors and combines have led to the shift in related quantities of fuel used by type. As of last fall, more than 80 percent of the wheel tractors purchased were diesel and the proportion is expected to increase to more than 90 percent by 1975. Fifty percent of all farm tractors are expected to be diesel powered by 1975.

While gasoline use is less seasonal due to its use in automobiles and trucks, diesel use tends to be much more seasonal, with heaviest uses coming during spring field preparation and fall harvesting periods.

LP gas for farm home and production use represented about one-fifth of LP gas sold in 1971. LP gas is used on farms for a number of purposes, including fuel for motors, for drying crops, and for brooding poultry and livestock. Use of LP gas in farming today is divided about equally between farm motors and other uses, such as crop drying, tobacco curing, and space heating.

Seasonality of agricultural use of LP gas varies by geographic region. In Midwestern States, 90 percent of that region's annual use may occur during October through December, due to corn drying In contrast, in the Appalachian and Southeast regions, July and August are the peak months of LP gas consumption, where tobacco curing is of major importance.

As for natural gas, almost 600 billion cubic feet is required to operate ammonia fertilizer plants at capacity, with another 50 billion cubic feet of gas required to meet the operational needs of Frash sulfur, potash, and phosphate producers. This 650-billion-cubic-feet requirement is less than 3 percent of the total natural gas used in the United States.

In January of this year, the Federal Energy Office issued its final mandatory fuel allocation regulations. I, and everyone on this committee, were pleased with FEO's action in giving agriculture top priority status in those final regulations. While it had initially proposed that agriculture be given only top priority in the allocation of gasoline supplies, its final regulations also added diesel and other middle-distillate fuels, which means that agriculture is now to get 100 percent of its current fuel requirements, rather than a percentage of some previous base period. These actions are not only consistent with our national interest, but recognize some of the earlier facts I related to you about shifts taking place in farm fuel uses, by type.

Also as I indicated earlier, one of the heaviest use periods for gasoline and diesel fuels in farming is about to begin namely between now and the month of June.

While a 100 percent of current requirements sounds like the most reassuring commitment one could expect to get, promise and performance sometimes differ. For instance—

USDA continues to report shortages or tight supplies of farm fuel in many States each week;

Some fuel suppliers are still requiring farmers to fill out FEO form 17, a priority user certification form which current regulations require to be filled out only by those whose annual purchases exceed 20,000 gallons, a level of consumption far in excess of most farmers.

Some major suppliers have pulled out of some rural markets or have constricted supplies to some local suppliers in deference to their own, and sometimes more profitable, independent outlets elsewhere.

An increasing number of industrial and utility firms are shifting from natural to LP gas, thus greatly increasing the demand for LP gas, a product which, as I mentioned earlier, is used very heavily in farming.

A disproportionate share of the high priority fuel business—which includes agriculture—is being handled by only a few oil companies, with little or no recognition of the problem this creates for these companies with respect to their crude oil allocations.

The fuel requirements of several agricultural related industries—fertilizers, herbicides, insecticides, transportation, and food processing and marketing firms—are reporting shortages or have been threatened with reclassification with respect to their current priority status.

Hexane, which is used in soybean crushing operations, is currently in very tight supply, with some plants reporting critically short supplies.

Lubricants for farm use, while not now in short supply, may develop into a major problem in the future unless agricultural uses are given a higher priority than presently is the case.

In addition to the problem items I have just mentioned, I think it is apparent that improvement in coordination betweed central and regional FEO offices is needed.

Resolution of these problems is critical not only for farmers, but for the petroleum industry, to the food processing and distribution industry, and to every American consumer. It is my hope that our subcommittee efforts will have been helpful in spotlighting the problem and arriving at solutions.

Mr. President, I ask unanimous consent that the text of the USDA's biweekly report on fuel, fertilizer, bailing wire, bailing twine, and transportation be printed in the RECORD.

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

MARCH 21, 1974.

U.S. DEPARTMENT OF AGRICULTURE ENERGY OFFICE-FARM FUEL, FERTILIZER, BALING WIRE, BALING TWINE, AND TRANSPORTATION REPORT

FUEL

1. *National Supply Situation for Biweekly Period Ended March 15, 1974.*

A. *U.S. Refinery Utilization.* Nearly 82 percent of capacity utilized, down from slightly over 83 percent March 1.

B. *Motor Gasoline.* Refinery production down 1.0 percent from March 1 and down nearly 4 percent from a year ago. Weekend stocks down more than 2 percent from March 1, but up 3.0 percent (6.5 million barrels) from a year ago.

C. *Distillate Fuel Oil.* Refinery production down 0.5 percent from March 1, and down nearly 17 percent from a year ago. Weekend stocks down 6.6 percent from March 1, but up over 24 percent (or 28.0 million barrels) from a year ago.

2. *General Farm Fuel Situation for Biweekly Period Ending March 21, 1974.*

A. *Gasoline and Diesel Fuel.* Situation about the same to slightly worse than two weeks ago. Total of 30 States reported gasoline supplies tight to very tight in varying numbers of counties compared with 26 on March 8. Eight of these States (Virginia, North Carolina, Mississippi, Tennessee, Ohio, Wisconsin, Minnesota, Kansas) reported some critical counties, an increase from four States two weeks ago.

Diesel fuel supplies reported tight to very tight in some areas in 16 States, up from 13 States two weeks ago. Four of these States (Mississippi, Tennessee, Ohio, Kansas) reported some critical counties, up from two States March 8.

Some States report improvement in the allocation system as distributors become better informed and State energy offices become more efficient. Following are major difficulties reported by problem States: Some distributors and suppliers requiring all farmers to file FEO Form 17's; long delays by distributor's suppliers (up to three weeks) in acting upon FEO Form 17 requests for addition fuel, thus putting farmers whose requests are refused in a precarious supply position; delays by regional and State energy offices in processing requests; inability of small farmers who purchase directly from retail outlets to get sufficient fuel.

A total of eight States (North Carolina, Tennessee, Kentucky, Indiana, Iowa, Kansas, Nebraska, Oregon) report wet weather has delayed field work. All indicate that if farmers had been able to get into the field, fuel supplies would have been inadequate to meet demand. One State (Georgia) reported land preparation was being delayed for short periods in some areas due to lack of gasoline.

First report of U.S. average farm fuel prices, supplied by States at the request of ERS, show that the farm price of gasoline increased about 29 percent, diesel fuel increased about 38 percent, and LP gas increased about 21 percent during the period November 1, 1973 to March 18, 1974.

FERTILIZER

Reports continue to show fertilizer in short supply, with nitrogen in tightest supply position. Overall, the number of States reporting supplies short to tight (usually short) is about the same as reported March 8. A total of 44 States report a nitrogen shortage, compared with 46 States two weeks ago. States reporting a phosphate shortage total 41 compared with 43 on March 8. A potash shortage was reported by 39 States compared with 38 States two weeks ago. Shortages of mixed fertilizer were reported by 42 States compared with 43 States two weeks ago. State ASCS reports show prices paid by farmers for fertilizer increased from February 18 to March 18.

Month-to-month percentage increases from October 25, 1973 (date of CLC decontrol action) to March 18 are as follows:

Kind of fertilizer	Percent price increase from Oct. 25 to Mar. 18					
	Nov. 2	Nov. 9	Dec. 10	Jan. 21	Feb. 18	Mar. 18
Nitrogen:						
Anhydrous ammonia	33	40	49	71	81	97
Ammonium nitrate	22	29	43	55	70	71
Urea	26	32	54	69	77	99
Nitrogen solution	23	34	40	57	73	80
Phosphate:						
Triple superphosphate	20	27	37	42	46	49
Diammonium phosphate	24	28	33	41	48	51
Potash:						
Potassium chloride	11	15	15	26	28	32
Mixed fertilizer	20	23	28	40	45	47

Railroads have been ordered by the ICC to deliver 1,100 covered hopper cars for fertilizer shipments out of Florida. Cars must be delivered by April and used for fertilizer service until ICC authorizes other use or until order expires May 1, 1974.

Canadian anhydrous armonia plants. U.S. anhydrous ammonia supplies could eventually be increased by 1.6 million tons (about 9 percent) annually as result of tentative plans to build four 1,250-ton-per-day ammonia plants in Alberta, Canada. Under proposed agreement by U.S. and Canadian companies, most of the plants' output would be piped into U.S. to be distributed into 15 Midwest States. Some production will be available in 1976, with all plants operative by the end of 1978.

BALING WIRE

Baling wire supply expected to be short about 30 percent if imports and domestic production continue at present rates and requirements are similar to 1973.

Estimated requirements for 1974 hay crop range from 105,000 to 115,000 tons of baling wire. Current rate of domestic wire production estimated to be about 10 percent above 1973, with baling wire imports arriving at about one-third the rate for last year.

Following price relief granted by the CLC January 25, 1974, six of the seven firms that produced baling wire in 1973 resumed production, with five of these operating at or near capacity. As a result of additional price relief and increased cost pass-through granted by CLC on February 28, two additional plants resumed production.

Retail prices for domestically produced baling wire are expected to vary from $22 to $25 per 100-pound box.

Cost of imported wire is much higher, with reported prices varying from $30 to $50 per 100-pound box.

BALING TWINE

Baling twine deficit for 1974 is estimated to be about 15 percent. However, twine imports for the period October 1973 through January 1974 were up 15 percent from last year. If imports continue at this rate, the overall shortage would be less than 15 percent. Domestic twine production is near capacity and probably cannot be increased because of shortages of petroleum feedstocks for man-made twine.

The retail price for natural fiber twine is currently over $22 per bale, with synthetic twine prices over $25. These prices are 250 percent or more above a year ago.

Normally about 75 percent of the total hay crop is tied with twine, 15–18 percent with wire, and the remaining 7–10 percent is not baled.

TRANSPORTATION

1. *Motor Carriers.* Fewer owner-operators on the road due to inability to handle increased expenses and pay for equipment. High fuel costs, reduced speed limits are blamed. Some unconfirmed reports of another truck strike by end of March. Demand for trucks by beef and pork processors down as result of drop in consumer demand.

2. *Rail Carriers.* Slight increase in diesel fuel supply, but reserve inventories decreasing. Carriers concerned about getting increased allocation of fuel to reflect increase in freight volume from 1972 and 1973.

3. *Ocean Carriers.* Fuel availability stabilized; prices about 400 percent above year ago. Reducing number of U.S. ports of call and slower speeds to conserve fuel, plus use of normal cargo space for extra fuel supplies, are causing congestion at ports. Problem aggravated by carriers moving cargo subject to higher freight rates in preference to low-rate cargo.

4. *Barge Carriers.* No major fuel supply problems.

THE RISING COST OF COLLEGE EDUCATION

Mr. RIBICOFF. Mr. President, the College Entrance Examination Board recently released disturbing new figures on the rising cost of a college education.

According to the CEEB the cost of a college education will rise again next fall making it 9.4 percent more expensive than a year ago and 35.8 percent more costly than 4 years ago.

This means that a student at a private college can expect to pay an average of $4,039 next year.

Few families can afford such rates.

As a result I have introduced, and the Senate has passed three times, legislation to grant yearly tax credits of up to $325 for the cost of a higher education. Unfortunately, the House has failed to act each time and the bill has died.

This bill, S. 18, would greatly strengthen the ability of families to finance their son's or daughter's schooling. It must be passed as soon as possible.

I ask unanimous consent that the New York Times article of March 25 concerning the CEEB report be printed in the RECORD.

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

COLLEGE COSTS WILL RISE BY 9.4 PERCENT IN FALL

(By Gene I. Maeroff)

The cost of a college education, which has been causing growing anxiety among American families, will rise again next fall, making it 9.4 per cent more expensive than this year and 35.8 per cent more than it was four years ago.

A report released yesterday by the College Entrance Examination Board, based on a survey of 2,200 institutions of higher education, shows that in the coming academic year a student living on campus at an average four-year private college will have to pay $4,039, which is $346 more than this year.

Beset by mounting costs in an economy squeezed by inflation, few colleges and universities seem to be winning the battle to hold down expenses. The effect of inflation is such, according to the report, that by next fall a family will find it almost as costly to maintain a commuting student living at

home as to send a student away to live at college.

"Meeting the costs of a college education is a problem more and more American families face every year," the college board says in its report. "Not only the lower-income family, but also middle-income and upper-income families are finding it increasingly difficult to meet these costs."

The report makes the following findings:

Community colleges, traditionally the least expensive type of higher educational institution, will have a larger percentage increase in tuition next year than private or public four-year colleges and universities.

Despite the fact that tuition is increasing at a faster rate at public four-year institutions than at private ones, it will still be far cheaper next fall for resident students at public colleges and universities—total cost: $2,400—than for those at private institutions—total cost: $4,039.

The cost of room and board for students living away at college, which requires the largest outlay after tuition, will be fairly similar next fall at public ($1,116) and private ($1,207) institutions.

While averages give a general indication of what the costs will be at colleges and universities, there is a wide range of individual differences.

Among the most expensive four-year private institutions, Harvard will cost $5,700 and Princeton $5,825, according to the college board report. By comparison, the State University of New York College at Brockport will cost $2,800 and Slippery Rock State College in Pennsylvania will cost $2,350.

All of the costs computed by the board, on the basis of figures it says it received from financial aid officers at the various institutions, include tuition, room and board, transportation and miscellaneous expenses including books and toiletries.

There is apparently little hope for financial relief for middle-income and upper-income families that have been complaining this year about soaring college costs and the scarcity of grants and loans. The state of Ohio has put a moratorium on tuition increases at its public institutions and the University of Michigan has reduced its tuition, but these actions do not seem to be harbingers of a trend.

The tuition-free City University of New York will remain one of the best bargains in higher education next year. Student fees at the various C.U.N.Y. units will average $100 a year. The university estimates the total annual costs of its average commuter student next fall will be $1,040.

Copies of the report, entitled "Student Expenses at Postsecondary Institutions 1974–75," are available for $2.50 each from Publications Order Office, College Entrance Examination Board, Box 592, Princeton, N.J. 08540.

The report was prepared under the auspices of the board's college scholarship service, which helps institutions of higher education analyze the financial needs of students applying for grants and loans.

Here is a sampling of the costs, subject to change between now and the fall, that resident students at institutions around the country can expect to pay during the 1974–75 academic year:

	Tuition and fees	Room and board	Total
California:			
Claremont	$3,044	$1,456	$5,100
University of California at Berkeley	640	1,830	3,290
Florida:			
Miami	2,640	1,320	4,920
Georgia:			
Georgia Tech	530	1,120	2,350
Illinois:			
Northwestern	3,180	1,400	5,280
Kansas:			
University of Kansas	$560	$1,290	$2,540
Maryland:			
Johns Hopkins	3,100	1,580	5,480
Massachusetts:			
Boston University	2,990	1,557	5,100
Brandeis	3,100	1,400	5,100
Mount Holyoke	2,950	1,550	5,100
Radcliffe	3,200	1,875	5,750
Smith	3,030	1,550	5,250
Wellesley	3,050	1,600	5,250
Minnesota:			
Macalester	2,550	1,110	4,200
New Hampshire:			
Dartmouth	3,570	1,545	5,900
New Jersey:			
Bloomfield	2,080	1,260	4,000
Fairleigh Dickinson	2,150	1,300	4,050
Stockton State	666	1,320	2,700
Rutgers	725	1,300	2,700
New York:			
Adelphi	2,650	1,337	4,537
Barnard	3,100	1,520	5,120
New Rochelle	2,300	1,400	4,440
Columbia	3,430	1,700	5,900
Hamilton	2,900	1,330	4,730
Hofstra	2,570	1,550	5,270
Post	2,460	1,300	4,610
Pace	2,200	1,775	4,395
Pratt Institute	2,600	1,600	5,500
Skidmore	3,390	1,510	5,550
S.U.N.Y. Fredonia	785	1,280	2,825
Vassar	3,165	1,350	5,065
Pennsylvania:			
Haverford	3,045	1,700	5,245
University of Pennsylvania	3,165	1,535	5,350
Tennessee:			
Fisk	1,950	1,285	3,835
Texas:			
University of Texas	366	1,300	2,400
Wisconsin:			
Marquette	2,250	1,300	4,020

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The PRESIDING OFFICER (Mr. JOHNSTON). The time for morning business having expired, the Senate will resume the consideration of the unfinished business (S. 3044), which the clerk will state.

The assistant legislative clerk read as follows:

A 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 provisions of law relating to the financing and conduct of such campaigns.

Mr. ALLEN. Mr. President, this afternoon at 3:30 the Senate will vote on amendment No. 1064, which would strike from the pending bill the public finance feature, which would remove any further or additional public subsidy of Federal election campaigns.

In the event that that amendment is not adopted, I plan to offer alternatively two additional amendments, one of which would eliminate the election campaigns and the primaries of Members of the House of Representatives and the Senate from the subsidy provisions of the bill, which would leave both primaries and general elections of House Members and Senate Members in the private sector, but still leave the limitations provided by the other titles of the bill as to overall campaign expenditures and maximum contributions to a campaign.

The other amendment, in the event that amendment No. 1064 fails of adoption, would be an amendment which would eliminate from the bill the subsidy of campaigns for the Presidential nomination of the various parties. This is a most important amendment, because it would prevent the going into effect of the bill's provisions which would provide up to $7.5 million for each candidate for the Presidential nomination of the major parties, and I do not believe that it is in the interest of the taxpayers or in the interest of our governmental processes to spread $7.5 million of the taxpayers' funds among each of the 15 or 20 candidates for the Presidency.

So the order in which the amendments would be offered would be first the one coming up this afternoon to strike all public financing of Federal elections, and the following amendment, in the event that is not adopted, would eliminate House and Senate Members from public subsidy, and following that would be the amendment striking Presidential primary campaigns, though we would still have the Presidential campaign for the general election which is also funded by the checkoff provision, which will make $21 million available to each of the parties if they come under the provisions of that law.

I send the additional two amendments to the desk, and ask that they be printed and remain at the desk to be called up at a later date.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table.

The pending question is on agreeing to the amendment (No. 1064) of the Senator from Alabama.

Mr. ALLEN. 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 that roll.

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

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

Mr. HRUSKA. Mr. President, today, we have on the floor a very significant bill and one with far-reaching implications. S. 3044, the Federal Election Campaign Act of 1974, is a response designed to meet problems of campaign abuse that have plagued campaigns throughout American political history. In the process of reform, however, the members of the Rules Committee have decided to go one step further and significantly, perhaps dramatically, alter the basis by which we elect our political leaders.

I am firmly committed to the goal of campaign reform. For too long, both political parties, have been plagued by campaign pressures and abuses. Whether the abuses in the 1972 campaign were more far-reaching than abuses in other campaigns or whether such abuses were magnified in such a manner as to arouse unparalleled public attention and anger is not the issue.

The point is that campaign abuse has long been a blot on our political history. Breaking the law in order to win elections is wrong in every sense of the word, both legal and moral. As the primary lawmaking body of this Nation, the Congress

of the United States must do everything possible to write clear and concise laws so that candidates know exactly what they can and cannot do in a campaign.

Last year the Senate passed a campaign reform bill known as S. 372. It is a bill that had my support. This bill provided strict limitations on campaign contributions and expenditures as well as providing for other reforms in campaign practices. The House of Representatives has yet to act on a similar measure.

As the year progressed, public clamor increased and new cries were heard that further reform of campaign practices was needed. Because it appeared that many of the alleged wrongdoings associated with Watergate were tied to the raising of campaign funds, the idea occurred to alter the basis by which candidates receive funds to run their campaigns. Public financing became the banner for those who sought to reform the system.

The Senate was given an opportunity to debate this issue on the floor late last year when a group of Senators were successful in attaching a public financing amendment to the public debt limit bill. As we all know, my distinguished colleague, the junior Senator from Alabama, led an earnest and successful fight to have that amendment deleted. He was right in that effort, not because it would have been unwise and deceptive to attach such far-reaching legislation to a completely unrelated bill, but because the substance of the amendment was ill-advised and undesirable.

The Senate Rules Committee, therefore, agreed to return to the drawing boards and draft a new campaign reform bill. Now we will have an opportunity openly to debate the central question contained in that amendment: Is public financing the answer to our problems of campaign abuse, or is it a substantial part of such an answer?

In seeking to answer that question, we must first ask ourselves what kind of political system we want. I think my colleagues would agree that we want a dynamic system that is flexible to the demands of changing times, people, and attitudes. We want our electoral processes to encourage the best possible people to enter public life. We want a system that leaves room for the election of only those candidates who are qualified beyond doubt, who embrace the goals and attitudes of their constituents and who in short, consider public service to be the best way to make their contribution to life on this Earth.

Then we return again to the question: Is public financing of campaigns the only way, or indeed a wise way, in which to produce our leaders and on which to base a political system? I think not.

We can achieve campaign reform and improve our electoral processes without overturning our system of privately financed campaigns. I think S. 372 went a long way in that direction. More importantly, I have serious doubts about the efficacy of the public's being called upon to subsidize campaigns. My remarks at this time will, therefore, be devoted to title I of S. 3044.

First and foremost, I doubt whether public financing would do anything to solve problems of campaign abuse. There are several ways by which a candidate gains public exposure and indeed runs a campaign. Money is one. A candidate's ability to raise money is one measure of his viability. Public financing may remove money from categories of influence. In fact, it is the logical place to begin talk of reforming campaign practices. But, by removing money from influence, one simply focuses attention on other areas of influence, and of potential abuse and even corruption.

These other influences include manpower and publicity. A candidate needs people to help him run a campaign. In local elections, we talk of hundreds of workers. In national elections, we talk of thousands and even tens of thousands of workers.

Certainly, publicity is another factor which bears heavily on one's ability to campaign effectively. A candidate needs exposure and lots of it. There are other factors, however, which deserve mention. Organizational skill, durability, the right issues, and that winning personality—which all candidates either fancy they have or wish they have—are all subject to influence of one kind or another.

Transferring money to the public sector, instead of having it originate from private contributions, will only serve to bring greater pressure on these other important factors, including the two principal ones I have already mentioned—namely, manpower and publicity. The candidate who has immediate access to hundreds of workers will have a distinct advantage. Is the union boss who provides manpower really different from the president of the corporation who donates money? Would not a candidate who enjoys the favor of a television commentator have a distinct advantage? Public financing does not address any of these factors.

The goal of public financing is to remove the raising of campaign funds from political pressure. Under the bill, the money is collected and then doled out by the Federal Government. I need not go into a long dissertation about the dangers and problems this method could unleash.

It is common thinking that the best way to confuse a situation and snarl a program is to involve Uncle Sam. I do not see how public financing is going to be any different in this respect.

As I read the bill, if the $2 checkoff system on the income tax return does not provide sufficient moneys in the Federal Treasury to cover the demands of all eligible candidates, then Congress can appropriate additional sums. This is a most interesting proposition. We would have Members of Congress, political candidates themselves, and a President voting on appropriations or signing appropriation bills into law that can affect their campaigns and that of their opponents. I am sure that I do not have to remind my colleagues of the political pressures which could affect this procedure.

The issue against public financing can be made even more simple. The American taxpayer has been footing the bill for just about everything these days. A taxpayers' revolt is no idle joke, as all of us close to the political scene at home are painfully aware. Do we as political leaders and potential candidates have the right to ask the American taxpayer to pay for our campaigns? If I were a retired man living on a fixed income in rural America, I think I might be just a little upset if I heard my Senator or my Representative espousing the virtues of public financing. The same can be said as to any taxpayer living anywhere.

Thomas Jefferson, more than 150 years ago, put it well in these words:

> To compel a man (a taxpayer) to furnish contributions of money for the propagation of opinions which he disbelieves and abhors, is sinful and tyrannical.

That statement is fully applicable today as it was in the time of Jefferson.

Public financing denies the individual his freedom of choice. A portion of his tax dollars would be financing the campaigns of candidates he may dislike, not even know, or, worse yet, completely abhor and despise.

A candidate should pay for his own campaign. He will need the help of many friends and contributors. This does not mean that he needs to be "bought off." Good laws with proper forms for limitation of funds from any one person and for disclosure, timely and completely made, can remedy this part of the situation. Other provisions in the pending bill contain explicit remedies of that kind.

An editorial recently appeared in one of the newspapers in my State. It referred to obvious "dirty tricks" that have occurred in past campaigns, and they are not a monopoly by any of the political parties, including the two major political parties. In referring to public financing as a cure, the editor said:

> Would reformers feel any better if those tricks had been paid for by taxpayers' money instead of private funds.

Yes, we should be in the business to reform our campaign laws and procedures. Let us not be so "hell bent on reform" to the point where we lose sight of the very strengths of our political system and to the point where we invite much worse in solutions we advance than is found in the situation we seek to remedy.

Public financing of political campaigns has additional disadvantages. They include:

First. Unfair advantage to incumbents. This comes about because of the necessity to impose ceilings on campaign spending, inasmuch as taxpayers will be putting up the funds. Challengers almost invariably must spend more money than those already in office. This is so because they have so much to do toward name identification, toward making their qualifications and views known, and in general to counterbalance the many advantages held by a person already in office. Yet, by public financing, both incumbent and challenger would have identical limits on their expenditures.

Second. Under title I of the bill, the level of campaign spending would be in-

creased particularly in House of Representatives races—435 of them every 2 years. That increase would be paid by taxpayers.

Third. Public financing would deprive many citizens of the only opportunity they have to participate in the campaign process. Many are not in a position to take part in it in any other fashion or by any other method.

This might be by reason of demands of their calling, profession, vocation, or it might be because of physical disability or health reasons. The way public financing would operate would tend to reduce or decrease citizen participation which is a valuable and vital component of a strong party system and a wholesome election process. That component would be sacrificed or heavily imperiled.

The Congress would do well to reject an untried, potentially dangerous, and objectionable feature of this bill, and should rather concentrate on those features dealing directly, effectively, and with preponderance of agreement toward correction of abuses which are so obvious and so much in need of remedy. The list is long. I enumerate some of the issues:

Public disclosure of all names and identification of contributors.

Complete and timely accounting for all campaign funds.

Limitation of contributions by an individual to any single campaign.

Limitation of expenditures by any candidate.

In this connection, it is well to note that the bill gives all candidates an option of soliciting all private contributions up to the prescribed limit contained in the bill. Therefore, it must be concluded that such sources are acceptable and in order because they can be monitored, policed, and in a disciplined way held within proper and legitimate bounds. The taxpayer should be spared the added drain on his funds and the new and more evil results which would ensue.

In referring to a comment I made earlier, it is not the source of money which results in a great many abuses and undesirable factors in campaigns and elections, it is the fact that money is used at all. At any rate, private funds, according to the committee report, are not evil in themselves as long as they are encased, modified, controlled, and supervised by public disclosure of all the names and identifications of the contributors, as long as there will be a complete and timely accounting for all campaign funds, and as long as there will be such limitations as Congress in its wisdom will seek to impose.

Other controls over contributions, such as use of checks not cash; single or central campaign treasury; prohibition of all loans to committees; prohibition of stocks, bonds, or similar assets from contributions.

Campaign activities such as distribution of false instructions to campaign workers, disruptive actions, rigging public opinion polls, misleading announcements or advertisement in the media, misrepresentation of a candidate's voting record; organized slander campaigns; legal recourse and redress against slanderous, libelous and unscrupulous attacks on public figures.

Election practices—fraudulent registration and voting, stuffing ballot boxes, rigging voting machines; forging, altering, or miscounting ballots.

There are many more items for the list. Every intent should be to make advances in each case as effective as possible. There should be an avoidance of questionable approaches, those possessing sufficient minus marks to detract from progress by unified, undivided support. Public financing is a divisive factor, a major one. It would not bear upon the solution to the long lists of ills and abuses which have plagued our system, and threaten to do so in the future unless legislation of this type will be fairly considered and enacted into law and applied.

Without it and with a concentration on those other aspects, our election process can be notably strengthened and improved.

It is my hope that as we proceed in the consideration of this measure, there will be such action taken as to delete from the bill the provisions with reference to public financing. This will remove an undesirable feature from the bill and at the same time enable the thorough consideration of other features of the election process.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

LABOR DAY RECESS

Mr. MANSFIELD. Mr. President, after discussing the matter with the distinguished minority leader, the Senator from Pennsylvania (Mr. HUGH SCOTT)—and he in turn discussed it with the Republican conference on yesterday—I brought the matter of an August-Labor Day recess to the attention of the Democratic policy committee today. The Republican conference and the Democratic policy committee have agreed that the Senate, barring extraordinary circumstances like, for example, the possibility of a sine die adjournment, will, at the conclusion of business on Friday, August 23, stand in recess until noon, Wednesday, September 4.

This is an official announcement which has been agreed to, and we will see that a card is sent to each Member of the Senate; but I want to emphasize that, as far as this recess is concerned, and any others upcoming, like the Easter and the Fourth of July recesses, they will be undertaken only if nothing in the way of an extraordinary circumstance occurs.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of 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 provisions of law relating to the financing and conduct of such campaigns.

Mr. ALLEN. Mr. President, the pending amendment, which is to be voted on at 3:30 o'clock this afternoon, strikes from this bill, which contains five titles, the first title, title I, in which title are contained all of the provisions having to do with public financing of Federal elections.

Mr. President, this title is not needed. It is not needed for two reasons. In the first place, we have public financing of Federal elections in a strict sense; and, in the second place, regulation of campaign expenditures and contributions in the private sector has never really been tried.

Now let us explore the first statement that I made, that we already have Federal subsidy of Federal elections. We have on the book the checkoff provision, which provides for a checkoff by taxpayers of $1 in the case of a single person or $2 in the case of a couple, which amount goes into a fund which would pay for the expenses of Presidential general election campaigns.

Mr. President, it has been estimated by fiscal authorities—the statement has been made here on the floor of the Senate—that by 1976, the next Presidential election, there will be in this fund $50 million of public money, because when the taxpayer checks off the $1 or $2, it does not come out of his pocket, except in the sense that it comes out of tax moneys he is paying on his income tax. It comes out of the Government portion. It comes out of the tax liability that the taxpayer owes to the Federal Government. So this is money from the Public Treasury.

The checkoff plan, which is the existing law—not what is provided by this bill; it is already the law—provides that each major party would get, for the conduct of a Presidential election, 15 cents per person of voting age throughout the country as a subsidy by the taxpayers to carry on a Presidential election. So that there would be $42 million available to the Democratic Party and the Republican Party under existing law.

There is one catch to that, under the existing law, for a party to come under the provisions of the checkoff and to get this $21 million—and I say that $21 million is derived by multiplying the number of people of voting age throughout the country by 15 cents. That ends up somewhere in the neighborhood of $21 million or $22 million. That is available

to each party. That would be a subsidy of anywhere from $42 million to $44 million for carrying on the 1976 Presidential election.

As I say, there is a catch to it in this: That in order to come under the provisions of the checkoff plan and have the Presidential election subsidized for a party, the party has to certify that they want to come under the provisions of the law, and that keeps them from accepting private contributions in any amount. There is no possible mix, as is provided in the Senate bill.

With the expense of Presidential elections that we have observed, it seems that if Presidential elections are going to be conducted on the scale that they have been conducted in the past, $21 million would not be sufficient. So it is entirely likely that neither of the parties would come under the provisions of the checkoff, because it is optional whether a man comes under it or not. He can come under the public sector or the private financing. But it seems to me that 100 percent public financing would be bad for the party, and that is one of the weaknesses of public financing. It seems to me that this would be a weakening of a political party.

How much better it would be to receive $5,400,000 in contributions than to receive $21 million or $22 million from the public treasury. I do not believe we are going to see money here authorized to the major parties come under the 1970 law on the checkoff. There is $42 million—$42 million to $44 million—by which Federal elections are already subsidized or for which money is available for subsidy.

By the way, I might add that under another title in the bill, that would not be stricken out by amendment No. 1064, is a doubling of the checkoff. So the checkoff then would be $2 for a single person and $4 for a couple. We are already taking in enough to run a political campaign. What is the use of doubling the amount? By specifying a doubling, we will have changed the whole concept of the checkoff from being a voluntary checkoff. This is Senate bill 3044 that is submitted to us to vote on. It provides for a doubling of the subsidy from $2 to $4. It provides that if a person does not check off the $2 or $4, he is then presumed to have checked it off. In other words, if he does not check it off, he is ruled to have checked it off, because he must have the checkoff to apply against him.

At my request, the Committee on Rules and Administration prepared or obtained some estimates of what these checkoffs are going to cost the Government. This is what it will cost the Government, according to estimates obtained by the Rules Committee, I assume, from the Internal Revenue Service, and appears on page 28 of the report:

> If all returns, individual and joint, should take full advantage of the one dollar checkoff, the total cost would be $117,370,000.

$117,370,000 is what would be brought into the public treasury for the political campaign or available for the political campaign.

But if the provisions of S. 3044 should get through the Senate and go through the House, and if all returns should take full advantage of the $2 checkoff, the cost would be $234,740,000. That is how much this little item of the checkoff would bring if everyone availed himself of it. But the proponents are not satisfied to leave the proposal on a voluntary basis. According to the bill—and that is all we have before us—if the taxpayer does not check it off, if he does not specify that it is not to be checked off, then the bill would make that decision for him, and that decision, naturally, would be that the money is considered to be checked off. It does not cost the taxpayer anything at that point, other than as a member of the taxpaying public. That amount is just a contribution to the public Treasury. It does not increase the taxpayer's income tax. It is simply taken from his tax liability. So there we see what is being done on the checkoff.

I am not a soothsayer, but I believe that it will not be too long before we will see an effort to raise the amount of 15 cents per person of voting age, that comes out of the checkoff, to 20 cents, or possibly 25 cents, because the candidates are not going to be satisfied with $21 million or $22 million for each party, which is already provided under existing law, without any further extension of the Federal subsidy to politicians. After all, why should the Federal Government take over the expenses—the campaign expenses—of the politicians of the country? That is what we would be doing.

Take the State of California, under this proposed law. California would be subsidized, according to the table prepared by the Committee on Rules. The candidates running in the primaries of the State would have half of their expenses—each candidate in the primary—up to $1,414,300, paid by the Government.

So $700 in the primary is what he would get out of the taxpayers' pocket, and maybe there would be 7, 8, 9, or 10 candidates in some races.

I asked a Congressman from a Western State the other day how the Senate race looked in that area. He said, "Well, there is one candidate from 1 party, and 10 candidates from the other party." Every one of those 10 would be getting a subsidy from the Federal Government, according to this bill. The Government would match the contributions it received up to $100 each. That is not so terrible, out of $700,000, for a politican in a primary.

It does not take any matching then. As soon as he gets on the ballot as a major party candidate, the Government opens up its coffers and makes a contribution to the candidate for the Senate out of the taxpayers' pockets of $2,121,450. Each major party candidate would be given that subsidy—$2,121,000; why? Why subsidize our good friends who might run for the Senate from the State of California? I use that as an example, admittedly, because it is the largest State population-wise. In New York the amount paid to each candidate of a major party would be—this does not require any matching, Mr. President, it is an outright gift by the Government for use in the campaign; I assume if he did not spend it all it would have to be refunded to the Government, if it could be located—$1,899,750 to each major party candidate for the Senate, out of the Public Treasury.

I am going to get around to the second corollary I laid down a moment ago, that we have not tried strict regulation in the private sector—this other field is so broad it is just going to take a little time to get to it—on the methods we already have of public financing.

I have talked about the checkoff which makes $42 million available to candidates for President, and about the cost of the checkoff. The approximate cost now, if everybody takes advantage of it—suppose just half take advantage of it, under the committee's plan of making them certify they do not want it or it will be checked off. If everyone took advantage of it, it would be $117 million, or, if the committee's version goes through and it is doubled, $234 million.

That is a whole lot of public financing, right there. But that is not all. Look at the campaigns also financed by recent amendments of the income tax laws. Already, under the law—of course, this bill tries to double it—it is already the law, if I am not mistaken, according to my recollection, that an individual under the present law is entitled to a tax credit of $12.50 for contributions he makes to a political candidate.

That can be in a Federal election, a State election, or county or city, I assume. It may be just for Federal elections—$12.50 as a credit; and, of course, a credit is a deduction from the tax. The credit comes off the taxes payable. If the tax bill was $100 before he applied this credit, it would take $12.50 off that amount. Well, that is fine. Then a couple has a $25 credit off of taxes. And that is all right. I do not object to that, the reason being that this provision allows an individual to make a contribution to a candidate of his own choice, someone with his views, with whom he agrees, and not, as under the legislation that is before us, requiring a taxpayer to contribute to someone whose views he disagrees with.

All right. Say the taxpayer figures he could do better going the deduction route. They provide for everyone's convenience, so if he does not want to go the credit route on his contribution, he can go the deduction route, and under the deduction route, if I recall correctly, he can take a deduction from taxable income of $50, or a couple could take a deduction of $100 from taxable income.

The bill would double that, in addition to all of this other public subsidy, so that under the committee's bill the credit would be raised up to a $25 credit for an individual or a $50 credit for a couple filing a joint return, or a deduction of $100 for an individual and $200 for a couple filing a joint return.

So, Mr. President, they have several subsidies already for Presidential elections.

Now, to focus on the generosity of the

Treasury as required by the bill to some of the politicians in California and New York, that is just the work of a piker as compared to the subsidy for those seeking the Presidential nominations of the various parties. What do they get there? Well, they are allowed to get the contributions they receive up to $250 each matched by the Federal Government, after they have collected, in contributions of that size, the sum of $250,000, which is referred to as the threshold amount. So once they get the threshold amount, which is $250,000, then they go into the Treasury and pick up a check for that amount, $250,000, and then go on blithely seeking contributions, which the Government will match, up to the astounding sum of $7.5 million—$7.5 million for candidates. Then, if a candidate gets the nomination, $21 million or $22 million is available to him.

Is this campaign reform, Mr. President? It seems to me it is just campaign lunacy—campaign prodigality, I would say. Far from cutting down on the amount of campaign expenditures, this, in all likelihood, would double the amount of campaign expenditures.

Suppose one of the candidates in the Senate—and there are several candidate for the Presidency in the Senate—about or potential—I doubt whether many candidates could collect much over $7.5 million to run for the nomination of their various parties.

Well, that should be fair for one as it is for the other. If they are all limited by the amount they can receive, what is wrong about that, leaving it in the private sector?

It would seem to me that this Federal subsidy just compounds the advantage that a well-known candidate or an incumbent in an office would have over his lesser, well-known opposition because, Mr. President, he could get more of the campaign contributions than could his lesser known opponent and then the Government will match that increased amount.

Say a little-known candidate for the Presidential nomination can raise his $1 million on which to run for the Presidency, then all the Government will match him will be $1 million, but the well-known candidate, say he gets out and gets the whole $7.5 million, what is the Government going to do for him? Why, the Government will give him $7.5 million, so that he will end up with $15 million and the lesser well-known candidate will end up with only $2 million. So he is worse off than if the Government had not interceded to help him.

So if I were a lesser-known candidate—and certainly I would be that, if I become such a candidate—I would say, "Well, do not help me in that fashion by just compounding the advantage that my better-known opponent has, because without this intervention from the public Treasury the difference would be $7½ million to my $1 million. But after you get through me on this public subsidy, the difference would be $15 million as against $2 million."

So, Mr. President, it has not helped the lesser-well-known candidate. As a part of my arithmetic, it would help the better-known candidate.

The better-known candidates, Mr. President, are those who are pushing for this bill, to get right down to brass tacks about the matter. They are not looking out for the lesser well-known candidates. That is obvious from the provisions in the bill.

Who would qualify under this?

Well, Governor Rockefeller would qualify. He would get out and raise $7.5 million in eligible contributions and the Government would then make him a present of $7.5 million.

I remember when this thing was under discussion last year, the same provisions in the same bill, in a different form, of course, but it is there, nevertheless—and I remember Governor Rockefeller's visiting here on the Senate floor. The rules of the Senate permit a sitting Governor in office, the Governor of any of our 50 States, to come in on the Senate floor. He has an automatic privilege of the floor. The Governor of my State, Governor Wallace, was on the Senate floor under that provision as was former Governor Brewer. He has been on the Senate floor under the automatic privilege of the floor that he has.

So Governor Rockefeller was here while that bill was under debate. Of course, it was only a coincidence that he was here. He probably did not know what bill was under consideration, but I remarked at that time that I noticed Governor Rockefeller was on the Senate floor and I supposed he had come down to pick up his $7.5 million check, thinking that this bill was about to pass. But it did not pass, and I doubt whether it will pass now. As a matter of fact, Mr. President, as I look about the Senate floor, I do not see anyone on the floor or in the Chair that is very strong for the bill, if at all.

I just wonder whether a whole lot of the push and drive behind this bill has not deteriorated.

Right at that point, Mr. President, I notice here that the Washington Post, which I thought was sort of the Bible for the public finance people. I thought they were in the forefront of the drive for public financing; but not so, Mr. President. I declare, I was very much pleased at the conservative approach of the Washington Post to this problem. It makes me want to reconsider my position. But I am not going to pursue that until after we have disposed of the bill before I start reassessing my position.

But the editorial, for Tuesday, March 26, 1974, the day before yesterday—that is their view right up to date—and we are talking about the bill that was passed here in the Senate back on July 30, by a vote of 82 to 8, which provided for campaign reform, but reform in the private sector. It did not provide for public financing. This is what the editorial said about that bill, S. 372. It is over there now in the House and I sort of believe, in the province of WAYNE HAYS, that he will get behind that bill or some approach to the campaign reform. But the editorial commented on that bill, as follows:

Thus the Senate last summer sent the House a very solid bill to curb private giving and spending and to strentghen the enforcement of the election laws.

Mr. President, that was not a public financing bill we passed and that the Washington Post is talking about here.

I think that statement is worthy of being repeated:

Thus the Senate last summer sent the House a very solid bill to curb private giving and spending and to strengthen the enforcement of the election laws.

That is just exactly what it did, Mr. President. It did curb spending. It did curb giving. It did strengthen enforcement of the election laws.

And why, before the House even acts on this bill, are we going to do a 180-degree turn and abandon the regulations in the private sector and get over into the public sector—an uncharted sea, Mr. President?

Why should we do that?

Continuing to read from the editorial:

Today—

This is last Tuesday—

Today, the Senate begins debate on a very ambitious bill to extend public financing to all Federal primary and general election campaigns.

Let us see, Mr. President, what the Washington Post thinks about this bill we have before us. One would think they would laud it to the skies. But, let us see what it says:

The problem with the latest Senate bill is that it tries to do too much, too soon, and goes beyond what is either feasible or workable.

Now, Mr. President, if this amendment that will be voted on in about an hour and a half is adopted, we still have a bill covering a wide territory, but it would be more feasible and more workable without title I.

Continuing to read from editorial:

For one thing, the bill provides for full public financing of congressional general-election campaigns, and that is clearly indigestible in the House this year, since the House leadership even chokes on the more moderate matching-grant approach embodied in the Anderson-Udall bill. The more serious defects in the Senate bill involve the inclusion of primaries.

We can meet the objections, or solve the objections, of the Post if we adopt this amendment, although I am not saying they are for it, but I am sure they are not.

This is what they say about the campaign for the nomination of the two parties:

No aspect of the federal elections process is more motley and capricious than the present steeplechase of presidential primaries. Injecting even partial public funding into this process, without rationalizing it in any other way, makes little sense.

I certainly agree with that statement:

As for congressional primaries, they are so varied in size, cost and significance among the States that no single system of public

support seems justifiable without much more careful thought.

So, Mr. President, I commend this editorial to the thoughtful consideration of my colleagues.

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

Mr. ALLEN. I am delighted to yield.

Mr. HARRY F. BYRD, JR. The Senator from Alabama mentioned the legislation which the Senate passed last year. As I recall, that was a very strong piece of legislation. It was, indeed, campaign reform as I visualize it.

Mr. ALLEN. Yes. It was so praised by many people who are now pushing this bill.

Mr. HARRY F. BYRD, JR. That is a point I cannot understand. When many of the same people felt that that was such a splendid bill, such an important contribution to reforming campaign spending, why is it now that we do not even permit that legislation to go into effect before we try to branch out into another area, in a different way, and begin to take money out of the pockets of the taxpayers to finance political campaigns?

Mr. ALLEN. That is a mystery to the Senator from Alabama, also.

Mr. HARRY F. BYRD, JR. Would it not be logical to enact the legislation which the Senate has already passed, which puts a tight ceiling on campaign expenditures? It seems to me that it is important to put a ceiling on the amount of money a candidate can spend and a tight ceiling on the amount that any individual can contribute to a campaign and to see how that works out, before we talk about digging into the pockets of wage earners, taking money out of their pockets and turning it over to politicians to spend in a political campaign.

Mr. ALLEN. I certainly agree with the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Another thought that occurs to me, as the able Senator from Alabama wages his fight against what I agree with him is a piece of legislation that Congress should not enact at this time, is this: The public these days does not seem to be too enamored of politicians. Do the proponents contend that the public is just demanding that money be taken out of the Federal Treasury, from any tax dollars that have been paid in after working by the sweat of their brow, and be turned over to politicians to spend as they wish in a political campaign? I can hardly believe that the working people of this Nation are very much inclined toward that.

Mr. ALLEN. Little word of any such demand has reached the ears of the Senator from Alabama. He has not heard of any such demand. Far from it. As a matter of fact, the Senator from Alabama can safely say that, based on communications he has received—and they have been in the modest thousands—the ratio has been at least 9 to 1 against any element of public financing.

Mr. HARRY F. BYRD, JR. This measure is being pushed by a certain group and by certain potential Presidential candidates, I suppose. As to the group that is pushing it, I know many of the members of that group, and the ones I have had acquaintance with are fine, conscientious people who feel that something needs to be done to get campaign spending under control; and I agree thoroughly with that view.

Mr. ALLEN. So do I.

Mr. HARRY F. BYRD, JR. I commend them for the interest they are taking in this matter. Where I differ with them is the vehicle they would use.

The Senate already has passed legislation which, while not perfect, will meet most of the objections we have had in the past about the abuse of campaign spending—namely, by putting a tight ceiling on the amount a candidate can spend and a tight ceiling on the amount any individual can contribute.

I commend and congratulate the able Senator from Alabama for the work he has done in exposing what I believe to be the fallacy of the proposal before the Senate.

Mr. ALLEN. I thank the distinguished Senator from Virginia for his contribution at this time and for his many contributions throughout the discussion and the consideration of this issue. I believe he has put his finger right on the point, that the answer to the matter of campaign reform is to have strict overall spending limits, as he suggests, and to limit the amount of individual contributions that can be made. S. 372, as passed by the Senate, does impose such a limitation of $3,000 per person, per campaign. If we had such a rule during the last Presidential election, during the last general election, we would not have had some of the abuses we did have.

So the answer is strict regulation and full disclosure of contributions and expenditures. That has not yet been tried. I feel that the proponents of this measure are trying to use the fallout from Watergate as an effort to push this type of legislation to a conclusion.

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

Mr. ALLEN. I yield.

Mr. GRIFFIN. I commend the Senator from Alabama (Mr. ALLEN) for the argument he has presented and for the valiant effort he has made in trying to bring some light to this issue of financing campaigns out of the public treasury.

Aside from the question of public financing, most reasonable people in and out of the Senate would agree, I believe, that a number of genuine reforms in campaign financing are needed: to bring such things as milk funds under control, for example; to require that contributions come from individual citizens rather than from special interest groups; to impose a ceiling on the amount that anyone can contribute to a candidate or a campaign; and to impose realistic ceilings on the overall expenditures in any campaign.

A fundamental question is: Are we going to get any reform out of this Congress if we try to load down the many needed, genuine reforms in this bill with this very controversial public financing proposal that could sink the whole ship?

If such a bill stands little or no chance of becoming law, the question is, Who is really for reform? Is it those who press for public financing? Or those who believe public financing should be considered separately in another bill so that the genuine reforms in this bill can be pressed. It seems reasonable to appeal to those who are for public financing to handle it in separate legislation—to separate it out—as the Senator from Alabama seeks to do with his amendment, and to let it stand or fall on its own merits or lack of merit. But it should not be loaded on top of the other genuine reform measures now in this bill that should be passed and should become law.

As I was seeking to point out yesterday in colloquy with the distinguished Senator from Alabama, I do not think a lot of people realize that in the general election—if this bill were to become law as it is now drafted and presented to the Senate—all of the money for campaigns would come out of the public Treasury. I was pointing out yesterday the situation in the House of Representatives. Let us just take the House races again. I point to the House races because one can compare apples with apples in the House. Everyone represents about the same number of people, and although the expenses of campaigning did vary from district to district, there is a better comparison there than in the Senate, where there is a greater variance in the populations.

As I understand this bill, and the Senator from Massachusetts had to agree, this would happen: In the primary there is a matching arrangement; the candidate raises so much money from private contributors, and that is matched by the Treasury up to a limit of $90,000. Then, in the general election, there is no private contribution. There does not need to be any, and the whole $90,000 going into the general election campaign of each candidate nominated for a House seat would come out of the Treasury.

Mr. ALLEN. That is correct.

Mr. GRIFFIN. One of the important things, as we try to consider whether or not this is reform, is the level of expenditures that is going to be involved under this legislation. I put some figures in the RECORD yesterday. They were somewhat preliminary. I asked my staff to do some more work and they have come up with better figures and they are even more startling than the ones I had yesterday. These figures have come from three sources: The Clerk of the House, who has accumulated information about House races based on the 1972 reports; the Library of Congress, and their figures have come from Common Cause, as I understand it; and also from the GAO. It certainly should be in the RECORD and it should be of some interest, I would think, that in 1972 there were 1,010 candidates in the United States who ran in primary and general elections to seek election for the House of Representatives. The total amount spent by all of those candidates in all of those races was $39,959,276. That is what was spent in 1972 without public financing.

Now, what does the GAO estimate will be the cost for House races, out of the public treasury for the most part, if this bill is passed? Well, that information is on page 27 of the committee report. The

GAO estimates that the total cost for races in the House of Representatives, if this bill is passed and goes into effect, will be $100,307,988, or almost three times as much as the 1972 cost.

If the public understands this legislation I cannot believe they are going to think it is reform—campaign reform with this coming out of their tax dollars.

Mr. ALLEN. I think they understand it a lot better than some Members think they understand it. I think that may be the case.

Mr. GRIFFIN. I was pointing out yesterday that every candidate for the House who is nominated is then automatically entitled to receive $90,000 out of the public treasury to run his campaign. A lot of people will say, "Well, he doesn't need to spend it." I guess that is true, but if one's opponent is going to spend $90,000 out of the public Treasury, you do not have much choice other than to spend $90,000. It would greatly escalate the cost of camapigns.

To illustrate the point, I wish to put these figures in the RECORD, and they are based on information from the Clerk of the House of Representatives. In 1972, 8 percent of the candidates for the House of Representatives spent nothing—zero; 52 percent of the candidates spent less than $15,000 on their individual campaigns; and 64 percent spent less than $30,000. I am reading this slowly because I just want to make sure that this is understood. Seventy-four percent of all candidates who ran for the House in 1972 spent less than $50,000. Now, we are going to give all of them $90,000 out of the Treasury.

Mr. ALLEN. And that is to reform the election process.

Mr. GRIFFIN. That is to reform the election process. That will be great reform, will it not?

Mr. ALLEN. That is correct.

Mr. GRIFFIN. I just wish there were some of the proponents of the legislation here so we would not have to debate with ourselves these important points as time runs out and we get close to the vote. But I certainly hope our colleagues will realize what they are doing.

Mr. McGOVERN. Mr. President, will the Senator yield for a question?

Mr. GRIFFIN. I am glad to yield to the Senator from South Dakota.

Mr. McGOVERN. I am curious as to whether or not the figures the Senator is citing represent the filings of the individual candidates. Does that include what the various committees spent on behalf of the candidates? When the Senator said a high percentage of candidates running last year spent less than $50,000 is he talking about all expenditures or just those the candidates personally filed?

Mr. GRIFFIN. As the Senator knows, even though in my opinion it was not nearly strong enough, in 1972 we did have in effect a new law requiring the filing of reports in detail. For the first time Common Cause, the Clerk of the House, and others have been able to accumulate and put together the actual cost of what was involved in various campaigns.

It is my understanding that everything that was required to be filed under that law is reflected here, and that the GAO estimate is approximately on the same basis.

Mr. McGOVERN. As the Senator knows, it has been the practice over the years for candidates to file reports indicating that they spent nothing, because it was handled through committees on their behalf.

Mr. GRIFFIN. That was not true in the 1972 campaign.

The Senator from South Dakota was in the House of Representatives. The junior Senator from Michigan was in the House of Representatives. I do not know what is the cost of running for the House in South Dakota. Perhaps it is entirely different than in Michigan, but I will tell the Senator this: I ran for the House five times, and there was never a time when I or my opponent spent more than $20,000 in those House races. Usually it was less. There may have been one or two races in Michigan in which the candidates spent as much as $90,000, but that would be very rare.

Is that not true generally of the House races? The Senator is familiar with them. Of his own knowledge, would not $25,000 be a lot in those House races?

Mr. McGOVERN. It was double the amount I spent in my first race for the House of Representatives in 1956.

Mr. GRIFFIN. Just on that basis, does not $90,000 for every candidate running for the House of Representatives, coming out of the Federal Treasury, seem a little absurd?

Mr. McGOVERN. Let me say I am not an advocate of full public financing of campaigns. At some point, if it is not done by another Senator, I shall offer a modification of this bill that would make it impossible for anyone to get full public financing. What I would strongly prefer is a system where private citizens are allowed to make modest contributions to campaigns, and that would be matched by public contributions, up to a reasonable amount.

I am not going to debate with the Senator whether $90,000 is the right amount or not. It may be too high. I am not going to advocate the proposal for full public financing. I do not believe in it. I think in 1972 we demonstrated in the Democratic Presidential campaign that it was possible to raise a great deal of money from a large number of people, and do it in a very wholesome and honest way.

Mr. GRIFFIN. That certainly is true, and I think many people, of both parties, respect and admire that aspect, particularly, of the Senator's campaign for the presidency.

Mr. McGOVERN. There is a certain value in preserving at least part of this principle, because there is something to be said for providing an incentive for a candidate to take his case to the people at the grassroots. If he is offered full public financing, I do not think there is the incentive on the part of the candidate to make his appeal, particularly in taking it to the people and making his case there. On the other hand, I think we have to take steps to reduce the influence of special interest money in American politics.

So what I would like to see is a system that combines the best of both these principles—encourage the candidate to go out and raise what he can in limited, modest contributions, from as many people as possible, up to a certain agreed upon limit, and then match that with public contributions, so that we reduce the dependence of that candidate either on his own personal fortune or on special interests.

The reason I am not fully defending the bill before us now is that I intend, at some point, as I say, if some other Senator does not do it, to offer a modification to this bill which will make it more acceptable to the Senator from Michigan and others.

Mr. GRIFFIN. I certainly respect the views of the Senator from South Dakota.

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

Mr. GRIFFIN. I yield.

Mr. CANNON. I think there is getting to be a misunderstanding here as to what the bill actually does. The bill as it exists would not permit any candidate for Congress to get $90,000 Federal funds in a primary——

Mr. GRIFFIN. Not in a primary.

Mr. CANNON. He has to go out and demonstrate a public appeal, and there is a limit on the amount of those contributions he raises up to 50 percent and getting 50 percent matching funds. Once he wins the primary, it would be possible, under the bill, to get up to the $90,000, if that is the amount that is determined upon. The $90,000 is going to match the figure——

Mr. GRIFFIN. Will the Senator yield? Let us be clear that while matching is provided in the primary, once he is nominated, then all of the $90,000 would be public money out of the Treasury. I just want to be sure everybody understands that.

Mr. CANNON. Yes; it is not mandatory.

Mr. GRIFFIN. He does not have to get it.

Mr. CANNON. He can get it if he desires to. The Senator was complaining about the amount being extraordinarily high. Reduce the amount, then. If the Senator likes the principle, but does not like the amount, simply reduce it. I have no brief with the $90,000 figure. I thought it should more appropriately be left up to the House.

Mr. GRIFFIN. I do not think so. We are spending the taxpayers' money. I think the Senate should take a coequal responsibility in the determination of how the taxpayers' money should be spent.

Mr. CANNON. The Senator was indicating a little earlier that a participant could get $90,000 when that sum really was not needed.

Last year, in 1972, in the House, 66 of the winners spent an average of $107,378. So they really spent more than $90,000. That was in the general election. In those 66 races, the losers spent an average of $101,000, so obviously $90,000 was not overly excessive.

It is true that 97 Members who were elected—but I might point out that they got from 70 to 90 percent of the vote, so

it is obvious that they did not have a tough fight—spent an average of $38,729. In a case like that, had this bill been in effect, they could not have spent more than $38,729.

Mr. GRIFFIN. I disagree with the Senator.

Mr. CANNON. The Senator may disagree——

Mr. GRIFFIN. This bill would permit every candidate to get $90,000.

Mr. CANNON. Not if they spent an average of $38,729.

Mr. GRIFFIN. But if they spent it they could get it.

Mr. CANNON. If they spent it, they could get it, but I am pointing out that the average spent was $38,729. Obviously it was not a tough race in those cases, if they got from 70 to 90 percent of the vote, which is true of them.

Mr. GRIFFIN. I certainly respect the views of the Senator from South Dakota, and two of his points have merit. But it seems to me, with all due deference, he has made some very good arguments for voting for the amendment of the Senator from Alabama, who seeks to strike title I from the bill. It seems to me the Senator from South Dakota is saying that public financing should go back to the drawing board for some more work and some more study. He is not satisfied with it himself, so I hope he will vote for the amendment.

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

Mr. GRIFFIN. I yield.

Mr. McGOVERN. I would like to direct a question to the Senator from Nevada, if he would like to comment on this point, and perhaps the Senator from Michigan would comment on it, too.

Would it be feasible to consider modifying the bill, so that the same principle we have operating in the primary would also operate in the general election? In other words, could we eliminate the possibility of 100 percent public financing, and put the whole thing, both the primary and the general election, on a matching basis, so that 50 percent of the funds would be public and 50 percent would be private? It seems to me that that is a solid compromise, one that includes the very deserving principle of public financing and also preserves the private sector.

Mr. CANNON. To answer the question as to whether it would be feasible, it certainly would be feasible, just as in the bill we provide matching for the primary. But the rationale of those of us who supported this form was that we would try to get away from private financing, and this was a direct result of the Watergate abuses. We saw what had taken place, so many people thought we ought to get away from private financing and go to public financing. That means that if we do not do it in this bill, then it is something like being a little bit pregnant. If the private financing is bad, we have a lot of it in the public. We get away from it now in the general election. There is no reason why we could not carry it on a matching basis in the general election as well as having it in the primary.

I may say in good humor to my friend from Michigan, frankly, that he suggests we eliminate this and go ahead with reform measures. We went ahead with reform measures once before, in S. 372. It is still languishing in the House a year and a half later. If S. 372 had been passed and had become law, I do not think we would be back here arguing the private versus public financing features. I think S. 372 carried a lot of reform features, which made it less likely that we would have such abuses in the private sector.

Mr. GRIFFIN. Mr. President, much as I admire the chairman and his views, I do not follow his logic at all. If he is saying that if S. 372 had become law, we would not need public financing, I do not understand how the very controversial public financing title, in essentially the same legislation, is going to make it easier to pass. The likelihood is that we will end with no reform at all. But if we will keep our focus on the fuller disclosure, the elimination of the special interest contributions, and those things that really need to be done, I think we could enact legislation that would really be reform in this Congress.

I, for one, am not ready or willing to close the door indefinitely on the concept of public financing. Perhaps it has some merit, but I certainly am not for the public financing in title I, and I must oppose it.

If we wanted to venture into public financing or the Government might provide a set amount of broadcasting time for candidates in a general election, shortening the time of campaigns, and provide a fixed amount of time for each candidate to present his case, with the Government paying for it. Television costs, we all know, are the biggest expense in a campaign.

Something like this has been done in Great Britain, and it has worked. If we took a modest step like this, it would be something that the people might accept. But they are not going to accept this.

Mr. CANNON. There are a number of reform features in the bill.

Mr. GRIFFIN. There are.

Mr. CANNON. The only importance I attach to public financing is that it gets rid of the undue influence of big contributors. A big contributor, under this bill, cannot have any undue influence and still come within the bill. That is where the reform issue comes up in public financing. It means that a candidate is not dependent upon big contributors.

Mr. GRIFFIN. The way to eliminate the big contributor is to put a definite ceiling, such as a thousand dollars, on any amount a person can contribute.

I call attention to the remarks made a few minutes ago by the distinguished Senator from South Dakota, who pointed out that in his race for the Presidency most of his support came from small contributors. I do not think we should make it impossible for people to run for the House or the Senate, or even the Presidency, by putting a limit on the amount of small contributions.

Mr. CANNON. The Senator will recall that when this matter was under discussion before, our committee was charged with reporting a bill in this session that contained a reporting feature. But at that time we did check with the Senator from South Dakota, and it developed that while he got most of his money from small contributors, still it was necessary to have seed money to operate the campaign—a Presidential campaign—and to go out and make these types of contact.

Mr. GRIFFIN. Where does the seed money come from in this bill? As I understand, in the primaries it is necessary to go out and raise the money.

Mr. CANNON. That is correct; or the candidate would have to raise it on a matching basis in the primary. But, as the Senator pointed out or provided for the RECORD, despite all the candidate's efforts to get a broad distribution, a broad base, he would still have to rely on some very large contributors to come in and provide the necessary seed money. But I do not know whether he is going to get it under this type of provision. I do not know whether this provision would be adequate in a Presidential race. At least, we put smaller limits in than we put in on S. 372, which passed the Senate overwhelmingly. The reason is that if S. 372 had been enacted, we would not have the very loopholes we are taking care of in this bill. As a result, if that bill had been passed last fall, I do not think we would have the pressure now for public financing and other reform measures. That is my personal view.

Mr. GRIFFIN. I thank the chairman for his statement and contributions to the debate. At the time of the earlier debate, in making a commitment to the Senate, it was thought that the Rules Committee would consider reporting a public financing bill, so that the Senate might have an opportunity to have this debate. I wrote the minority views against it in the report. I felt that it was an issue that should not be decided only within the Rules Committee; that it was an issue big enough and of such importance that the Senate itself should have an opportunity to debate it. After performing that function as a committee member, I now am in the position of strongly opposing title I. I do not see it as a reform; I see it as a shocking way of raiding the Public Treasury.

I think one thing ought to be mentioned in this debate, and that is that there is a provision in the tax law for a deduction of up to one-half of small contributions on one's tax return. When you are allowed that deduction, or I think it is even a credit under some circumstances, that is taking money out of the Treasury. That is public financing.

There is an important difference, however: you are able, under that system, to make your contributions and provide support to the candidates and the party of your choice. It seems to me that is an important concept that is overlooked here when we talk about financing all races out of the Public Treasury. That is taxation without representation. It means that regardless of whether you favor a candidate or a party, your tax funds are going to go toward his campaign.

I do not think most people want that, or want this Congress to enact it.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRIFFIN. 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. GRIFFIN. Mr. President, having made reference, as I did during my remarks, to the views that I included in the committee report, I ask unanimous consent that my statement of additional views as it appears beginning on page 89 of the committee report be printed in the RECORD at this point.

There being no objection, the excerpt from the committee report (No. 93-689) was ordered to be printed in the RECORD, as follows:

ADDITIONAL VIEWS OF MR. GRIFFIN

The astute political observer, David S. Broder, mixed a dash of homely wisdom with a reporter's cynicism when he wrote: "The only thing more dangerous to democracy than corrupt politicians may be politicians hell-bent on reform."

In many minds, the idea of "public financing" has somehow become synonymous with "campaign reform." I am concerned that the reality may be very different.

Even though I have serious doubts about the public financing aspects of this bill, I joined in voting to report it because I believe the Senate as a whole should have an opportunity to debate and decide the issues raised by Title I. Furthermore, except for Title I, the bill contains many campaign financing reforms which are clearly meritorious.

For example, I strongly support such provisions as those in other titles of the bill to create an independent Federal Election Commission, to place strict dollar limits on the amount an individual can contribute to a candidate or to campaigns in any year, to limit the amount a candidate can contribute to his own campaign, to restrict the size of cash contributions; to impose ceilings on overall campaign expenditures; and to require each candidate to use a central campaign committee and depository.

Such provisions truly represent campaign financing reforms, and they should be enacted on their own merit.

Unfortunately, public understanding has not fully penetrated a facade of attractive slogans that has surrounded the promise of public financing for campaigns. As more and more light is focused on the approach of Title I in this bill, the more realization there will be that it does not really represent "reform" at all. That will be particularly true as the people learn that "public financing" means "taxpayer financing"; and when they see that Title I would actually *increase*, not decrease, the levels of campaign spending, particularly in races for the House of Representatives.

It should be noted also that a number of needed, real reforms have not been included in this bill. For example, I believe everyone—candidates and voters alike—would welcome steps to shorten the duration of campaigns.

ROBERT P. GRIFFIN.

Mr. CANNON. Mr. President, I am opposed to the pending amendment and ask the Senate to reject it. The amendment is very brief but its effect upon the bill would be to destroy it, for title I provides for the financing of Federal elections from the public funds. Without title I we would be left with the existing law as amended by the bill, S. 372, which the Senate passed last July 30 by a vote of 82 to 8.

The Committee on Rules and Administration labored long and hard to prepare this bill and it reflects days of public hearings on the subject of public financing and the reasons for proposing a system of public financing.

There is no need to repeat in detail or at great length the many arguments in support of public financing. Those arguments and the rationale are set forth at length in the committee's report beginning on page 4 and copies are on the desks of all Members of the Senate.

Excesses in contributions and expenditures evidenced in the 1972 campaigns demonstrated clearly that some candidates have no difficulty in raising vast amounts of money while others cannot raise enough to carry out an effective campaign.

The unfortunate ones either drop out or must accept contributions from wealthy individuals or special interest groups. When limits are set for contributions it becomes even more difficult for the little known candidate to raise necessary funds for even a minimal campaign.

This bill, and especially title I of the bill, offers a fair and reasonable opportunity to any citizen to seek nomination or election to Federal office if he possesses the necessary qualifications and meets the standards set by title I for public funding.

Public financing cannot be applied only to general elections because the private financing of primary elections would leave us with a situation in which the potential for a repetition of the scandals of 1972 is obvious.

A candidate could raise money from any source for use in a primary, if he had access to those sources, and, if he won he could then demand public funds to finance his general election campaign.

As the committee report states on page 6:

Unless primary election candidates can be relieved of their excessive dependence on large amounts of public money, a system of public financing in general elections will only move the evils it seeks to remedy upstream to the primary phase of the electoral process.

The bill S. 3044 does not open the vaults of the Treasury to every candidate who enters a race. It requires him to demonstrate a genuine appeal to the electorate by raising a meaningful threshold amount in small private contributions. If he cannot meet the threshold he gets no public money.

The bill also furnishes full funding to major party nominees and only a proportionate amount to minor party candidates.

The thoroughness of the bill's provisions, the requirements which must be met prior to becoming eligible for public funds, the provision for private and public matching, and the option to go for either private or public funding careful auditing and accounting, are all evidence of the painstaking concern of the committee for the public and the use of public money.

Public financing is the only answer to corruption in the field of political finances and to restore confidence in the elective process.

I urge my colleagues to vote against the amendment.

Mr. President, on this subject, today's New York Times carries an editorial entitled "The Time Is Now" and it emphasizes the need for public financing of all Federal elections—primary and general.

Further, it stresses fairness of the pending legislation, S. 3044, in offering public financing as an optional alternative to private financing.

I ask unanimous consent to have the editorial printed at this point in my remarks.

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

THE TIME IS NOW

Now is the time for a full and fundamental cleansing of the nation's outmoded, corrupt system of financing public elections with private money. Now is the time to break the stranglehold of wealthy individuals and of self-seeking interest groups over the nation's politics. Now is the time to bring into the open sunlight of public responsibility a system half-publicly regulated and half-secret. If Congress cannot reform the nation's politics in this sordid year of Watergate, when will there be a more opportune time?

The campaign reform bill awaiting action in the Senate is an admirable measure. It has bipartisan backing as well as support from ordinary citizens across the country. Senators Mike Mansfield, the majority leader; Robert Byrd, the majority whip, and John Pastore, the party's chief spokesman on this problem, have given the bill stalwart Democratic support. On the Republican side Senator Hugh Scott, the minority floor leader, has been out in front urging action on reform.

The heart of the bill is a sharp reduction in the size of private contributions and, as an alternative, an optional form of public financing. Opposition to this reform concept comes from diverse quarters. President Nixon is opposed. Senator James Allen, Alabama Democrat, who serves as Gov. George C. Wallace's agent in the Senate, is opposed. So are the right-wing conservative Republicans led by Senators Barry Goldwater and Strom Thurmond. The biggest danger to the bill is the threat of a filibuster by Senator Allen with the backing of the Goldwater-Thurmond group. But this bluff can be called if Senators Mansfield and Scott remain firm in support of the bill.

As with any innovation, the advocates of reform are vulnerable to the criticism that they are attempting too much. But primaries as well as general elections need drastic improvement; in many one-party states, the primary provides voters with their only effective choice. It would make no sense to reform the financing of political campaigns at the Presidential level and leave House and Senate unreformed.

Rightly or wrongly, Congress as well as the Presidency suffers from a loss of public confidence in this Watergate season. The members of Congress will be making a serious miscalculation about their own political futures as well as the fate of the institutions in which they serve if they revert to business-as-usual. The people sense the need for reform, and the people's sense needs heeding.

The principles underlying the reform bill are simple: Presidential and Congressional primaries would be financed by matching grants. Thus, Presidential aspirants would have to raise $250,000 in private contributions of $250 or less before they qualified to receive the matching sum of $250,000 from

the Federal Government. Like climbing steps in a flight of stairs, the candidate would qualify for another quarter-million dollars each time he raised the same amount privately. There would be an over-all limit of approximately $16 million, half public and half private, for each Presidential candidate in the primaries.

The same principle would apply to House and Senate primaries except that the limit on contributions would be lower—$100 or less—and each step in the staircase would be lower, $25,000 in Senate races and $10,000 in the House. In general elections, the matching principle would not apply. Candidates could finance their campaigns by public or private funds or any mix of the two as long as they stayed within an over-all ceiling.

The bill would not lock parties and candidates into a novel or rigid arrangement. Rather, it curbs the abuses of private financing and offers public financing as an alternate route to elected office. Since the old private route has become choked with scandal, it cannot—unreformed and unaided—serve democracy's need much longer. Now is the time to provide a public alternative.

Mr. BEALL. Mr. President, I wonder whether the distinguished chairman of the Committee on Rules and Administration, the Senator from Nevada (Mr. CANNON) would yield for a question for purposes of clarification.

Mr. CANNON. I yield.

Mr. BEALL. As I understand the provisions of this legislation with regard to public financing in the primaries, to be used in my State as an example, we are required to raise 20 percent of the primary spending limit in order to qualify for public financing, which means, as I read the chart, and Maryland would be permitted primary spending of $272,000, that in the primaries we would be required to raise 20 percent of that amount of money, which is $54,000 in order to qualify for the 50–50 participation; is that not correct?

Mr. CANNON. Yes, as I understand what the Senator stated. In other words, the voting age population of Maryland is 2,720,000. So, using the 10 cents per voting age population in the primary, the amount that could be spent in the primary election would be $272,000. The candidate would be required to raise 20 percent of that by private contributions in order to be eligible for the matching formula proposition.

Mr. BEALL. To pursue this matter further, in the State of Maryland we register by party. Assuming there are 1,600,000 voters registered, unfortunately, only 300,000 are registered as Republicans. This means that I have to raise $54,000 from 300,000 Republicans, with a limit of $100 per contribution. Is that correct?

Mr. CANNON. The Senator could raise it from all over the country, and he need not raise it just from Republicans. So he would have the opportunity to raise it from any source, but the limit would be $100.

Mr. BEALL. I would hope that my services would be so much in demand that I could attract attention from all over the country and that I could attract attention from Democrats.

As a practical matter, considering a first-time candidate, I am wondering how successful a candidate would be in raising funds from other than members of his own party if he were in a heated primary.

My next question is this: I cannot possibly see, quite frankly, if in the State of Maryland, for example, we were to have a heated primary in the Republican Party, which has only 300,000 members, how any candidate with a limit of $100 on a contribution could hope to raise $54,000 in order to qualify for the Federal participation, which would then double the amount of money he received.

I am saying that the bill as now written puts an intolerable burden—as a matter of fact, a penalty—on a candidate of what is a major party in a minor party status, so far as registration figures are concerned.

Mr. CANNON. In the first place, I cannot agree with the Senator that out of a voting-age population of 2,720,000 there are only 300,000 Republicans.

Mr. BEALL. I know that there are. I live in Maryland, and I happen to be Republican, and I know how many people are registered as Republicans. I am not only sorry but also a litle ashamed of the paucity of the people who register in that party.

Mr. CANNON. If the Senator is correct on his figures and if he feels that in the State of Maryland he could not go out and raise $54,000——

Mr. BEALL. In the primary.

Mr. CANNON. If he or some other candidate in a primary could not raise that amount, then I would say they had better not be in the race.

Mr. BEALL. I hope I will never have to spend $54,000 to be successful in a primary in the State of Maryland.

Mr. CANNON. The Senator does not have to go to the matching formula basis.

Mr. BEALL. What I am saying is that the public is financing the candidates in the Democratic Party but not the candidates in the Republican Party. So the Democratic Party continues to grow stronger while the Republican Party continues not able to take advantage of the public funds that might be available for the financing of elections. That may sound good to the Senator from Nevada, as a Democrat, but it does not sound good to me, as a Republican.

Mr. CANNON. The requirement is that a candidate demonstrate that he has some public appeal if he is going to get the Federal contribution. If he does not have that public appeal, he is not going to get the Federal contribution. If he says, "Somebody else is going to get it and I am not," the Senator from Maryland is correct. He could say, "Tax money is going to support some other candidate but not me," and that is true, if he cannot demonstrate the public support.

Mr. BEALL. But for a Democrat running in our State, the figure is not the same. He has 1,300,000 people to whom to appeal for contributions, whereas I have 300,000 people to whom to appeal, as a Republican.

Mr. CANNON. I cannot think of anyone on the Senate floor who could raise that question less legitimately than either of the Senators from Maryland, because they are both Republicans, and I think it is quite obvious that they are able to get private contributions adequate to compete in a campaign.

Mr. BEALL. But this is a nonincumbent's bill, I would hope. This bill is not to perpetuate incumbents in office, much as we would like it to be. I thought the purpose of this was to give anybody an opportunity to seek public office, in the U.S. Senate or the House of Representatives, regardless of whether he is in office at the present time.

Mr. CANNON. The Senator is not correct. This bill is not designed to give anybody the opportunity to seek public office. This is an election reform bill, to try to reform the electoral process by providing limits to reduce the influence of large contributions, and it is not directed toward either political party. So far as we can tell, it is not weighted toward either political party.

If the Senator does not like the formula, I would suggest that he offer an amendment to change it.

Mr. BEALL. I think that is a good suggestion. I accept the suggestion. But the reason why I engaged in this colloquy is that I wanted to point out that I think there are inequities. The bill as now written, keeps people from running for public office who might otherwise do so.

Mr. CANNON. May I point out, in response, that it does not keep anybody out, because nobody has to qualify and receive Federal funds. Obviously, when the Senator ran the first time, he received no Federal funds, and he was able to raise private contributions and to compete and to win. A candidate can do that at the present time, and he can do it under this bill. The bill would not change that one iota. But if one is going to compete for Federal funds under this bill, he has to demonstrate that he has some public appeal; otherwise, everybody who wanted to run would come in and say, "I want in on the pie."

Mr. BEALL. Suppose that in 1976, when I am up for reelection, we have a primary—perish the thought—and I, because I am the incumbent, might be able to go out and raise $54,000; and because I raised $54,000, I would then be entitled to another $54,000 from the Federal Treasury.

Mr. CANNON. If the Senator spends it. He is not entitled to it unless he spends it.

Mr. BEALL. It is not very difficult to spend money in an election campaign if you have it or if you know you are going to get it. Then I would be entitled to $108,000, on that basis. Is that correct?

Mr. CANNON. Oh, no. The Senator would be entitled to $54,000. If he raised $54,000, he would be entitled to a matching amount.

Mr. BEALL. So I would have $108,000.

Mr. CANNON. Yes, but $54,000 the Senator would raise from private contributions.

Mr. BEALL. The $54,000 I raised and the $54,000 that Uncle Sam would give me. I am the incumbent, and I can hope to raise $54,000 in the primary. How about the fellow challenging me in the primary? Suppose he can raise only $35,000? He is not going to get public funds. I would have a campaign financed half

by my supporters and half by Uncle Sam, and any challenger would have to depend on funds that are very difficult for him to collect. So I would have a double advantage. Is that correct?

Mr. CANNON. Not a double advantage; but the ultimate assumption is correct, that a man who cannot demonstrate the public support, cannot share in the public financing. That part of the Senator's statement is correct.

Mr. BEALL. Sometimes there is a difference between demonstrating public support and collecting money. Sometimes one can get the votes but not the dollars to back up the votes.

It seems to me that by using this formula, a terrible burden is placed upon those people who might want to challenge an incumbent in a primary, and I do not think that is in keeping with the purpose of the legislation.

Mr. CANNON. If the Senator is opposed to public financing, he should vote against it.

Mr. BEALL. I started out by saying that I am not opposed to public financing combined with private financing. But I am opposed to public financing that discriminates against people who want to challenge the incumbents.

I yield to the Senator from Tennessee.

Mr. BROCK. I think the Senator is saying that whether or not it was the intent of the bill, as it is written it is an incumbent protection act, particularly in the sense of the primary. Further, if a candidate is a viable candidate and all his supporters happen to be people of low economic standing, he just does not have an opportunity to demonstrate his voter appeal, because the dollars are not there.

Mr. BEALL. That is correct.

Mr. BROCK. So he is penalized, even though he may have enormous appeal for the majority of his constituency. That is the thing here: The incumbency is perpetuated. The process is damaged. It is made almost impossible for challengers to bring any freshness into the system. That is the terrible thing about this kind of approach, and it seems to me that we can do a better job on it.

Mr. GRIFFIN. I wonder if the Senator from Maryland would agree with this observation. It seems to me if the Senator is concerned, as he well might be, about the possibility of raising funds under the present circumstances from that number of Republicans in his State, I wonder how the climate and the attitude of potential givers might be because if we pass this bill, entitled "Public Financing," and the word goes out that the Government is going to finance campaigns from now on, I wonder if the people will be interested in making any contributions, and I wonder if they will understand that it would be necessary for us to raise $54,000—is it 5,400 contributors?

Mr. BEALL. 540 contributors.

Mr. GRIFFIN. I am just wondering if it would not be a great deal more difficult than under circumstances today.

Mr. BEALL. I think it would be.

Mr. GRIFFIN. I think so, too.

Mr. BROCK. Mr. President, I wish to point out that there is another flaw in this approach, and that it is we do try to strengthen the two-party system, but the Republican Party has not been around for 200 years. It was created about 110 years ago or 115 years ago. Had this law been in effect at that time, the grave of Abraham Lincoln would be just another burial plot in the cemetery. He could not have run under this bill and could not have gotten the support. There was no such thing then as a Republican Party. He would have been the candidate of a minor party, and since the bill states that there must be established a basis in a prior election and there is no prior election for a new party, he would have none.

I wonder what would happen in the case of the Bull Moose Party in 1912, when the Bull Moose candidate ran ahead of the Republican Party candidate on a splintered ticket. What opportunity do we have in that situation? This bill freezes the practice, it freezes the incumbent, and it has the possibility of reducing the vitality of our system.

Mr. BEALL. I am really more concerned about the advantages to the incumbent. I was not concerned about the party. But as Republicans we should be concerned about our Republican Party. But it seems to me as presently written the incumbent in the case of a party where there is an imbalance in registration in the State has a tremendous advantage and I think it is an advantage no one can hope to overcome because I cannot imagine a challenger in the State of Maryland in a primary situation being able to raise the required $54,000 that would be necessary to pursue a primary campaign against an incumbent.

Mr. MOSS. Mr. President, today this Congress has the opportunity and responsibility to implement a lasting and comprehensive means to prevent corruption in politics. The "purchasing" of favors through private political contributions to campaigns has had a demeaning effect on all public officials. Acceptance of S. 3044 can go a long way toward alleviating this problem.

Last summer when the Federal Election Campaign Act of 1973 was being considered by the Senate, I indicated my support for an equitable form of public financing. Last September I testified before the Subcommittee on Privileges and Elections that emphasis in politics should be on people, not on money. I further indicated that the public would not be ill-served to have some of its tax money reserved for the assistance of political candidates to public office. Such use of our tax money would improve the representative process by enlarging its scope, and invigorating the workings of democracy.

Only last month I joined in a colloquy with several of my distinguished colleagues and pointed out that the traditional practice of campaign revenue raising is susceptible to much abuse and that an alternative to this abuse was the allowance for taxpayers to a checkoff on their Federal income tax for campaign purposes.

Last November, I was pleased that the Senate accepted an amendment to the debt ceiling bill to provide a means to publicly finance elections. However, following a compromise by the House, a filibuster in the Senate, and a historic Sunday session, opposition hardened and supporters of reform could not muster the two-thirds vote necessary to break the filibuster.

It must be emphasized that campaign financing is not a new issue. It is not being rushed through Congress. Extensive hearings have been held in the Senate. My distinguished colleagues on the Subcommittee on Privileges and Elections, and the Rules and Administration Committee have devoted many long hard hours to development of a bill that is comprehensive, but fair. S. 3044, the Federal Election Campaign Act Amendments of 1974 is such a bill. I commend my colleagues for their work in handling this delicate issue of public financing of campaigns expeditiously but with fairness to the exponents of all viewpoints.

Senator ALLEN is to be respected for his view on public financing of elections. Although I do not agree with his reasoning or conclusions regarding public financing, I certainly cannot dispute his sincerity.

I believe that Senator ALLEN is wrong in contending that title I of S. 3044 is a "raid on the Treasury." Rather, public financing as provided by this bill merely prevents special interests from buying favors and placing undue pressure on public servants. Americans now only end up paying more for campaigns than they would by having tax dollars used for campaigns. Large contributions by representatives of large corporations come from higher prices of commodities that are purchased by the consumer. The milk support price rise in early 1971 is proof of this. The only difference is that such increase in price is a subtle increase.

Certainly, I do not contend that public financing is a panacea to all of the ills of campaigns. But it is a step in the right direction. Until individuals realize that favors will not be purchased by political contributions, politics in the eyes of Americans will not be restored to a place of honor and respect. I think that public financing, although problems will occur in development of means to implement it, is one way in which this honor and respect can be returned to public service.

I ask that my colleagues join in defeating amendment No. 1064 to S. 3044. Only through this means can we indicate our commitment to prevention of corruption evident in recent campaigns.

CAMPAIGN FINANCE REFORM—A TIME FOR CLEANSING

Mr. HUMPHREY. Mr. President, the Senate has under consideration the most comprehensive campaign finance reform measure ever to come before the Congress. No single piece of legislation before the Senate in this session has the potential of the Federal Election Campaign Act of 1974 for cleaning up American politics and restoring confidence in the integrity of our political system and the individuals who work within it.

The most important feature in this legislation, which incorporates and builds on a number of recent campaign reform measures passed by the Sen-

ate, is the new provision for the public financing of Federal elections that it authorizes. I totally disagree with those who claim public financing of elections is a diversion of public funds from important public activities. If the tragic drama called Watergate, which has been unfolding for nearly 2 years in our newspapers and on our televisions, has made anything clear, it is that the public has no greater interest or priority than in assuring the integrity of those they choose as their public officials.

While I do not endorse every detail of this bill or feel it can be written on stone tablets for all posterity, I do agree completely with its basic objectives and believe its major provisions are reasonable. Obviously, any legislation of such significance will require very careful monitoring by Congress to be sure it is having the intended effects on our electoral process. This monitoring will lead naturally to the adjustments and fine tuning that always prove necessary as major new legislation is implemented.

Title I of the Federal Election Campaign Act Amendments of 1974, the public financing title, affords all candidates an opportunity to obtain a certain amount of public financing of their campaigns from the Treasury of the United States. However, to receive such assistance, they must be able to demonstrate a reasonable amount of support from the electorate in the geographic area in which they intend to run for Federal office.

To qualify for public financing assistance in the primaries, a candidate must raise a specific amount of "earnest money" from contributions of $250 or less in the case of Presidential candidates and $100 or less for Senate and House candidates.

After the required threshold level of "earnest money" has been reached, public matching funds would be available on a dollar-for-dollar basis for each contribution of $250 or less for a Presidential primary candidate and $100 or less for a Senate or House primary candidate.

In the general elections, candidates may choose to receive all private contributions and no public funding, a blend of private and public funding, or, in the case of major party candidates, exclusively public funding.

The nominee of a major party would be able to receive full public funding of his campaign for election, up to the specified campaign spending limits. Minor party nominees would be eligible for public funding up to an amount equal to the percentage of the vote their party's candidate received compared to the votes cast for the candidates of the major parties.

The bill would also increase the value of the dollar checkoff to $2 for individual and $4 for joint returns and provide that the designation be automatic, unless the taxpayer elects not to make such a designation. If the amount of designated tax payments to the fund do not result in a sufficient total amount to fulfill the entitlement of all qualified candidates, then the Congress may appropriate the additional sums needed to make up the deficit.

The bill would limit individual contributions to a candidate, or committees operating on his behalf, to $3,000 for each election. It would limit the total contribution of an individual to all candidates in any calendar year to $25,000. And, it would limit to $3,000 the contribution of a political committee to any candidate. A limit of $100 is placed on all cash campaign contributions.

While the legislation before us includes a number of other significant reforms regarding campaign finance, I believe that the provisions relating to public financing of campaigns are of the utmost importance.

I have been a vocal advocate of expanded public financing of Federal elections for many years. As one who has been involved in almost all types of Federal elections, I can appreciate, perhaps more than some others, the importance of such a change in the financing of the electoral process. It was with this in mind that I supported the dollar checkoff and authored the amendment which put it on the front of the income tax form where people could see it and use it. This was also my reason for speaking in behalf of the Kennedy-Scott public financing amendment when it came before the Senate last July.

Mr. President, if the faith of the American people in their Government is to be restored, this vital campaign finance reform legislation must be passed with its major public financing thrust intact.

There is no doubt that this reform measure is needed.

In politics, I have found that what is true is, regrettably, not always as important as what people perceive to be true. Those of us who run for office can profess that the campaign contributions we receive do not in any way control our votes, but I venture to say that not many believe it.

I have been in a number of campaigns, and I enjoy the campaigns, I like them. But the most demanding, disgusting, depressing and disenchanting part of politics is related to campaign financing. Furthermore, in national elections it is literally impossible for the Presidential and Vice-Presidential candidate to have control over or knowledge of campaign finances. All too easily you can become the victim of sloppy reporting or carelessness on the part of your committee or committees. Yet, in the public's mind, it is the candidate that is guilty of wrongdoing.

In my years of public service I have seen the cost of campaigns skyrocket to unbelievable levels.

It is time we stopped making candidates for Federal office spend so much of their time, energy and ultimately their credibility, on the telephone calling friends or committees, meeting with people, and oftentimes begging for money.

Scrounging for funds to bring your case to the electorate is a demeaning experience. The bill before us today gives us our best chance ever of cleaning up our politics.

Frankly, Mr. President, the election of public officials is too important to our Nation, and an electoral process that is above suspicion is too precious to our people, to permit elections to be decided on the auction bloc of private campaign funding. Big money, large private contributions, and the amount of money a politician can raise should not be permitted to continue as a key to election day success.

Mr. President, it is gratifying for one who has labored long in the vineyard of public campaign finance, and it should be very encouraging to all Americans, to see such a creative step toward cleansing our electoral process emerge with nearly unanimous bipartisan support from the Senate Committee on Rules and Administration. Chairman CANNON and his colleagues have done a laudable job and deserve our congratulations.

I hope that the Senate will support, in general, the committee's work, and provide the Nation with the leadership our people seek in restoring confidence in the integrity of their Government.

It is not enough to criticize corruption in politics. That is easy to do, we can all be against evil. But our constituents are demanding more than rhetoric from us, and rightly so. The American people will no longer tolerate lipservice to campaign finance reform. The time for us to act is now and the vehicle is before us. We must act positively on the Federal Election Campaign Act Amendments of 1974 and authorize the extension of public financing to all Federal elections.

Some may say, "All the politicians are doing is taking care of themselves." Others, who should know better, have called it "taxation without representation" and "a diversion of public funds from important purposes."

But, Mr. President, as one who has been to the "political wars" at the national level for 25 years, I say unequivocally that there is no more important use of public funds—no better insurance of effective representation that directly benefits our people—than to assure the integrity of our public officials and to tear away the veil of suspicion that shrouds every politician who must go to the marketplace to finance his candidacy.

Mr. BUCKLEY. Mr. President, S. 3044 includes a number of campaign reform proposals tied together in a package that we are told will satisfy the public demand for reform and at the same time solve many of the problems that face our society. Some of the proposals that have been woven into this bill have merit and deserve consideration, but those that dominate S. 3044 are so deficient as to render the bill virtually unsalvageable.

Title I of S. 3044 is, I am afraid, chief among these. It is title I, of course, which incorporates public financing of Federal elections with strict expenditure limitations. The concept of publicly financed election campaigns has been the subject of controversy in this body for some years now, but I am still far from convinced that it is an idea whose time has come or indeed, that it is an idea whose time should ever come.

The scheme incorporated into this portion of S. 3044 is quite intricate mechanically, but one that must be thoroughly understood both mechani-

cally and conceptually before we go so far as to vote it into law.

Therefore, before I move into a discussion of what I see as the basic objections to the entire concept of public financing I would like to go over the provisions of the specific plan incorporated into title I of S. 3044.

Under title I tax money amounting to approximately $360 million every 4 years would be made available to finance or help finance the primary and general election campaigns of legitimate major and minor party candidates for all Federal offices.

A candidate seeking the endorsement of his or her party via the primary route must demonstrate his "seriousness" by raising a specified amount through private contributions before qualifying for Federal money. Once this threshold amount has been raised, however, the candidate becomes eligible for public matching funds up to the limit applicable to his race.

Candidates running in the general election for any Federal office are treated differently depending on whether they are running as major party or minor party candidates. Of some interest is the fact at the Presidential level a major party is defined as one that garnered 25 percent of the vote in the previous election.

Major party candidates may receive full public funding up to the limit applicable to their races.

A minor party candidate, on the other hand, may receive public funding only up to an amount which is in the same ratio as the average number of popular votes cast for all the candidates of the major party bears to the total number of popular votes cast for the candidate of the minor party. However, the minor party candidate must receive at least 5 percent of the vote to qualify for any funding.

Minor party candidates are allowed to augment their public funds with private contributions up to the limits set in the act and may receive postelection payments if they do better in the current election than they did in preceding elections.

The indepedent candidate or the candidate of a new minor party isn't entitled to anything prior to the election, but can qualify for postelection payments if he draws well at the polls.

This plan is expected, as I indicated a few moments ago, to cost about $360 million every 4 years. The sponsors of S. 3044 would have us believe that this money will be raised through an expanded tax checkoff provision such as the one now on our tax forms that permits us to designate that $1 of our tax money shall go to a Presidential election campaign fund.

This strikes me as one of the most objectionable features of this entire scheme. The checkoff as modified by the authors of S. 3044 is a fraud on the American taxpayer. It is an attempt to give people the feeling that they can participate in decisions that the authors of this bill have no intention of letting them participate in. This provision alone would force me to vote against S. 3044 and should be stricken along with the rest of title I.

As you may recall, the checkoff was originally established to give individual taxpayers a chance to direct $1 of their tax money to the political party of their choice for use in the next Presidential campaign.

When it was extended by the Congress last year, however, the ground rules were changed so that this year taxpayers are not able to select the party to which their dollar is to be directed. They are simply allowed to designate that the dollar should go into the Presidential election campaign fund to be divided up at a later date. Thus, while the taxpayer may still refrain from participating he may well be directing his dollar to the opposition party if he elects to participate.

A theoretical example will illustrate this. Let us assume that two candidates run in 1976 and that the money to be divided up amounts to $10 million. Half of this would go to each candidate, but let us further assume that 60 percent of this money or $6 million is contributed by Democrats. Under this set of circumstances a million Democrats would unwittingly be contributing to the campaign of a candidate they do not support and for whom they probably will not vote.

If S. 3044 passes things will get even worse. During the first year only 2.8 percent of the taxpaying public elected to contribute to the fund. This disappointing participation was generally attributed to the fact that it was difficult to elect to participate. Therefore this year the form was simplified and a great effort is being made to get people to participate.

As a result about 15 percent of those filing appear to be participating and while this increase seems to warm the hearts of those who have plans for this money it will not raise nearly enough money to finance the comprehensive plan the sponsors of S. 3044 have in mind.

Therefore they have found a way to increase participation. Under the terms of S. 3044 the checkoff would be doubled to allow $2 from each individual to go into the fund, but the individual taxpayer will no longer have to designate. Instead his $2 will be automatically designated for him unless he objects. This is a scheme designed to increase participation reminiscent of the way book clubs used to sell books by telling their members they would receive the month's selection unless they chose not to. As I recall, Ralph Nader and his friends did not like this practice when book clubs were engaged in it and one can only hope that they will be equally outraged at the proposal that Uncle Sam join in the act.

But S. 3044 goes further still. If enough people resist in spite of the Government's efforts to get them to participate, the Congress will be authorized to make up the difference out of general revenues. So, after all is said, it appears that the checkoff is little more than a fraud on the taxpayer.

Let us move from the question of the way the money needed to finance this plan will be raised to the question of the propriety of the spending limits that are an integral part of the plan.

Under section 504 of the title we are debating uniform limits are imposed on incumbent and nonincumbent candidates alike. These limits will necessarily favor incumbent Presidents, Senators, and Congressmen because any incumbent has advantages that must be overcome by a challenger trying to unseat him. To overcome these advantages a challenger must spend money.

I have already indicated that I will call up an amendment designed to overcome this problem by allowing nonincumbents to spend more than officeholders. Something of this sort strikes me as absolutely necessary at a time when Americans are skeptical enough about Government in general and elected officials in particular.

Congressional and Senate incumbents have generally been fairly safe re-election bets for a variety of reasons. Incumbency itself has been estimated to be worth 5 percentage points on election day, and I just do not think we should do anything that might be fairly interpreted as giving us an even greater lock on our seats.

The $90,000 limit on House races imposed by this bill would have a similar effect. Indeed, my own analysis of a recent Common Cause study of expenditures in 1972 convinces me that this legislation is weighed heavily in favor of incumbents and might therefore weaken the ability of our citizens to influence governmental decisions.

I have been discussing the specifics of title I and they are, of course, both interesting, and important.

They represent an attempt on the part of the Rules Committee to answer some of the specific problems that arise when one gets into the business of publicly subsidizing election campaigns.

We could discuss these specifics for days and I fear that we might find ourselves doing just that if we do not accept the Senator from Alabama's amendment to strike the entire title. The problem is that a discussion of specific attempts to overcome problems that are merely symptomatic of a faulty approach to a much larger problem are a complete waste of time.

The scheme before us today like others that have been proposed in recent years seems to be based on the assumption that private financing is an evil to be avoided at all costs.

I am afraid I have to reject that basic assumption. A candidate for public office is currently forced to compete for money from thousands or—in the case of Presidential candidates—millions of potential contributors and voters.

Viable candidates rarely have trouble raising the funds needed to run a credible campaign and, in fact, their ability to raise money is one very good gage of their potential popular support.

As Congressman FRENZEL said during hearings on public financing last year:

> While the ballot box is an essential means of measuring popular support for a candidate, political contributions give individuals and groups an opportunity to register strong approval and disapproval of a particular candidate or party.

Under our present system potential candidates must essentially compete for private support, and to attract that sup-

port they have to address themselves to issues of major importance to the people who will be contributing to their campaigns and voting for them on election day. Public financing might allow candidates to ignore these issues, fuzz their stands, and run campaigns in which intelligent debate on important matters is subordinated to a "Madison Avenue" approach to the voters.

Consider a couple of examples. During the course of the 1972 campaign, it is reported that Senator McGOVERN was forced by the need for campaign money to place greater emphasis on his support of a Vietnam pullout than his political advisers thought wise. They felt that he should have downplayed the issue and concentrated on others that might be better received by the electorate.

I do not doubt for a minute that the Senator's emphasis on his Vietnam position hurt him, but I wonder if we really want to move toward a system that would allow a candidate to avoid such issues or gloss over positions of concern to millions of Americans.

The need to court the support of other groups creates similar problems. Those who believe that we should maintain a friendly stance toward Israel, for example, as well as those who think a candidate should support union positions on a whole spectrum of issues want to know where a candidate stands before they give him their vocal and financial support. The need to compete for campaign dollars forces candidates to address many issues and I consider this vital to the maintenance of a sound democratic system.

Second, to the extent that these plans bar the participation of individual citizens in financing political campaigns they deny those citizens an important means of political expression. Millions of Americans now contribute voluntarily to Federal, State, and local political campaigns. These people see their decision to contribute to one campaign or another as a means of political expression. Public financing of Federal general election campaigns would deprive people of an opportunity to participate and to express their strongly held opinions.

They would still be contributing, of course, since the Senate proposal will cost them hundreds of millions of dollars in tax money. But their participation would be compulsory and might well involve the use of their money to support candidates and positions they find morally and politically reprehensible.

Third, S. 3044 and similar proposals combine public financing with strict limits on expenditures. As I have already indicated, these limits must, on the whole, work to the benefit of incumbents since they are lower than the amount that a challenger might have to spend presently in a hotly contested race if he wants to overcome the advantages of his opponent's incumbency.

Fourth, the various schemes devised to distribute Federal dollars among various candidates and between the parties has to affect power relationships that now exist. Thus, if you give money directly to the candidate you further weaken the party system. If you give money to the national party, you strengthen the national party organization relative to the State parties. If you are not extremely careful you will freeze out or lock in minor parties. These are real problems with significant policy consequences that those who drew up the various public financing proposals tended to ignore. The authors of S. 3044 merely managed to make the consequences less clear. They did not solve the problems.

Fifth, public financing will have two significant effects on third parties, neither desirable. In the first place, it will discriminate against genuine new national third party movements—such as that of George Wallace in 1968—because such parties have not had the chance to establish a voting record of the kind required to qualify for preelection financing. On the other hand, once a third party qualifies for future Federal financing, a vested interest arises in keeping it alive—even if the George Wallace who gave it its sole reason for existence should move on. Thus we run the risk of financing a proliferation of parties that could destroy the stability we have historically enjoyed through our two party system.

In addition, S. 3044 and all similar plans raise first amendment questions since they all either ban, limit, or direct a citizen's right of free speech.

In this light it is interesting to note that a three-judge panel in the District of Columbia has already found portions of the law we passed in 1971 unconstitutional. As you will recall the 1971 act prohibited the media from charging for political advertising unless the candidate certified that the charge would not cause his spending to exceed the limits imposed by the law. This had the effect of restricting the freedom both of individuals wishing to buy ads and of newspapers and other media that might carry them and, in the opinion of the District of Columbia court, violated the first amendment.

I would like to state parenthetically, Mr. President, that I intend to vote against all amendments that might ameliorate some of the constitutional objections, so that whatever is enacted will be as vulnerable as possible to judicial attack. I will do so because of my profound convictions that the bill's principal features will do our political system substantial harm.

I have already indicated in references to the specifics of title I that I fear we are debating a bill that would aid incumbents over the candidates. This is so because of the uniform spending limits that are an inherent part of this and most other public financing plans.

In addition to incumbents such plans would aid another class of candidates and therefore artificially tilt the politics of this country.

Any candidate who is better known when the campaign begins or is in a position to mobilize nonmonetary resources must benefit from these kinds of plans as compared to less known candidates and those whose supporters are not in a position to give them such help.

This is necessarily true because the spending and contributions limits even out only one of the factors that determine the outcome of a given campaign. Other factors therefore become increasingly important and may well determine the winner on election day.

Consider, for example, the advantage that a candidate whose backers can donate time to his campaign will have over one whose backers just do not have the time to donate. In this context one can easily imagine a situation in which a liberal campus-oriented candidate might swamp a man whose support comes primarily from blue-collar middle-class workers who would contribute money to their man, but do not have time to work in his campaign.

Or consider the candidate running on an issue that attracts the vocal and "independent" support of groups that can provide indirect support without falling under the limitations imposed by law. The effectiveness of the antiwar movement and the way in which issue-oriented antiwar activists were able to mesh their efforts with those of friendly candidates illustrate the problem.

David Broder of the Washington Post noted in a very perceptive analysis of congressional maneuvering on this issue last year that most members seem to sense that these reforms will, in fact, help a certain kind of candidate. His comments on this are worth quoting at length:

> . . . the votes by which the public financing proposal was passed in the Senate had a marked partisan and ideological coloration. Most Democrats and most liberals in both parties supported public financing; most Republicans and most conservatives in both parties voted against it.
>
> The presumption that liberals and Democrats would benefit from the change is strengthened by the realization that money is just one of the sources of influence on a political contest. If access to large sums is eliminated as a potential advantage of one candidate or party by the provision of equal public subsidies for all, then the election outcome will likely be determined by the ability to mobilize other forces.
>
> The most important of these other factors are probably manpower and publicity. Legislation that eliminates the dollar influence on politics automatically enhances the influence of those who can provide manpower or publicity for the campaign.
>
> That immediately conjures up, for Republicans and conservatives, the union boss, the newspaper editor and the television anchorman—three individuals to whom they are rather reluctant to entrust their fate of electing the next President.

This legislation affects the way we select our representatives and our Presidents. It affects the relationship of our citizens to their elected representatives and to Government itself. It affects the party system that has developed in this country over nearly 200 years in ways that we cannot predict.

In other words, S. 3044 affects the very workings of our democratic system and could alter that system significantly.

Those in and out of Congress who advocate public financing are selling it as a cure-all for our national and political ills. For example, the Senator from Massachusetts, Mr. KENNEDY, recently went so far as to say that—

> Most, and probably all, of the serious problems facing this country today have their roots in the way we finance political campaigns . . .

This statement reminds one of the hyperbole associated with the selling of New Frontier and Great Society programs in the 1960's. The American people were asked then to accept expensive and untried programs as panaceas for all our ills.

Those programs did not work. They were oversold, vastly more expensive than anyone anticipated, and left us with more problems than they solved. Public financing is a Great Society approach to another problem of public concern and, like other solutions based on the theory that Federal dollars will solve everything, should be rejected.

I intend to support the Allen amendment to strike title I and I urge its adoption.

Mr. HUGH SCOTT. Mr. President, I rise in opposition to the Allen amendment which, if adopted, would strip public financing from the bill. As a member of the Rules Committee which held long hearings and markup sessions before favorably reporting the bill to the Senate floor, I support the entirely flexible and realistic approach it takes.

Supporters of the amendment claim that public financing, as proposed in title I, would place full Federal control over the election process. This is inaccurate. As a New York Times editorial said this morning:

> The bill would not lock parties and candidates into a novel or rigid arrangement. Rather, it curbs the abuses of private financing and offers public financing as an alternate route to elected office.

I hope that the Allen amendment will be soundly defeated.

Mr. FANNIN. Mr. President, public campaign financing as envisoned in title I of S. 3044, the Federal Election Campaign Act Amendments of 1974 represents a major effort to restructure our political and electoral process, all in the name of "campaign reform."

Most certainly none of us are opposed to reforms of existing abuses since our political system needs constant monitoring and readjustment, and the Congress has acted to correct some of those abuses. But what is proposed in title I is not a single adjustment or correction. Instead we have a whole new approach to financing Federal elections.

Mr. President, I am aware, of course, that this issue has been considered for years in Congress. In fact, I would point out that in June 1967, Russell D. Hemenway, national director of the National Committee for an Effective Congress, made these remarks at a hearing before the Senate Finance Committee and they bear repeating here today:

> The NCEC wishes to be on record as opposed to any proposal which provides direct Treasury financing of elections. We feel this would substitute the Treasury for the voluntary political contributor. To appropriate Federal funds to pay for campaigns is antidemocratic since it excludes the individual from a vital portion of the political process. It also tends to establish a political monopoly which would ultimately erode the process of free elections.
>
> Even with limitations and safeguards—the practical effectiveness of which are open to serious question—the direct subsidy vests in the national party committees an undesirable concentration of power, control, and influence which would ultimately have serious impact on the entire party system and political process. The long-range results are predictable: A lessening of public influence over party platforms and policies, and central control over the decisions and actions of candidates and over State and local party organizations. By reducing the financial dependence of parties on the rank and file constituents, the party hierarchy is insulated against the public will. The inherent dangers of stifling conformity, rigid discipline, and a self-perpetuating power structure within the major parties are obvious.
>
> It is in order here, to take a quick look at how direct Treasury financing of campaigns would operate. Suppose the two national parties were each allocated $10 million from the Treasury. Nominally, they could use this money only for certain specified costs of the presidential campaign. But would not the two national chairmen discover that their slightest whims were respected as orders by party officials, by everyone in the party from supervisors to coroner to candidates for the House and Senate?
>
> Above all, the basic principle of voluntarism is destroyed, since the individual may not determine where his money is going. Nor would he participate in many of the meaningful campaign activities for which fundraising is merely a stimulus. Politically, for the candidate and public, it is far more important to receive a hundred $1 bills than one contribution for $100.
>
> In the effort to cleanse the present system of abuses, we do not want to sterilize the political process. It will do no good to handcraft an unresponsive, bureaucratic mechanism which renders the public will speechless and impotent. The American people are now reacting against the overbureaucratic agencies of Government. At a time when every effort is being made to humanize and personalize the Government, we do not want to build the same difficulties into politics. We see in some of the election financing proposals this same pattern which has characterized much recent Federal legislation; full of good intentions, financed by Federal largess, but functionally incapable of proper administration because of rigid and uniform directives are imposed in situations requiring adjustment and flexibility.

Mr. President, we have had hearings over the years and each time we have found that the financing of election campaigns out of tax money creates many more problems than it could solve.

Mr. President, the place for campaign reform to begin is through the enforcement of the laws which we do have. As Arlen J. Large wrote in an article, "How Should We Finance Elections?" in the May 10, 1973, Wall Street Journal:

> There's not yet an obvious need to go to the extreme of taxing people to pay for the antics of barnstorming politicians, or adding their expenses to the national debt. At least that step shouldn't be taken before trying sterner enforcement of existing law.

Mr. President, I believe that this goes right to the heart of the American political process. It would be a serious infringement on the rights of the individual. For some people it would mean taking their tax money for political purposes and processes which they oppose; for others it would mean denial of their right to fully participate in the political process in the manner of their choosing.

Direct subsidies would also raise serious problems of freedom of expression. They would be a form of compulsory political activity which limited the freedom of those who would refrain as well as of those who chose to participate. When an individual is forced, in effect, to make a contribution to a political movement to which he is indifferent or which he finds distasteful, it may be fairly said that a basic freedom is being infringed. When this forced payment is combined with limits on contributions to favored candidates, political freedom is drastically limited.

Mr. President, we also have a number of unanswered questions as to how this bill would be implemented. In the American Bar Association Journal of last October, Carleton W. Sterling wrote an article, "Control of Campaign Spending: The Reformer's Paradox," which observed:

> Subsidization schemes raise a number of dilemmas. Every person desiring office cannot be subsidized, so subsidies must be awarded to those who already have demonstrated political power sufficient to warrant subsidization. Parties may gain subsidies for their candidates according to some formula linked to their support in the electorate, which must favor the established parties. Congress has considered subsidies geared to equalizing the campaign financing of the two major parties, but funds for minor parties at best would only approximate their strength among the voters.

Mr. President, this is a very real problem. It is somewhat frightening to envision a government of politicians allocating funds for the campaigns of politicians. Everyone must share the concern of A. James Reichley in the December 1973 issue of Fortune magazine, who in his article, "Financing—But Let's Do It Right," commented:

> Total Government financing would also raise the danger that at some future time a dominant political faction or party might deny the opposition the resources needed to reach the public.

Finally, Mr. President, it has been argued that only through public campaign financing can we cure the disease we call Watergate. Yet nothing in S. 3044 will change the conditions for such acts to occur if it is the desire of some individuals to subvert the political and electoral process. Regardless of where the money comes from it can still happen. In this context, then, S. 3044 will accomplish very little. To avoid the "Watergates" of the future will require strict enforcement of existing laws and the prosecution and conviction of those found guilty of such criminal acts as is happening at this very moment.

What the supporters of S. 3044 really hope to achieve is not entirely clear, but what the provisions imply is the beginning of a Federal structure to manage political campaigns and perhaps even the political process itself. It does not take much imagination to conceive of future legislation being proposed to further restrict political operations. In essence, this is a dangerous bill contrary to our tradition of political freedoms. Those who have condemned Watergate because it represented an effort to control political power have only to read this bill to see the potential for achieving the same end only then it would have the cover of law as giving support to restricting political freedom.

If the Congress can choose a formula which favors the major parties over the

minor parties then it has effectively chosen to perpetuate existing political arrangements.

If Congress can manipulate funding it can do so in a way to make it impossible for groups to participate in the political process.

If the Congress can limit expenditures it can limit them to the point where the opportunity to express a view is severely restrained.

If the Congress can do all this in the name of "campaign reform" then surely we have taken a major step in eroding our political freedoms.

It is for these reasons that I oppose title I of S. 3044 and will support the amendment of the distinguished Senator from Alabama, Senator ALLEN.

Mr. TALMADGE. Mr. President, I defer to no one in acknowledging the need for election campaign reform in many areas. As a Member who has served on the Select Committee on Presidential Campaign Activities, the so-called Watergate Committee, I can vouch for that firsthand.

I have supported legislation designed to achieve campaign reform, including limiting amounts of money that may be contributed and spent in political campaigns, reporting and disclosure of campaign contributions and expenditures, and provisions for enforcement of the law to insure that the election process in our free society is not subverted.

In fact, even before Watergate and campaign reform became highly charged household words, I sponsored legislation to allow tax credits or tax deductions for modest contributions to political campaigns in an effort to broaden the base of public political support.

However, I draw the line on public financing of Federal election campaigns. This is not campaign reform. It is another blatant attempt to poke the long arm of the Federal Government into an area where it has no business.

It is an effort to destroy the freedom of the American people to choose in the election process.

It is an effort to deny the American people freedom of expression in the support or nonsupport of candidates for public office.

It would constitute a raid on the Federal Treasury, at a time when our country and hard-working taxpayers are caught in the grip of rampant inflation, when we are unable to even come anywhere near balancing the budget, and when we cannot make both ends meet on programs that are needed in our society.

What we have before us today is a program that is neither needed, desirable, or in the best national interest.

The right to vote is as sacred a right that the American people have in our free society. Voting is an expression of support of a particular candidate for public office and an endorsement of his views at the ballot box.

A citizen's contribution to the election of a particular candidate is likewise an expression of support. To make such a choice and to give such a contribution is in my estimation also a sacred right.

How a free citizen casts his vote and how he supports a candidate of his own choosing is a decision only that citizen can make. No one has a right to make that decision for him.

A citizen can support this candidate or that candidate. Or, he can choose to support no candidate. That is his right in our system of free elections.

I know of no American taxpayer who fully understood the situation who would agree to having his tax money spent on the political candidacy of a person whose views were totally repugnant to him. I certainly do not want my tax money spent that way.

Yet, that is precisely what would result from public financing of Federal election campaigns.

It is unthinkable that the Federal Government would presume to tell voters and taxpayers how they ought to contribute to political campaigns. Yet, that would be the effect of this legislation.

It would cut both ways. If I were an arch conservative, I would not want my tax dollars going to the candidacy of an arch liberal. If I were an arch liberal, I would not want my taxes supporting the candidacy of an arch conservative. Such an idea as this flies in the face of everything I understand about freedom to choose in the electoral process.

Under this proposal, the Federal Government first forces the American taxpayer to fork over his money. Then, the Federal Government takes that money and turns it over to the election campaign of a candidate who perhaps could not get even his wife to vote for him. The only way this could be avoided, would be for the citizen to evade the tax collector.

Virtually anyone can file for public office these days. I do not think hard-working people want their taxes spent to finance the campaigns of every crank or crackpot that comes along.

I join efforts to improve the election campaign process and to bring about needed reform. But, the last thing we want is for politicians to put their hands in the Public Treasury to finance their election campaigns.

I hope the Senate will kill this legislation.

Mr. KENNEDY. Mr. President, with regret, I find it necessary to oppose the McGovern amendment. I believe it would be an unfortunate backward step in our progress toward reform.

Contrary to some reports, the public financing provisions of S. 3044 are in no sense mandatory. The bill does not prohibit private financing, and it certainly does not prohibit small private contributions.

In fact, it provides strong incentives for small contributions in primaries, since it offers matching public funds only for the first $250 in private contributions for Presidential primaries and the first $100 in primaries for the Senate and House.

Private contributions also have a role to play in general elections, since major party candidates will have the option of relying entirely on private funds, entirely on public funds, or on any combination in between.

And in both primaries and general elections, the bill provides new incentives for small private contributions by doubling the existing tax credit and tax deduction available for such contributions.

In these respects, the bill recognizes the vigorous differences of opinion on the proper role of small private contributions. Some feel that such contributions are an essential method for bringing citizens into the system and encouraging popular participation in politics.

Others, like myself, feel that there are better ways to bring a person into the system than by reaching for his pocketbook, and that the best way to a voter's heart is through his opinions on the issues, not through the dollars in his wallet.

As it should be, the bill accommodates both views, letting each candidate "do his own thing," without forcing any candidate into a rigid formula for financing his campaign.

In this respect, S. 3044 is an improvement over the 1971 dollar checkoff law, which prohibits a person who accepts public funds from accepting private contributions. Under S. 3044 there is greater flexibility—a candidate can select the mix of private and public funds he wants for his campaign, such as 50–50 or 80–20, and is not obliged to accept public funds on an all-or-nothing basis.

For that reason, I am opposed to alternative proposals such as the McGovern amendment, that would turn public financing for general elections into a compulsory "mixed" system of partial public funds and partial private contributions, with or without matching grants.

Last November, in the floor debate on the public financing amendment to the Debt Ceiling Act, the Senate voted 52 to 40 against a proposal to cut the amount of public funds in half and to require the remainder to be raised in private contributions. As Senator JOHN PASTORE succinctly put it in the floor debate, in opposing such a mandatory mixture of public and private financing:

> Either we are going to have or not going to have public financing. If we are going for public financing, let us go for public financing. If we are not going to have it, let us not have it. What we have here [in the proposal for a mixed system] is a hermaphrodite.

If participation in politics through small private contributions is the goal, then the dollar checkoff is already achieving it. More than 4 million taxpayers have used the checkoff so far in 1974. At the current rate, 12 million taxpayers will have used it by the time all returns are filed on April 15. That's a world record for public participation in campaign financing, a tribute to the workability of the "one voter-one dollar" approach to public financing enacted in 1971.

Further, it is by no means clear that it is feasible for a large number of general election campaigns across the country to be run on small private contributions.

The Goldwater campaign in 1964, the McGovern campaign in 1972, and the Democratic National Committee's telethon in 1973 are good examples of successful fundraising through small pri-

vate contributions, but they prove only that such fund-raising may work in the unique circumstances involved in those campaigns.

They do not prove that the method will work when every Senate, House and Presidential candidate is tapping the pool of small contributors.

The net result of such a system applied to all elections may simply be to put a premium on the best-known candidate, or the candidate who starts the earliest or who hires the best direct-mail expert as his fund-raiser.

Nor would it be desirable, in my view, to adopt a program of matching grants for small private contributions as the form of public financing for general elections.

In the case of primaries, a system of matching grants is appropriate and is the method adopted by S. 3044. In fact, matching is the only realistic method of public financing in primaries, since it is the only realistic way to identify those who are serious candidates. The candidates who deserve public funds are those who have demonstrated broad appeal by raising a substantial amount of private funds from small contributions. Thus, if we are to have any public financing of primary elections, it must be accomplished through matching grants.

In the general election, however, the nomination process has already identified the major party candidates who deserve public funds. It is appropriate, therefore, as S. 3044 provides, to give them the full amount of public funds necessary to finance their campaigns, with the option for every candidate to forego all or part of the public funds if he prefers to run on private contributions.

Thus, full public funding in the general election gives a candidate maximum discretion in running his campaign. If an extra layer of private spending is allowed, all candidates would be obliged to raise the extra amount as a guarantee that they would not be outspent by their opponents.

As a result, all candidates would be forced into the mandatory straightjacket of spending time and money to raise small private contributions, even though many candidates would prefer to spend that time and money in more productive ways in their campaigns.

A system of matching grants in general elections would be especially dangerous to the existing two-party system, since it might encourage splinter candidates—for example, a candidate narrowly defeated in a primary would be encouraged to take his case to the people in the general election as an independent candidate or as a third party candidate. Under S. 3044, by contrast, a third party candidate with no track record from a past election would still be able to obtain public funds, but only retroactively, on the basis of his showing in the current election.

Thus, in its provisions offering full public funds on an optional basis for general elections, S. 3044 avoids the waste, pitfalls, and obvious dangers to the election process of a mixed system of public-private financing or a system of matching grants, and I urge the Senate to reject the McGovern amendment.

Mr. President, in closing, let me add one further note.

Mr. President, today's New York Times contains an excellent editorial supporting the public financing legislation now before the Senate.

The editorial gives particularly strong support to two of the most important aspects of the bill—the provisions extending public financing to Senate and House election, and the provisions making public financing available for primary elections as well.

In addition, the bill praises the leaders of the Senate who have done so much to make this reform legislation possible. Senator MANSFIELD, Senator ROBERT BYRD, Senator PASTORE, and Senator HUGH SCOTT, mentioned in the editorial, have played a vital role in bringing this issue to the front burner of national debate, and I am pleased that the editorial recognizes their important contribution.

In particular, I am pleased at the editorial's clear recognition of the central role played by Senator HUGH SCOTT, the distinguished minority leader of the Senate, who has done so much to lay the genuine bipartisan groundwork that will make this reform possible.

Over the years, Senator SCOTT has been an outstanding advocate of all aspects of election reform, and all of us in the Senate can join in taking pride in the effective contributions he has made to the cause of integrity in Government and to fair, honest, and clean elections.

I ask unanimous consent that this editorial be printed in the RECORD.

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

[From the New York Times, Mar. 27, 1974]

THE TIME IS NOW

Now is the time for a full and fundamental cleansing of the nation's outmoded, corrupt system of financing public elections with private money. Now is the time to break the stranglehold of wealthy individuals and of self-seeking interest groups over the nation's politics. Now is the time to bring into the open sunlight of public responsibility a system half-publicly regulated and half-secret. If Congress cannot reform the nation's politics in this sordid year of Watergate, when will there be a more opportune time?

The campaign reform bill awaiting action in the Senate is an admirable measure. It has bipartisan backing as well as support from ordinary citizens across the country. Senators Mike Mansfield, the majority leader, Robert Byrd, the majority whip, and John Pastore, the party's chief spokesman on this problem, have given the bill stalwart Democratic support. On the Republican side Senator Hugh Scott, the minority floor leader, has been out in front urging action on reform.

The heart of the bill is a sharp reduction in the size of private contributions and, as an alternative, an optional form of public financing. Opposition to this reform concept comes from diverse quarters. President Nixon is opposed, Senator James Allen, Alabama Democrat, who serves as Gov. George C. Wallace's agent in the Senate, is opposed. So are right-wing conservative Republicans led by Senator Barry Goldwater and Strom Thurmond. The biggest danger to the bill is the threat of a filibuster by Senator Allen with the backing of the Goldwater-Thurmond group. But this bluff can be called if Senators Mansfield and Scott remain firm in support of the bill.

As with any innovation, the advocates of reform are vulnerable to the criticism that they are attempting too much. But primaries as well as general elections need drastic improvement; in many one-party states, the primary provides voters with their only effective choice. It would make no sense to reform the financing of political campaigns at the Presidential level and leave House and Senate unreformed.

Rightly or wrongly, Congress as well as the Presidency suffers from a loss of public confidence in this Watergate season. The members of Congress will be making a serious miscalculation about their own political futures as well as the fate of the institutions in which they serve if they revert to business-as-usual. The people sense the need for reform, and the people's sense needs heeding.

The principles underlying the reform bill are simple: Presidential and Congressional primaries would be financed by matching grants. Thus, Presidential aspirants would have to raise $250,000 in private contributions of $250 or less before they qualified to receive the matching sum of $250,000 from the Federal Government. Like climbing steps in a flight of stairs, the candidate would qualify for another quarter-million dollars each time he raised the same amount privately. There would be an over-all limit of approximately $16 million, half public and half private, for each Presidential candidate in the primaries.

The same principle would apply to House and Senate primaries except that the limit on contributions would be lower—$100 or less—and each step in the staircase would be lower, $25,000 in Senate races and $10,000 in the House. In general elections, the matching principle would not apply. Candidates could finance their campaigns by public or private funds or any mix of the two as long as they stayed within an over-all ceiling.

The bill would not lock parties and candidates into a novel or rigid arrangement. Rather, it curbs the abuses of private financing and offers public financing as an alternate route to elected office. Since the old private route has become choked with scandal, it cannot—unreformed and unaided—serve democracy's need much longer. Now is the time to provide a public alternative.

Mr. McGOVERN. Mr. President, I have a perfecting amendment at the desk on the section the Senator from Alabama proposes to strike. I ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read, as follows:

On page 10, line 19, following the word "to", insert the word "one half".

Mr. McGOVERN. Mr. President, the thrust of this amendment was designed by the Senator from Illinois (Mr. STEVENSON). It embraces a principle which I very strongly endorse, which is to combine the concept of public financing with limited private financing. I think something will be lost in our political process if we go entirely to the public financing of campaigns. What this amendment does, in effect, is to say that the same concept that operates in the bill before us in the primaries should operate in the general election. In other words, under the terms of the perfecting amendment I am offering, once a candidate is estab-

lished as a nominee of his party, he is at that point authorized to receive one-half of the amount of expenditures that the bill permits, rather than the full amount. The remaining half he would have to go out and raise in private contributions under the restrictions that this bill implies. It would have the advantage of giving the candidate the incentive to take his case out to the people, and it would have the advantage of permitting an average citizen to make an investment in the candidate of his choice.

It would reward candidates with broad grass root support. It would strike a favorable balance between those who say, "No public financing at all," and those who want to go the whole distance with public financing. I hope very much the Senate will adopt the amendment. I hope the Senator from Alabama will see it as an improvement over the section of the bill he is proposing to strike and that he might abandon his idea on this portion of the bill.

Mr. ALLEN. The Senator understands, I am sure, that under the checkoff provision there is already available 100 percent financing up to the amount set in this bill in Presidential races. Would the Senator's amendment cut that figure in half? There already is a $21 million subsidy available to each party in 1976.

Mr. McGOVERN. It would have no bearing on that. It would relate only to the language of the present bill.

Mr. ALLEN. If all he could get is one-half under this provision, how could he then get all under the other since it is all coming out of the public Treasury? Is it not?

Mr. McGOVERN. Yes, but this bill provides for a different method to finance campaigns. It applies not only to the Presidency but all Federal offices.

I think the language would not have any impact other than to require the candidate to get one-half from private sources.

Mr. ALLEN. No, it does not say that. It says one-half from the public Treasury of his overall limit. It does not require a single dime to be paid in private contributions.

Mr. McGOVERN. That is correct; but if you wanted to spend the total amount under the bill he would have to raise one-half from private sources.

Mr. ALLEN. It looks like the candidate would have the option to proceed under the checkoff, which would give him $21 million without matching, or to proceed under this provision, which would give him $10.5 million with public funds.

Mr. McGOVERN. May I ask the Senator what would be the impact of his own amendment in terms of the checkoff system?

Mr. ALLEN. It would leave the checkoff system exactly where it is now. It would have no effect on it.

Mr. McGOVERN. I cannot see where this affects it, because it does not relate to that language.

Mr. ALLEN. The reason is that there would be no wording there at all for such provision.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from South Dakota have the floor after disposal of the amendment.

Mr. GRIFFIN. Mr. President, reserving the right to object, what was the request?

The PRESIDING OFFICER. That the Senator from South Dakota have the floor following the vote.

Is there objection to the request?

Mr. MANSFIELD. On the Allen amendment.

The PRESIDING OFFICER. The Chair assumed that the unanimous consent first was on the McGovern amendment.

Would the Senator from Montana restate his unanimous consent request?

Mr. MANSFIELD. I ask for the yeas and nays on the Allen amendment.

The PRESIDING OFFICER. The yeas and nays are requested.

The yeas and nays were ordered.

Mr. GRIFFIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Michigan will state it.

Mr. GRIFFIN. What are we going to vote on first?

Mr. MANSFIELD. On the Allen amendment No. 1064.

Mr. GRIFFIN. Mr. President, will the Chair state what the vote will first be on?

The PRESIDING OFFICER. On the amendment offered by the Senator from South Dakota.

Mr. GRIFFIN. So the vote first will be not on the Allen amendment, but on the amendment of the Senator from South Dakota to the Allen amendment.

The PRESIDING OFFICER. The Senator from Michigan is correct. The vote on the amendment of the Senator from South Dakota takes precedence.

The hour of 3:30 having arrived, the Senate will proceed to vote on the McGovern amendment.

Mr. PASTORE. Mr. President——

Mr. GRIFFIN. Mr. President, I ask for the yeas and nays

The PRESIDING OFFICER. The yeas and nays are requested.

The yeas and nays were ordered.

Mr. PASTORE. Mr. President, I move to lay the McGovern amendment on the table.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, in view of the fact that we are speeding things up a little, I would hope, in the interest of expediency, that we could agree on a 10-minute vote limitation.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GRIFFIN. The vote now is on the motion to table the McGovern amendment. Is that correct?

The PRESIDING OFFICER. The Senator is correct. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Minnesota (Mr. MONDALE), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD) is 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 South Carolina (Mr. THURMOND) is necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) and the Senator from Oregon (Mr. HATFIELD) would each vote "yea."

The result was announced—yeas 75, nays 19, as follows:

[No. 89 Leg.]

YEAS—75

Allen	Ervin	Montoya
Baker	Fannin	Moss
Bartlett	Goldwater	Muskie
Bayh	Gravel	Nelson
Bennett	Griffin	Nunn
Bentsen	Gurney	Pastore
Bible	Hansen	Pell
Brock	Hart	Proxmire
Brooke	Hartke	Randolph
Buckley	Haskell	Ribicoff
Burdick	Hathaway	Roth
Byrd, Harry F., Jr.	Helms	Schweiker
	Hollings	Scott, Hugh
Byrd, Robert C.	Hruska	Scott, William L.
Cannon	Huddleston	Sparkman
Chiles	Humphrey	Stafford
Church	Inouye	Stennis
Clark	Jackson	Stevens
Cook	Johnston	Talmadge
Cotton	Kennedy	Tower
Cranston	Long	Weicker
Curtis	Magnuson	Tunney
Dole	McClure	Williams
Dominick	McGee	Young
Eagleton	McIntyre	
Eastland	Metzenbaum	

NAYS—19

Abourezk	Hughes	Packwood
Beall	Javits	Pearson
Bellmon	Mansfield	Percy
Biden	Mathias	Stevenson
Case	McClellan	Taft
Domenici	McGovern	
Fong	Metcalf	

NOT VOTING—6

Aiken	Hatfield	Symington
Fulbright	Mondale	Thurmond

So Mr. PASTORE's motion to lay on the table Mr. McGOVERN's amendment to Mr. ALLEN's amendment was agreed to.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment of the Senator from Alabama (Mr. ALLEN), No. 1064. 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 Arkansas (Mr. FULBRIGHT), the Senator from Minnesota (Mr. MONDALE), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that, if present and voting, the Senator from Missouri (Mr. SYMINGTON) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD) is 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 South Carolina (Mr. THURMOND) is necessarily absent.

On this vote, the Senator from Vermont (Mr. AIKEN) is paired with the Senator from Minnesota (Mr. MONDALE).

If present and voting, the Senator from Vermont would vote "aye" and the Senator from Minnesota would vote "nay."

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) and the Senator from South Carolina (Mr. THURMOND) would each vote "yea."

The result was announced—yeas 33, nays 61, as follows:

[No. 90 Leg.]

YEAS—33

Allen	Dominick	McClellan
Baker	Eastland	McClure
Bartlett	Ervin	Nunn
Bellmon	Fannin	Roth
Bennett	Fong	Scott,
Brock	Goldwater	William L.
Buckley	Griffin	Sparkman
Byrd,	Gurney	Stennis
Harry F., Jr.	Hansen	Talmadge
Cotton	Helms	Tower
Curtis	Hollings	Weicker
Dole	Hruska	

NAYS—61

Abourezk	Haskell	Muskie
Bayh	Hathaway	Nelson
Beall	Huddleston	Packwood
Bentsen	Hughes	Pastore
Bible	Humphrey	Pearson
Biden	Inouye	Pell
Brooke	Jackson	Percy
Burdick	Javits	Proxmire
Byrd, Robert C.	Johnston	Randolph
Cannon	Kennedy	Ribicoff
Case	Long	Schweiker
Chiles	Magnuson	Scott, Hugh
Church	Mansfield	Stafford
Clark	Mathias	Stevens
Cook	McGee	Stevenson
Cranston	McGovern	Taft
Domenici	McIntyre	Tunney
Eagleton	Metcalf	Williams
Gravel	Metzenbaum	Young
Hart	Montoya	
Hartke	Moss	

NOT VOTING—6

Aiken	Hatfield	Symington
Fulbright	Mondale	Thurmond

So Mr. ALLEN's amendment (No. 1064) was rejected.

EXTENSION OF THE CHECK FORGERY INSURANCE FUND

Mr. HRUSKA. Mr. President, I ask unanimous consent that the pending bill be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 717, H.R. 6274.

The PRESIDING OFFICER (Mr. BARTLETT). The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 6274) to grant relief to payees and special indorsees of fraudulently negotiated checks drawn on designated depositaries of the United States by extending the availability of the check forgery insurance fund, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska? The Chair hears none and the Senate will proceed to its consideration. The Senate will be in order.

Mr. HRUSKA. Mr. President, this is a bill to grant relief to payees and special indorsees of fraudulently negotiated checks drawn on designated depositaries of the United States by extending the availability of the check forgery insurance fund.

This measure would add new language to the Check Forgery Insurance Fund statue (55 Stat. 777; 31 U.S.C. §§ 561–64), which is a revolving fund established in the Treasury Department out of appropriated funds and which serves to reimburse payees and special indorsees whose names are forged on U.S. checks which were negotiated and paid on the forged instrument. Specifically, H.R. 6274 would add a new section 4 to permit similar payment to payees and special indorsees on forged checks drawn in U.S. dollars or foreign currencies on depositaries designated by the Secretary of the Treasury in the United States or abroad.

A deficiency exists in present law which does not allow for full relief for payees or indorsees of Government checks where forged checks are drawn on U.S. Treasury depositaries in foreign countries and paid on occasion in foreign currencies. The increased use of U.S. checks drawn on foreign depositaries and the increased incidence of forged instruments on such accounts necessitates the need for a fiscal resource from which prompt and certain relief can be made to innocent payees and special indorsees. The Check Forgery Insurance Fund currently provides relief for checks drawn in U.S. dollars, but does not now cover situations where the checks are paid in foreign currencies. The purpose of the proposed bill is to provide a recourse for claims arising under these latter circumstances.

Moreover, under present law, claimants in foreign countries must rely on the banking laws and regulations where the U.S. Treasury depositary is located. Since there are now no means for timely and efficient settlement of funds, delays as long as 2 years are frequently experienced by payees and special endorsees seeking settlement. H.R. 6274 would provide a logical and proven remedy for prompt settlement through funds retained in the check forgery fund.

Finally, it should be noted that use of the fund by the Treasurer does not relieve a forger, or transferee subsequent to the forgery, from any liability on the check, and all amounts recovered by the Treasurer as a result of such liability are credited to the fund as necessary to reimburse it.

Mr. President, this measure makes a simple revision of present law which broadens the authorized use of the check forgery insurance fund, and in certain instances by authorizing the use of foreign currencies to make proper settlement in a logical and timely fashion. I recommend its passage.

Mr. MANSFIELD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HRUSKA. Mr. President, I yield to the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk proceeded to read the amendment.

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

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

Mr. McCLELLAN's amendment is as follows:

At the end of the bill, add the following:

"SEC. 2(a) Section 203(j) of the Federal Property Administrative Services Act of 1949, as amended (40 U.S.C. 484(j)), is amended—

"(1) by striking out 'or civil defense' in the first sentence of paragraph (1) and inserting in lieu thereof 'civil defense, or law enforcement and criminal justice';

"(2) by striking out 'or (4)' in the first sentence of paragraph (1) and inserting in lieu thereof '(4), or (5)';

"(3) by striking out 'or paragraph (4)' in the last sentence of paragraph (2) and inserting in lieu thereof a comma and "(4), or (5)';

"(4) by inserting after paragraph (4) a new paragraph as follows:

"'(5) Determination whether such surplus property (except surplus property allocated in conformity with paragraph (2) of this subsection) is usable and necessary for purposes of law enforcement and criminal justice, including research, in any State shall be made by the Administrator, Law Enforcement Assistance Administration, who shall allocate such property on the basis of need and utilization for transfer by the Administrator of General Services to such State agency for distribution to such State or to any unit of general local government or combination, as defined in section 601 (d) or (e) of the Crime Control Act of 1973 (87 Stat. 197), designated pursuant to regulations issued by the Law Enforcement Assistance Administration. No such property shall be transferred to any State agency until the Administrator, Law Enforcement Assistance Administration, has received, from such State agency, a certification that such property is usable and needed for law enforcement and criminal justice purposes in the State, and such Administrator has determined that such State agency has conformed to minimum standards of operation prescribed by such Administrator for the disposal of surplus property.';

"(5) by redesignating paragraphs (5), (6), and (7) as paragraphs (6), (7), and (8), respectively;

"(6) by striking out 'and the Federal Civil Defense Administrator' in paragraph (6), as redesignated, and inserting in lieu thereof a comma and 'the Federal Civil Defense Administrator, and the Administrator, Law Enforcement Assistance Administration'; and

"(7) by striking out 'or paragraph (4)' in paragraph (6), as redesignated, and inserting in lieu thereof a comma and '(4), or (5)'.

"(b) Section 203(k)(4) of such Act, as amended (40 U.S.C. 484 (k)(4)), is amended—

"(1) by striking out 'or' after the semicolon in clause (D);

"(2) by striking out the comma after 'law' in clause (E) and inserting in lieu thereof a semicolon and 'or'; and

"(3) by adding immediately after clause (E) the following new clause:

"'(F) the Administrator, Law Enforcement Assistance Administration, in the case of personal property transferred pursuant to subsection (j) for law enforcement and criminal justice purposes,'.

"(c) Section 203(n) of such Act, as amended (40 U.S.C. 484(n)), is amended—

"(1) by striking out in the first sentence 'and the head of any Federal agency desig-

nated by either such officer' and inserting in lieu thereof 'the Administrator, Law Enforcement Assistance Administration, and the head of any Federal agency designated by any such officer'; and

"(2) by striking in next to the last sentence 'law enforcement' and inserting in lieu thereof 'law enforcement and criminal justice', and in the same sentence striking 'or (j)(4)' and inserting in lieu thereof a comma and '(4), or (5)'."

Mr. McCLELLAN. Mr. President, I offer an amendment to H.R. 6274 which is solely a technical amendment, to correct inadvertent omission of certain conforming amendments from the recently enacted Crime Control Act of 1973. These amendments are needed to conform the Federal Property and Administrative Services Act of 1949 to implement authority for the Law Enforcement Assistance Administration to donate surplus Federal property to a State agency for criminal justice purposes.

The Crime Control Act of 1973 was signed into law on August 6, 1973, as Public Law 93–83. It amended section 525 of the Omnibus Crime Control and Safe Streets Act of 1968 to extend authority of LEAA to donate surplus Federal property to State agencies for criminal justice purposes. This was done by amending only section 203(n) of the Federal Property and Administrative Services Act to reflect the authority of LEAA. The conference reports of both the Senate and House clearly reflected the new authority to donate surplus property (S. Rept. No. 93–349, p. 33; H. Rept. No. 93–401, p. 33):

The Senate amendment provided LEAA with authority to donate excess or surplus federal property to State agencies thereby vesting in the grantee title to such property. The conference substitute accepted the Senate provision.

Comments by Senator HRUSKA and myself when the conference report was submitted to the Senate similarly reflect the intent of the legislation—see CONGRESSIONAL RECORD of July 26, 1973, at page S14746; CONGRESSIONAL RECORD of August 2, 1973, at page S15561.

Following passage of the Crime Control Act, the Law Enforcement Assistance Administration received a number of requests to utilize this authority. The LEAA attempted to provide for the equipment needs at the recently devastated Oklahoma State Prison in McAlester, Okla., by requesting the General Services Administration to donate surplus property to the McAlester State Prison. In addition, over 50 law enforcement agencies wrote and requested a total of 80 helicopters from surplus military assets. Literally hundreds of other law enforcement agencies called and requested information on how they might apply for a helicopter. The latter assets are available from the military departments at this very minute.

However, on September 24, 1973, the General Counsel of the General Services Administration advised the Law Enforcement Assistance Administration that amending section 203(n) of the Federal Property and Administrative Services Act was not sufficient to authorize the Administrator of General Services to donate surplus property for law enforcement purposes. Section 203(n) prior to its amendment by section 525 of the Crime Control Act, referred to "surplus property which the Administrator may approve for donation for use in any State for purposes of education, public health, or civil defense, or for research for any such purpose, pursuant to subsection (j)(3) or (j)(4)." The amendment added law enforcement programs as eligible for such donation. General Services Administration has concluded that section 203 (n) is not independent authority to donate surplus property for law enforcement purposes. Subsection 203 (j) and (k) required amendments as well.

The amendment I propose today perfects the operative language of subsections 203 (j) and (k) of the Federal Property and Administrative Services Act by adding the words "law enforcement and criminal justice" to subsection 203(j)(1) so as to authorize the Administrator of General Services to donate surplus personal property usable and necessary for law enforcement and criminal justice, educational, public health, or civil defense purposes. It also adds a new subsection (j)(5) to permit the Administrator, Law Enforcement Assistance Administration, upon a determination that surplus property is usable and necessary for the purposes of law enforcement and criminal justice, to allocate such property on the basis of needs and utilization for transfer by the Administrator of General Services to such State agencies recognized pursuant to regulations issued by the Law Enforcement Assistance Administration. To accommodate the addtion of this, new paragraph, paragraphs (5), (6), and (7) are renumbered (6), (7), and (8), respectively.

In addition, section 203(k)(4) of the Federal Property and Administrative Service Act is amended by adding a new clause (f) to authorize the Administrator, Law Enforcement Assistance Administration, to enforce compliance with terms and conditions on personal property donations in the same manner as other agencies designated therein. The necessity for this amendment is explained in detail in an October 23, 1973, letter from the General Counsel of the General Services Administration to the General Counsel, Law Enforcement Assistance Administration. I request unanimous consent for this letter to be inserted, in pertinent part, into the RECORD following my remarks.

Mr. President, the need exists today for surplus items in many law enforcement agencies in every State and territory. The only thing lacking is the perfecting authority to make the surplus helicopters and other supplies available for State and local law enforcement programs.

The technical amendment offered today assures that LEAA will be able to distribute surplus property to law enforcement and criminal justice organizations of the State without the wasteful and burdensome Federal accountability procedures now required. This was the clear intent of the Crime Control Act of 1973, and would be the law now, but for inadvertent failure to include these amendments in that act. Without the amendments, LEAA is authorized to acquire personal property items which are classified as Federal excess property. Under the provisions of 41 CFR, paragraph 101–43. 320, LEAA can only place the property on loan to its grantees for use in their grant-supported law enforcement programs. Title to Federal excess property remains vested in the Federal Government and property accountability records must be maintained by the grantee in accordance with the requirements, criteria, formats, and procedures of the lending Federal agency. The use of excess property does augment the effectiveness of the grant funded programs. However, it places a substantial administrative burden on both the grantee and the Federal agency in that elaborate accounting records must be kept; inventory and disposition procedures must be maintained to safeguard the identity and presence of the Government loaned property. Where high cost and highly durable items are involved the recordkeeping and reporting procedures may be justified to insure that the equipment will be best used in support of programs of all Federal agencies. However, in the case of low cost, expendable, consumable or low durability items the accounting procedures place an economically unjustifiable burden upon the grantee and LEAA. Items such as clothing, electrical fixtures, conduit, supplies, minor laboratory equipment are normally retained by the grantee until they are reduced to scrap. Excess property, even in this condition, must be accounted for under the Federal agencies procedures and reported to the Federal agency for rescreening as Federal excess personal property. Disposition instructions are obtained at the end of the screening period and the items are shipped to disposal points or otherwise disposed of as GSA determines.

Surplus property is property which has been offered to all Federal agencies and has not been requested by any agency during its screening period. This property, which is not needed by any Federal agency for its internal needs and ongoing programs, often is adequate and appropriate for use in State and local law enforcement programs. Surplus Federal property once donated will become State property and its management and accountability responsibility will be vested primarily in the State. Federal agency resources do not need to be expended to maintain the duplicative records, and the entire accounting procedure is simplified.

A recent specific example of the immediate potential use of the authority which Congress intended to grant in the Crime Control Act of 1973 related to the unfortunate circumstances resulting from the riots at the Oklahoma State Prison at McAlester. Approximately $250,000 worth of supplies and equipment were obtained from Federal excess and surplus inventories and used to temporarily repair the prison facility and to provide shelter and services for prisoners. The need for additional large acquisitions of property which was furnished to the Oklahoma State Prison was obtained from Federal excess inventories, because of the lack of available surplus

resources. Some of the property has been incorporated into the physical plant of the prison to effect repairs; clothing was obtained for the prisoners who had possessed only the clothing they were wearing when the prison riot ensued. Although the use of excess Federal property provided a rapid and effective source of assets, it now poses a significant accountability and usage problem. If the assets could have been obtained from surplus inventories, they would now be the property of the Oklahoma State Prison, rather than the Federal Government.

An example of a proper future exercise of this authority exists in the Virgin Islands. The Virgin Islands is in desperate need of a new confinement facility on the island of St. Croix. The present prison is over 100 years old. A new prison, constructed with LEAA grant participation, is presently under construction. Due to limited funds to provide furnishings, supplies, and equipment, the Office of the Commissioner has requested LEAA to provide the property from the Federal excess or surplus. The items needed encompass the entire range of supplies and equipment necessary to furnish the prison, provide messing for prisoners, accommodate the guards and prison officials, equip rehabilitation and training facilities, as well as medical and recreational facilities. A rehabilitation and training program will be implemented if LEAA can provide the equipment for shops and classrooms. The Virgin Islands will be financially able to provide a staff if LEAA can provide the equipment. These few examples are only illustrative of the many instances where donation of surplus property to police agencies, correctional, and rehabilitative facilities and courts will enable States to fulfill property requirements of criminal justice programs.

Mr. President, I might also point out that this type of Federal authority is not unique. More than $5 billion worth of surplus property of all kinds is presently available. Last year $396.5 million worth of property was donated through State agencies for the purposes of education, public health, and civil defense. Projected surplus property donations for fiscal year 1974 are $550 million.

With the pressing problems facing the criminal justice system, authorizing donation of surplus property for law enforcement needs is a priority we must address and indeed did address when section 525 of the Crime Control Act of 1973 (Public Law 93-83) was enacted. By enacting this perfecting amendment I offer today, we will be carrying out the congressional intent of assisting States and local governments through effective use of a surplus property program for law enforcement programs.

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

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., October 23, 1973.

THOMAS J. MADDEN, Esquire,
General Counsel, Law Enforcement Assistance Administration, Department of Justice, Washington, D.C.

DEAR MR. MADDEN: Reference is made to your request for an opinion concerning the applicability of section 203(k)(4) of the Federal Property and Administrative Services Act of 1949, as amended, to donations of personal property.

* * * * *

Section 203(k)(4) provides "Subject to the disapproval of the Administrator within thirty days after notice to him of any action to be taken under this subsection—

(A) The Secretary of Health, Education, and Welfare, through such officers or employees of the Department of Health, Education, and Welfare as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions, and instrumentalities thereof, and tax-supported and other nonprofit educational institutions for school, classroom, or other educational use;

(B) the Secretary of Health, Education, and Welfare, through such officer or employees of the Department of Health, Education, and Welfare as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions and instrumentalities thereof, tax-supported medical institutions, and to hospitals and other similar institutions not operated for profit, for use in the protection of public health (including research);

(C) the Secretary of the Interior, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions, and instrumentalities thereof, and municipalities for use as a public park, public recreational area, or historic monument for the benefit of the public;

(D) the Secretary of Defense, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, to States, political subdivisions, and tax-supported instrumentalities thereof for use in the training and maintenance of civilian components of the armed forces; or

(E) the Federal Civil Defense Administrator, in the case of property transferred pursuant to this Act to civil defense organizations of the States or political subdivisions or instrumentalities thereof which are established by or pursuant to State law, is authorized and directed—

(i) to determine and enforce compliance with the terms, conditions, reservations, and restrictions contained in any instrument by which such transfer was made;

(ii) to reform, correct, or amend any such instrument by the execution of a corrective, reformative or amendatory instrument where necessary to correct such instrument or to conform such transfer to the requirements of applicable law; and

(iii) to (I) grant release from any of the terms, conditions, reservations and restrictions contained in, and (II) convey, quitclaim, or release to the transferee or other eligible user any right or interest reserved to the United States by, any instrument by which such transfer was made, if he determines that the property so transferred no longer serve the purpose for which it was transferred, or that such release, conveyance, or quitclaim deed will not prevent accomplishment of the purpose for which such property was so transferred: PROVIDED, That any such release, conveyance, or quitclaim deed may be granted on, or made subject to, such terms and conditions as he shall deem necessary to protect or advance the interests of the United States."

Since the provision appears as part of section 203(k), your question whether its application is limited solely to real property or whether it is applicable to both real and personal property.

It is our opinion that section 203(k)(4) relates to both real and personal property and not merely to real property. We believe that the language ". . . action to be taken under this subsection" is intended, in this instance, to relate to actions under subparagraph (i), (ii), and (iii) of (k)(4) and not as limiting the authority to subsection (k) transactions. This interpretation has prevailed at both the HEW and GSA since the Property Act was enacted in 1949. Congress is aware of such interpretation.

In July of 1956, Congress amended the Federal Property Act to provide authorization for donation for Civil Defense purposes, and the Act of July 3, 1956, which deals solely with donations of *personal property* for Civil Defense purpose specifically amended section 203(k). The legislative history indicates as the reason therefor the following:

"Section 2 provides for amending section 203(k) of the Federal Property and Administrative Services Act of 1949, as amended, to give the Federal Civil Defense Administrator comparable authority for enforcing compliance of terms and conditions on property donations in the same manner as the Secretary of Health, Education, and Welfare is authorized to enforce restrictions on property donated for health or educational purposes. This is a conforming amendment, and is identical to section 5 of H.R. 7227 as approved by the House of Representatives."

In addition, both GSA and HEW by current regulations interpret section 203(k)(4) as being applicable to both personal property and real property. It should be noted that in section 203(k)(4) the term "property" is used. In all other sections of section 203(k) the term "real property" is used when referring to property. We believe that under such circumstances the term "property" must be deemed to include both real and personal property (see section 3(d) of the Federal Property Act defining "property").

Accordingly, you are advised that section 203(k)(4) is applicable to both personal property and real property and any amendment of 203(j) should take such factor into consideration.

You have raised the further question whether in view of the amendment to section 203(j) relating to the imposition of terms, conditions, restrictions and reservations upon the use of any single item of personal property donated having an acquisition cost of $2500 or more whether an amendment to section 203(k)(4) is necessary.

We have reviewed the legislative history concerning the amendment of section 203(j), referred to above. In our view, the purpose of the amendment was to restrict in dollar terms the imposition of terms and conditions. It was not intended, nor does it, in our opinion, affect the authorizations under sections 203(k)(4). Section 203(k)(4) deals with enforcement of compliance with the terms, conditions, reservations and restrictions contained in any instrument by which such transfer was made; or to the reformation, correction or amendment of an instrument or to the granting of releases to any terms, conditions, restrictions and reservations contained in the transfer instrument.

There is nothing in the legislative history which indicates that section 203(j)(5) was intended to supercede the authorities under section 203(k)(4). Rather, as previously indicated, the express purpose was to limit the imposition of terms and conditions to donations above a certain dollar value.

GSA, as indicated in its regulations, considers section 203(k)(4) as being applicable to personal property donations notwithstanding paragraph (5) of section 203(j). At best, it would require substantial construction of section 203(j)(5) to imply authorities clearly and expressly granted under section 203(k)(4). Even if implied authority could be argued under 203(j)(5) to permit certain actions expressly authorized under 203(k)(4), under no circumstances could,

in our opinion, release of restrictions imposed be implied. In addition, a failure to amend 203(k)(4) at this time, in view of the legislative history and prior interpretations, could be interpreted as a failure by Congress to authorize Law Enforcement Assistance Administration (LEAA) to take the actions authorized under subparagraphs (i), (ii), and (iii) of 203(k)(4) since in all other cases an amendment to 203(k)(4) was made.

As a practical matter, we have been informally advised by the Department of Health, Education, and Welfare that actions under 203(k)(4) are substantial, numbering in the hundreds.

In view of the opinions set forth herein, should your agency amend 203(j) and assuming that you intend to take the actions presently authorized under 203(k)(4), we would strongly recommend that an amendment be made to section 203(k)(4) to appropriately include the Administrator of LEAA.

Sincerely,

WILLIAM E. CASSELMAN, II,
General Counsel.

Mr. McCLELLAN. Mr. President, I have discussed this with the distinguished manager of the bill. I think it is an amendment that he fully understands the purpose of. So far as I know, there is no objection to it. I trust the Senator from Nebraska (Mr. HRUSKA) will accept it as proposed.

Mr. HRUSKA. Mr. President, the Senator from Arkansas has acquainted me with the amendment he has just proposed. I hesitate to accept any amendment which may slow prompt enactment of this measure. However, there are two reasons which obviate my fears of this result.

First, as the chairman has so clearly pointed out in the introduction of his amendment, it is solely a technical amendment which is intended to implement the earlier expressed will of both the House and the Senate in regard to the passage of the Crime Control Act of 1973—Public Law 93–83.

In addition, it is also my understanding that an amendment of this nature would not be fatal to a prompt, final approval of the subject bill in the House.

Therefore, I have no objection to the amendment offered by the Senator from Arkansas to the pending measure.

Mr. McCLELLAN. I thank the Senator from Nebraska very much.

The PRESIDING OFFICER (Mr. BARTLETT). The question is on agreeing to the amendment of the Senator from Arkansas.

The amendment was agreed to.

Mr. HRUSKA. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. McCLELLAN. Mr. President, I move to lay that motion on the table.

The motion was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. McCLELLAN. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. HRUSKA. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT OF THE CIVIL SERVICE RETIREMENT SYSTEM

Mr. FONG. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2174.

The PRESIDING OFFICER (Mr. BARTLETT) laid before the Senate the amendments of the House of Representatives to the bill (S. 2174) to amend the Civil Service Retirement System with respect to definition of widow and widower which were after line 12, insert:

SEC. 2. (a) Section 8339(f)(2) of title 5, United States Code, is amended—

(1) by deleting "greater" and inserting "greatest" in place thereof;

(2) by deleting the word "or" immediately after the semicolon at the end of clause (A);

(3) by redesignating clause (B) as clause (C); and

(4) by inserting immediately below clause (A) the following new clause (B):

"(B) the average pay of the Member; or".

(b) The amendments made by subsection (a) of this section shall apply to annuities paid for months beginning after the date of enactment of this Act.

And amend the title as so to read: "An act to amend certain provisions of law defining widow and widower under the civil service retirement system, and for other purposes."

Mr. FONG. Mr. President, the Senate reduced the period of marriage from 2 years to 1 year of wives and Members in the retirement system to become entitled to survivors' benefits under the system at the time of the death of the Member.

The House sent the bill back which had a provision in it to include the pay of the leaders of Congress who are receiving more than $42,500 to include that amount in the highest 3-year salary for retirement purposes.

Mr. President, I move that the Senate concur in the amendments of the House.

The motion was agreed to.

IMPORTANCE OF A STRONG AMERICAN MERCHANT MARINE TO OUR NATIONAL DEFENSE

Mr. MAGNUSON. Mr. President, the spokesman for 2.4 million Americans, Robert E. L. Eaton, national commander of the American Legion, recently addressed a meeting of the Propeller Club of Washington on the importance of a strong American Merchant Marine to our national defense.

While the Merchant Marine Act of 1970 has begun a dramatic increase in U.S. shipbuilding, Commander Eaton's remarks appropriately describe the critical relationship between ocean transportation and our American lifestyle.

Mr. President, I ask unanimous consent that Commander Eaton's comments be printed in the RECORD.

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

AN ADDRESS BY ROBERT E. L. EATON

Mr. Chairman, distinguished guests, ladies and gentlemen, I think everyone in this room is well aware that The American Legion, throughout its existence, has called for a system of national defense second to none.

It follows quite naturally that we also are on record in support of a United States privately owned merchant fleet second to none.

To have one without the other would render either ineffective.

It may come as a shock to many Americans, but the United States of America, one of the most affluent societies of human history, is a "have not" nation when it comes to adequate supplies of raw materials to keep the country moving full speed ahead. At no time in recent history has this been hammered home to us more dramatically than in the current energy crisis.

Those of us who live here in the shadow of the nation's capitol have found the drama of the energy shortage somewhat more painful than those in areas that were blessed with more adequate fuel supplies. By sweating, fretting and swearing through long lines at the gasoline station we, as individuals, have learned what it is like to be without a commodity we consider critical to our daily life routine.

My own state of Maryland originated a resolution that was unanimously adopted at our National Convention last August in Hawaii, which calls for greater utilization of United States flag merchant vessels to transport to our shores sixty-nine of the seventy-one materials deemed critical to United States industry and to national defense.

Only 4.72 percent of all those essential materials were being transported to our country on United States flag vessels. Even more startling is the fact that no United States flag tankers are carrying crude oil to United States ports—and that was true before the oil embargo.

This is pure conjecture, but what a shock it would be if the oil exporting nations lifted their embargo, and we couldn't find anyone to transport it. However, it isn't impossible as this very thing occurred during the Vietnam War and there was a period of time when supplies for our men accumulated on the docks as ships under foreign flags refused to carry it.

While I have just alluded to a hypothetical situation in the transportation of oil, the fact of the energy shortage is *not* hypothetical. It *is* hard fact, just as it is hard fact that these United States are dependent on other countries as a source of supply for varying percentages of sixty-nine of the seventy-one materials deemed critical to our economy and our defense. When a source of supply has been located, it remains a hard fact that more than 95 percent of those materials imported into the United States come into our ports under foreign flags.

This is not exactly what The American Legion had in mind in its advocacy of a privately owned United States merchant fleet second to none in the world. We rather visualized the day when America would quit playing Russian Roulette with the U.S. Merchant Fleet.

I understand, however, that the picture is not as bleak as painted by the few remarks I have made, but that genuine progress is now being realized by your vital industry as a result of the Merchant Marine Act of 1970. This ray of light that has penetrated the darkness shrouding the United States Merchant Marine virtually since World War II, was something the Legion had advocated for years. Immediately upon passage of the Act we began calling for implementation, including adequate funding to make the program workable. Now it looks like things are beginning to happen.

Reports come to me indicating the nation now is experiencing the greatest peacetime

shipbuilding boom in history with some 90 large merchant ships valued at $3.6 billion, and totalling six-million deadweight tons, either under construction or on order. This, I am told, represents almost half of the deadweight tonnage of the entire active fleet of the U.S. Merchant Marine.

Hopefully the years of indifference to the need are at an end. The progress of some three years under this act has been dramatic and has seen an effective beginning of the rebuilding of the U.S. flag fleet, including freighters and tankers. Some of these new, modern ships with up to five times the carrying capacity of older vessels now are, or soon will be placed in service to help meet our growing economic and national defense demands.

Let's not tend to minimize the defense dependency upon merchant shipping. In 1973 alone, and as we know United States involvement in Southeast Asia ended in January, February of last year, making it for the most part a peacetime year for our country, the American merchant marine carried more than 10 million tons of military cargo.

Vietnam proved again one of the oldest truisms of warfare, that you can't hold ground without the infantry actually moving in and physically occupying it. Now, for an Air Force type, that is a major concession, but it happens to be a fact that we bombed the hell out of North Vietnam for a considerable period of time. When it was over all we had achieved was a well-bombed target.

Throughout it all, the territory of North Vietnam was not invaded by ground troops. It remained an effective staging area and springboard for continuing aggression into South Vietnam. To transport, equip and supply ground troops in substantial numbers, the merchant marine is, as always, indispensable.

Even when we are not engaged in conflict, there is seldom a time when we do not have substantial numbers of American troops stationed overseas and sizeable military and economic aid commitments to fill. The contention of The American Legion always has been that the United States should have the capacity to carry out its commitments, and we think that feeling is in line with ideas expressed by the administration and the President's call for self-sufficiency in energy.

As for the partnership between the military and the merchant marine industry, as vital as it is, it would seem advantageous that a system of handling military cargo might be developed that would be fair both to the industry and to the military. A cargo allocations system that could help insure the health and strength of the industry in time of peace would also insure that the fourth arm of defense would be strong and reliable in time of crisis.

I think The American Legion is as well qualified to evaluate the need for a strong merchant marine as just about any organization other than those of you who are directly connected with the industry. We are an organization of 2.7 million men and women, veterans of America's four wars of the twentieth century. All of the action in these wars was at sea or on foreign territory. Our lifeline, under peacetime conditions still is the merchant marine, for our country relies on shipping to bring in the vast supplies of materials we need just to keep going.

One of America's most knowledgeable men as far as seapower is concerned is Admiral Elmo R. Zumwalt, Chief of Naval Operations. The Admiral recently told Defense Department officials, "The Navy has a greater requirement for merchant ships than is generally realized. For example, merchant ships are absolutely required to provide the bulk of the DOD sealift and to augment our amphibious forces. . . I intend to express my belief in the need for a strong, viable U.S.-flag Merchant Marine at every opportunity."

When you have men of Admiral Zumwalt's caliber in your corner, you have a valued ally, and I'm sure there are many others in the military who share the sentiments he has expressed.

It has been a long, hard struggle to reach the condition we are savoring today as we watch a new, modern merchant fleet move from the drawing board to the shipyard and now onto the sea lanes of the world.

One step in this process is that all important move from the drawing board to the shipyard, and in this instance I am delighted to note that the bulk of work is going to United States shipyards.

It has been a long time since a National Commander of The American Legion has spoken to this group. Bill Galbraith was last, but it was in September of 1965 that then National Commander L. Eldon James addressed this club. He noted the top notch scientific and technical skills that are required by the shipbuilding industry and expressed great concern that we would lose those skills if our shipyards were not kept busy and operative.

I have noted in a fairly recent speech about the industry, delivered last December, I believe, that new ships then under contract, plus a sizeable number being converted into container liners, would provide 125,000 man-years of employment to workers in American shipyards and allied industries. This is a healthy sign, and I'm confident there is a great deal yet to come.

The need for a greater degree of self-sufficiency, while highlighted by the energy crisis, goes so much deeper than that surface manifestation when you contemplate that frightening list of essential materials for which the United States is dependent on other countries.

There simply is no other method of transporting the required quantities of these materials across vast oceans other than by ship. We of The American Legion believe that greater quantities of these materials should be transported by American Flag ship, not only as a matter of security, but as a very practical economic matter of helping to curb the flow of American dollars out of this country.

For a detailed accounting of this matter of dependency on other countries for essential materials I would refer you to the Congressional Record of February 18 of this year, pages 3225 through 3227, where in an item entitled "Beyond the Tip of the Iceberg" there is spelled out in considerable detail the problem I'm speaking of.

Here is a partial listing, just for the record: *Aluminum and Bauxite*, imported from Jamaica, Surinam, Australia and Guinea, supply about 87 percent of U.S. manufacturing requirements. *Antimony*, from South Africa, Mexico and Bolivia, a strategic commodity used in the manufacture of ammunition, alloy hardening and paint manufacture, finds the U.S. using approximately 40 percent of the world's supply while providing only about 15 percent of our needs from our own deposits.

Chromium, imported mainly from Russia, South Africa, Rhodesia and Turkey, finds the U.S. using approximately 28 percent of the world's production, and none has been mined in the United States since 1962.

Manganese, an essential to steel manufacturing, is imported from Brazil and five African nations, and the United States has almost no domestic reserves. *Tin* is imported from Malaysia, Thailand, Bolivia, Brazil and Zaire, and the United States, which consumes almost 30 percent of the non-communist world's production, has reserves equivalent to our requirements for a period of about nine months.

These are just a few of the materials we require from outside sources and we haven't even mentioned oil and energy.

Obviously, we are confronted with a critical situation with regard to these items for which we are dependent, and we are doubly jeopardized when we are dependent on foreign flags to bring these much needed materials to us.

Yes, we seem now to be on the right track to correct the deficiencies and shortcomings of our merchant marine which have accumulated over the past three decades, and not a moment too soon. Even with stepped up U.S. merchant marine ship building we still lag far behind certain other major maritime nations in merchant ship construction—notably the Soviet Union.

Facts and figures presented to the last American Legion National Convention last August revealed how rapidly the Russian merchant marine is growing as a part of the Soviet objective to rule the seas. Russia's use of its merchant marine as an international political weapon is a very real threat to our own position among the less developed nations of the world.

Although our merchant marine tonnage still is slightly greater than that of the Russians, the number of ships they have still outnumber ours by nearly three to one. The total number of U.S. privately-owned and government-owned merchant ships is about 1,020, while the latest count of Russian merchant ships is slightly over 2,700.

While many Russian ships are smaller than ours, we must recognize that each of these vessels carries the hammer-and-sickle flag as a calling card to open a nation's door and carry on subversive practices detrimental to our own cooperative relationships with these smaller nations.

Finally, with regard to fleet comparisons it is most significant to note that 63 percent of the overall world fleet is less than 10 years old. Japan has the most modern fleet with 86 percent of its vessels less than 10 years old. At the other end of the age scale comes the United States with some 50 percent of our fleet more than a quarter century old, while only six percent of the total world fleet is in that age bracket.

Is it any wonder that our overall merchant fleet has been known as the "rusty bucket brigade," even though we succeeded in carrying between 95 and 98 percent of our combat equipment and supplies to Vietnam.

I have given much emphasis to the importance of the U.S. merchant marine as an instrument of war or of national defense, and most assuredly it is a vital arm of defense.

There was a time in American history when national security was related in the public mind almost exclusively to the ability to defend the nation by force of arms.

Today we are learning, and I believe the American public is learning along with us, the very pointed lesson that national security is increasingly related to the ability of the nation to provide for its energy needs and its other strategic materials and supplies.

Every American is feeling a pinch of some kind with regard to some commodity, the availability of which may at one time have been taken for granted. Perhaps this era of shortages, inconveniences, and in some instances real hardships, is a blessing in disguise for the American people. We are learning to cope with problems we never believed we would have. I am confident that we are on the right track toward meeting these problems head-on by rebuilding and refurbishing our merchant fleet to make ouselves more nearly self-reliant in the area of transporting needed commodities to this country.

This present threat to our national security undoubtedly is a part of what Nikita Khrushchev had in mind when he threatened to sink us economically and without the need for armed conflict.

Thus, the impact of the American Merchant Marine on our daily lives becomes increasingly apparent. It should be obvious to all by this time that the merchant marine is not only a stout fourth arm of defense in time of war, but an equally vital factor in

the defense and maintenance of our economic strength by bringing to us the essential elements to the survival and prosperity of our country and our own daily lives.

The American Legion salutes the U.S. Merchant Marine in its dual role as an essential element of our national security and a vital arm of transport in providing the needs for our economic survival. The American Legion is in your corner, and we believe the American people generally are going to become more and more favorably inclined toward a strong U.S. Merchant Marine as your importance in the daily lives of all of us becomes more widely known and better understood.

Thank you very much.

Now, before I relinquish this podium, I would ask Mr. Jasper Baker, President of the Propeller Club of the United States to join me here for a moment.

Mr. Baker, The American Legion has long shared the concern of the Propeller Club of the United States in promoting and supporting an American merchant marine adequate to meet the requirements of the national security and the economic welfare of the United States.

We appreciate the forthright manner in which you have pursued your total objectives and we are proud of the cooperative relationship we have enjoyed with the Propeller Club as we have sought mutual objectives for the good of these great United States of America.

In recognition of this shared effort it is my personal privilege and pleasure to present to you on behalf of The American Legion this plaque which is inscribed as follows:

The American Legion commends the Propeller Club of the United States for its outstanding and continuing contribution toward a strong, modern American Merchant Marine capable of meeting our nation's economic and defense needs.

Presented this 19th day of March, 1974, Mayflower Hotel. Washington, D.C., and attested by our National Adjutant Bill Hauck and signed by me as National Commander.

Mr. Baker, please accept this with our best wishes for the continuing success of the Propeller Club of the United States as you strive to fill a vital national need.

ORDER FOR ADJOURNMENT TO 9:30 A.M. TOMORROW AND FOR VOTE ON MINIMUM WAGE BILL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, instead of coming in at 10 o'clock tomorrow, when the Senate adjourns tonight it stand in adjournment until 9:30 a.m. tomorrow morning.

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

Mr. MANSFIELD. Mr. President, that will allow us approximately 1 hour for the three special orders and morning business.

Mr. President, I ask unanimous consent that the time, at the conclusion of morning business, until 11:30 a.m., be equally divided between the Senator from New Jersey (Mr. WILLIAMS) and the Senator from Michigan (Mr. GRIFFIN) or whomever he may designate.

Mr. GRIFFIN. The minority leader, it should be.

Mr. MANSFIELD. Yes.

Or whomever he may designate; and that the vote on the conference report on the minimum wage occur at 11:30 a.m.

Mr. JAVITS. Mr. President, if the Senator will yield, there will be no objection, but I wondered whether, at that time, as I am for the report as I am the ranking member, it would be understood that the minority leader, or I, or anyone designated could assign time to anyone in opposition out of that 1 hour?

Mr. MANSFIELD. Oh, yes.

Mr. GRIFFIN. I am sure that I can speak for the distinguished minority leader in giving the Senator that assurance.

Mr. JAVITS. I thank the Senator very much.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of 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 provisions of law relating to the financing and conduct of such campaigns.

Mr. JAVITS. Mr. President, I ask unanimous consent that on the campaign financing bill, Charles Warren of my office may have the privilege of the floor.

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

CAMPAIGN REFORM NOW

Mr. MATHIAS. Mr. President, the Senate has an historic opportunity before it to restore confidence in our publib institutions and public leaders, to reform our political process, and to reinvigorate political life in America on the eve of our Nation's bicentennial commemorations. I earnestly hope that we seize this opportunity courageously and imaginatively by passing the type of comprehensive, broad-based, balanced reform of Federal elections campaigns that is embodied in the pending legislation, S. 3044, the Federal Election Campaign Act Amendments of 1974.

In some ways, it is a sad commentary that we must even confront the necessity of this legislation today. By this I refer not only to the sordid realities of the Watergate experience which has so shaken the confidence of Americans in their political institutions and leaders. I also refer to the fact that most of the provisions in this bill before us have already been passed by the Senate, only to languish and wither from callous neglect. Campaign legislation has been bottled up, corked and cast out to sea to drift until it sinks forever to an unmarked grave.

Yet these are the circumstances we face, and we must make the most of them. The bill before us attempts to do just that. It combines the basic features of S. 372, which passed the Senate last summer, and a public financing amendment which passed the Senate in December. S. 372 includes restrictions on both contributions to campaigns and expenditures by campaigns. S. 372 also establishes an independent Elections Commission to oversee and enforce these Federal election laws. This independent Commission is urgently needed to insure full, fair, and expert supervision of the provisions of this legislation.

The amendment on public financing which received majority approval by the Senate in December was later filibustered to death on this floor. I opposed that filibuster because of the urgent need for the reforms embodied in this bill. I am aware, however, of the sincerity of some of my colleagues who wanted more time to study and perfect this public financing legislation. I am hopeful that these colleagues will now come forth with constructive suggestions on how to improve the bill before us.

Proposals to finance at least some of the costs of Federal elections campaigns from public funds are not a recent development. Almost 70 years ago, President Theodore Roosevelt suggested such measures in his state of the Union address to the Congress. President Roosevelt stated:

> It is well to provide that corporations shall not contribute to presidential or national campaigns and furthermore to provide for the publication of both contributions and expenditures. There is, however, always danger in laws of this kind, which from their very nature are difficult of enforcement: The danger being lest they be obeyed only by the honest, and disobeyed by the unscrupulous, so as to act only as a penalty upon honest men. There is a very radical measure which would, I believe, work a substantial improvement in our system of conducting a campaign. . . .

This proposed "radical measure" which President Roosevelt endorsed, was publib financing of major campaigns.

More recently, former Ambassador and Senator Henry Cabot Lodge, who was President Nixon's running mate in 1960, sponsored specific legislation to begin partial public financing. In his recent book, "The Storm Has Many Eyes," Ambassador Lodge explains his support for this legislation:

> The talk of an 'office market' and of putting high executive and diplomatic missions on the auction block—all this breeding of suspicion and cynicism—would disappear overnight if the primary cause of the evil were obliterated at its roots. If there are no bidders, there can be no auction.

Many other distinguished Americans and recent Presidents have echoed the sentiments expressed by President Roosevelt and Ambassador Lodge.

Of course, today, we already have partial public financing. Americans who make political contributions are entitled to a tax credit of up to $25 for their contributions, or a tax deduction of up to $100. This reimbursement is a form of public financing which passed the Congress overwhelmingly and which has been helpful in encouraging and rewarding small contributions.

In addition, there is in operation the "$1 tax checkoff." Under this provision of the 1971 Revenue Act, each taxpayer can earmark $1 of his tax money to go to a special fund within the Treasury which can be used to finance the general election campaigns of candidates for the Presidency. I am pleased that the response to this measure by the American taxpayer this year has been such that it appears that there will be a sufficient

amount in this special fund to cover the costs of the general election campaign of Presidential candidates in our bicentennial year. I believe that this response indicates that the American people are dedicated to ending the dominance of big money and secret contributions in political campaigns.

I do not maintain, of course, that the bill before us is perfect in every way. It provides, for example, for virtually 100-percent public financing in general election campaigns for Congress. I believe that this degree of public support is unnecessary. The goals we seek could be reached by supplying a moderate amount of public funds, and permitting candidates to supplement this public contribution by small private contributions. I believe our goal should be to insure that all serious candidates have an adequate amount of funds, but this does not mean that all such candidates must receive all their funds from public sources.

Despite this weakness, and others more minor in nature, I believe that this bill would inaugurate such vast improvement over the current way in which political campaigns are financed and conducted that it deserves our support. This is not to say that changes cannot be made. In fact, I hope that some amendments will be adopted on the Senate floor, I am sure that further changes will be made by the House, if it ever acts, and by the House-Senate conference. I hope that these will be wise changes.

In any case, however, I believe the time has come for the Senate and the Congress to work its will. Every one of us knows the realities of American politics. Every one of us knows the fine line—a line so fine it almost appears imaginary—which all candidates are forced to tread. And every one of us knows that we can enact legislation to reform campaigns.

Let us not, therefore, slash away at what little confidence and trust the public still has for public officials and the political system by playing games with this issue. Two great American traditions are at stake. Our traditional dedication to an honest, open political process responsive to the true values and beliefs of our citizens. And our traditional efforts to enlarge the political arena, and to make access to this arena more equal. The first of these traditions can be furthered by the type of provisions contained in S. 372 and this bill. But some modest, partial public financing is required to further both of these noble heritages.

For these reasons, Mr. President, I have long urged legislation of this sort. I supported the Campaign Reform Act of 1971 which made great progress in insuring full disclosure of political contributions and political contributors. I supported the Revenue Act of 1971 which included the tax checkoff and provisions for tax credits and deductions for small political contributions. I chaired, in December 1972, ad hoc congressional hearings on how we could improve our political campaign process. Partly as a result of information obtained at those public hearings, I sponsored, along with Senator ADLAI STEVENSON III, legislation last year which included many of the provisions in the bill before us. I testified in support of that legislation before the appropriate Senate committees. I have spoken on this subject throughout my State of Maryland and before many groups outside Maryland. I have become more and more convinced that the public wants this type of legislation, and that America needs it.

I shall, accordingly, support this bill, and I urge my colleagues to do likewise.

TO STRIKE TITLE V OF S. 3044, THE PENDING BUSINESS

Mr. MANSFIELD. Mr. President, first, I do not want to offer an amendment but I may be forced to do so.

I ask unanimous consent that title V of the pending bill be stricken. The chairman of the Finance Committee, the distinguished Senator from Louisiana (Mr. LONG), whose committee has jurisdiction of the subject matter of title V, intends to give the highest priority to this proposal on the first available vehicle that originates in the House Ways and Means Committee.

Senator LONG is the originator of the proposal on the tax checkoff for public financing. The action I am proposing now will assure proper treatment of this measure in the House.

Mr. GRIFFIN. Mr. President, reserving the right to object—and I do not believe I will object—but could we have a short quorum call?

Mr. MANSFIELD. Surely.

Mr. GRIFFIN. 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. GRIFFIN. 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. GRIFFIN. Mr. President under my reservation, I want to indicate that when the unanimous-consent request was made the other day by the distinguished majority leader, I objected not particularly because I personally opposed the request, because I certainly think that title V does appropriately belong in the jurisdiction of the Finance Committee, but because there had not been opportunity for those on this side of the aisle to know that that important step with respect to the legislation was going to be taken and that it would be taken by unanimous consent.

Now there has been notice, and those on our side who have or might have an interest have had the opportunity to register that interest. There has been no indication of opposition and, under those circumstances, I withdraw my reservation.

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

Mr. MANSFIELD. I thank the distinguished acting Republican leader.

Mr. MANSFIELD subsequently said: Mr. President, just to make sure, in connection with the unanimous-consent request I made relative to striking title V, I ask unianimous consent that it be referred to the Committee on Finance, and all amendments thereto.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. GRIFFIN. Mr. President, in connection therewith, I was going to ask that the amendments at the desk to title V also be referred.

Mr. MANSFIELD. All amendments thereto.

The PRESIDING OFFICER. The Chair observes that part of a bill cannot be referred, but it could be reduced to a separate bill and then referred.

Mr. MANSFIELD. I will undertake that responsibility, on behalf of the Senator from Louisiana (Mr. LONG), and introduce a bill, which will, therefore, negate a request that it be referred to the Committee on Finance at this time.

AUTHORIZATION FOR JUDICIARY COMMITTEE TO FILE ITS REPORT ON S. 354 BY MIDNIGHT TONIGHT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Judiciary Committee be authorized to have until midnight tonight to file its report on S. 354.

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

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. BARTLETT). The Chair, on behalf of the Vice President, in accordance with Public Law 93–179, appoints the Senator from New Mexico (Mr. MONTOYA) and the Senator from Massachusetts (Mr. BROOKE) to the American Revolution Bicentennial Board.

SENATOR HARRY F. BYRD, JR. ON DÉTENTE

Mr. NUNN. Mr. President, my good friend and colleague, Senator HARRY F. BYRD, JR., recently made an excellent speech on the floor of the Senate concerning the policy of détente.

I invite the attention of my colleagues to four excellent editorials in newspapers regarding this speech. Senator BYRD is one of the outstanding Members of this body and his position as a Member of the Senate Armed Services Committee and the Finance Committee has given him an excellent perspective of both the national security and the financial dangers of détente.

Senator BYRD's warning to our Nation should be read by each of us in this body, and the well written editorials bring due attention to his well made points.

Mr. President, I ask unanimous consent that the following editorials be printed in the RECORD:

Richmond Times-Dispatch, Friday, March 15, 1974; The News, Thursday, March 14, 1974; Staunton, Va., News-Leader, Sunday, March 17, 1974; and

New York Daily News, Monday, March 18, 1974.

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

AGAINST GIVEAWAYS

The policy of detente—or relaxation of tensions—with the Soviet Union is generally regarded as a signal accomplishment of a Nixon administration whose forte is foreign affairs. Yet, as U.S. Sen. Harry F. Byrd Jr. noted in a major Senate speech Wednesday, detente is looking more and more like a give-and-take proposition: we give and the Soviets take.

In an astute and comprehensive analysis, Senator Byrd said that "while the Russian leaders have signed agreements with the United States, we must remember they have received far more than they have given. This is true both in trade and in arms."

As evidence that the Soviets operate on the principle that it is more blessed to receive than to give, the Virginia senator discussed three American-Soviet agreements signed in 1972 in which the United States now appears to have gotten the short end of the stick:

(1) The grain deal. Not only did Washington sell Moscow wheat at cheap prices to bail the Soviets out of a serious crop failure, but it provided a $300 million subsidy to sweeten the deal for the Communists. So the Russians bought our wheat with our money and now they have a comfortable surplus while Americans confront rising prices and a possible shortage of bakery products. American aid on the food front also made it easier for the Russians to spend more on the weapons front.

(2) The Lend-Lease settlement. The Nixon administration agreed to let Russia settle its remaining $2.6 billion world War II debt to this nation for $722 million—or 28 cents on the dollar. But the Soviets slyly secured a proviso that $674 million would not be repaid unless they were granted most-favored-nation trading status with this nation—in other words, if American taxpayers give the Soviets special trade privileges, the Soviets will pay their debt—or a small part of their debt—to American taxpayers. Since a majority of Congress now appears to be opposed to giving Moscow most-favored-nation treatment, the Soviets may be obligated to repay only $48 million of a $2.6 billion debt.

(3) The Strategic Arms Limitation Talks. SALT–I permitted the Russians numerical superiority in land-based intercontinental missiles, submarine-launched missiles, and missile-carrying submarines. The U.S. ace in the hole was supposed to be technological superiority. But the Soviets are now feverishly developing new sophisticated weapons, including long-range missiles capable of carrying multiple independently-targeted warheads. With its technological edge rapidly being whittled away, the U.S. could find itself in a clearly inferior strategic position vis-a-vis the Soviet Union, and such a result could greatly aid the unending Communist objective of gaining worldwide dominion.

The much-publicized plight of exiled Russian novelist Aleksandr Solzhenitsyn should have reminded Americans of the basic nature of the regime with which our government is dealing. But shameful though it was, the Solzhenitsyn affair is not in itself a logical point of departure for an up-or-down decision on detente. Agreements and commerce with Russia must be judged as to whether this nation's welfare is promoted at least as much as the Kremlin's. As Senator Byrd points out, there is good reason to doubt that at present there is such a two-sided flow of benefits from detente.

All of which is not to suggest that President Nixon and Secretary Kissinger ought here and now to declare an end to detente. But it is high time that some advantages for this country were obtained from deals with the Soviets. A good place for our negotiators to start and for the Soviets to demonstrate their sincerity would be for SALT–II, now underway, to eliminate Soviet numerical superiority in missiles in favor of equality between the two superpowers.

THE HEART OF HARRY BYRD

Senator Harry F. Byrd Jr. is one of the ablest and hardest working members of the United States Senate. He does his homework. He studies the issues, accumulates the information, weighs the evidence pro and con. As a result, when he addresses himself to an issue, he does not speak lightly and his colleagues know it. They have come to recognize him as one of the leading voices of moderation in the Senate.

On Wednesday, Senator Byrd took the floor to speak on the subject of "detente" and United States defense. He subtitled it "an analysis." It was exactly that, a thorough, documented study of this most vital subject. In solemn, measured words directed at the conscience and the reason of the Senate Mr. Byrd placed the subject in historical perspective and warned of the disastrous consequences to the American people if the nation, and the Congress do not face up to the grim truth about "detente" and the aspirations of the Communist rulers.

It was one of Senator Byrd's greatest contributions as a public servant and one of the great speeches of the Senate—reasoned, analytical, ringing with conviction but devoid of extremisms, a sober call to sense and duty in the defense of the United States and the spiritual and physical liberation which it alone can defend.

If the Senate does not pay heed to what this man said, the American people are going to pay a hell of a price in blood and destruction one of these grim days because war, nuclear or otherwise, is not unthinkable to the Communists.

We could not print all of the speech on this page—it was that thorough. But we have printed those excerpts which serve to convey its sense. We have done this because what Mr. Byrd had to say should be heard by all Americans. He was discussing what must be done to keep us alive and free. No more, no less.

Read what he had to say. It is worth your time. There is nothing you need to understand half so well for it is the foundation of your freedom.

A POWERFUL WARNING ON DÉTENTE

There have been warnings from various sources to beware of the supposed détente with Russia. Another one was sounded last Wednesday on the floor of the U.S. Senate. It was by Virginia's senior Sen. Harry F. Byrd, Jr. It was what is termed a "full dress" speech, and was a detailed analysis of the economic, technological, food, monetary, and indirect military assistance this country is providing the Communist nation, and the paucity of its reciprocity.

Sen. Byrd also covered the deterioration of our military strength under the influences of détente, isolationist attitudes in Congress, and U.S. efforts to promote peace in the world through international conferences and agreements.

These short paragraphs from Sen. Byrd's astute review constitute bases for his warning which cannot be pushed under the rug:

"Today the free world is beset by troubles with weakness and disorder apparent both between nations and within nations.

"Inflation is widespread and increasing with no end in sight.

"Militant forces within nations demand and get prerogatives at the expense of the nation and other groups within the nation.

"By contrast in the Soviet Union there are no powerful militant organizations; there is little inflation although productivity is low; there are no strikes or work stoppages, only inefficiencies; their shortages are not severe and a possible food shortage was averted, thanks to the willing co-operation of the United States.

"Russia, as I see it, is playing a shrewd game.

"The Soviets have come to realize that in order to reach their goals they must utilize all the fundamental elements of national power: political power, economic power, and military power."

Sen. Byrd quoted Russian Chairman Brezhnev to show the Soviet's hypocrisy as to détente. The goal of the Communist dictatorship is worldwide domination, he told the Senate. "If we forget that fact, we imperil ourselves . . . It is the fixed star in the Soviet firmament.

"Chairman Brezhnev made this clear in June, 1972, when he said, 'Détente in no way implies the possibility of relaxing the ideological struggle. On the contrary, we must be prepared for this struggle to be intensified and become an ever sharper form of the confrontation between the two systems.'

"The United States cannot afford to accept a 'détente' which leaves open the way for global domination by the Soviet Union.

"The danger of détente is that it tends to lull the United States into a false sense of security."

Because the United States has been suffering so many internal troubles, went through the trauma of the war in Southeast Asia and then the uplifting encouragement from President Nixon's opening of doors to both of the two great Communist powers, there has been almost national blindness to the fact that the perils of Communist deceit and aggressive designs continue to exist. Wide open eyes, understanding of those perils, and rebuilding of our military strength are vital concomitants of our participation in détente.

Sen. Byrd summed it up this way:

"Let there be détente.

"But let it be based on reality—on a recognition of Russian ambitions and might, and the need for American strength—and not on wishes and unilateral concessions.

"Weakness never has been a basis for peace.

"We must never lose sight of the fact that dollars spent for American defense are an investment in world peace and stability, and that world peace and stability, in turn, are important to our own freedom and prosperity."

The Senator's address was a timely and brilliant one. It should not be blindly ignored by his colleagues, the House, the Executive Branch, or the people.

A TIMELY WARNING

The Soviet Union is playing the United States for a sucker, Sen. Harry F. Byrd Jr. (Ind-Va.) told the Senate last week. Soviet party boss Brezhnev, said Byrd, is using detente to get long-term credits, technology and sweet trade deals.

At the same time, he has been encouraging the Arab oil boycott, jamming our radio programs behind the Iron Curtain and speeding a massive arms buildup.

Byrd was joined by Sen. James Buckley (C-R-N.Y.) in noting that it is okay to bargain with the Soviets as long as we don't lose our shirts. Already we've been taken to the cleaners in the costly wheat sale, the tiny World War II debt settlement, and the arms limitation talks.

Brezhnev's 1974 tactics are identical to Nicolai Lenin's in the '20's. Facing national starvation, Lenin set the captive peasants free, temporarily, to produce the food needed to stave off rebellion. Brezh's U.S. wheat ploy is cut from the same cloth.

Lenin invented the book-burning censorship that is used today to send political dissidents to prison, asylum and exile. He used force (against Poland) just as ruthlessly as Brezhnev did in Czechoslovakia. Neither of them ever abandoned the main aim of world Communist domination.

Lenin once said that capitalists would sell the Communist the rope with which the Reds would hang them. That's just the kind of deal the Soviets are trying to pull off now. We would be fools to fall for it again.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of 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 provisions of law relating to the financing and conduct of such campaigns.

Mr. CANNON. Mr. President, for the information of the Senate, I understand that the Senator from Alabama has an amendment that he is ready to offer and on which he is willing to agree to a very short time limit. If that is so, as soon as he returns to the Chamber, we will try to have the amendment laid before the Senate and try to get a 20-minute time limitation and have another vote this afternoon.

Mr. HARRY F. BYRD, JR. Mr. President, the able Senator from New York (Mr. BUCKLEY) gave an exclusive interview to the magazine Human Events in connection with the pending measure, S. 3044. Senator BUCKLEY has made an in-depth study of this measure, and the questions and answers in this article are very illuminating.

I ask unanimous consent that the text of the interview be printed in the RECORD.

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

SENATOR JAMES BUCKLEY ON CAMPAIGN REFORM

(The Senate is scheduled to take up campaign reform legislation this week. The bill under consideraton—S 3044—includes, among many changes, a proposal for public financing of campaigns. Sen. Buckley (C.-R.-N.Y.) has made an in-depth study of the entire measure and in the following exclusive interview discusses the numerous practical and constitutional objections to the bill.)

Q. President Nixon recently made a rather lengthy statement on campaign reform. What was your reaction to his proposals?

A. There were too many proposals included in this package to allow me to give you anything even approaching a definitive answer here, but I will say that I find myself in general agreement with the thrust of his proposals—especially as compared with those included in S 3044, the bill recently reported out of the Senate Committee on Rules and Administration.

The President's proposals seem designed to deal with the problems in our present system, while the Senate bill we will have before us shortly would scrap that system. I would be among the first to admit that our present system of selecting candidates and financing campaigns needs reform, but I am not at all convinced that we should abandon it for a scheme that would diminish citizen participation in politics and, in all probability, would create more problems than it would solve.

Q. S. 3044 is the bill that includes public financing of presidential, Senate and House campaigns, isn't it?

A. That's right. The bill that we will soon debate includes provisions that would allow candidates for any federal office to draw on tax funds to finance their campaigns. This system would replace the essentially private system now in effect and would cost the American taxpayer some $358 million every four years.

More importantly, however, this scheme presents us with grave constitutional and practical questions that I hope will be fully debated on the floor of the Senate before we vote.

Q. Why do you object so strongly to public financing?

A. I object because I am convinced that such drastic measures are needed to clear up the problems we confront, because I suspect that the proposals as drawn are unconstitutional and because if implemented they would alter the political landscape of this country in a way that many don't even suspect and very few would support.

Those in and out of Congress who advocate public financing are selling it as a cure-all for our national and political ills. For example, Sen. Kennedy recently went so far as to say that "most, and probably all, of the serious problems facing this country today have their roots in the way we finance political campaigns. . . ."

This statement reminds one of the hyperbole associated with the selling of New Frontier and Great Society programs in the '60s. The American people were asked then to accept expensive and untried programs as panaceas for all our ills.

Those programs didn't work. They were oversold, vastly more expensive than anyone anticipated, and left us with more problems than they solved. Public financing is a Great Society approach to another problem of public concern and like other solutions based on the theory that federal dollars will solve everything should be rejected.

Q. In what ways would public financing "alter the political landscape"?

A. In several very important if not totally predictable ways.

First, under our present system potential candidates must essentially compete for private support, and to attract that support they have to address themselves to issues of major importance to the people who will be contributing to their campaigns and voting for them on election day. Public financing might allow candidates to ignore these issues, fuzz their stands and run campaigns in which intelligent debate on important matters is subordinated to a "Madison Avenue" approach to the voters.

Let me give you a couple of examples. During the course of the 1972 campaign, it is reported that Sen. McGovern was forced by the need for campaign money to place greater emphasis on his support of a Vietnam pullout than his political advisers thought wise. They felt that he should have downplayed the issue and concentrated on others that might be better received by the electorate.

I don't doubt for a minute that the senator's emphasis on his Vietnam position hurt him, but I wonder if we really want to move toward a system that would allow a candidate to avoid such issues or gloss over positions of concern to millions of Americans.

The need to court the support of other groups creates similar problems. Those who believe that we should maintain a friendly stance toward Israel, for example, as well as those who think a candidate should support union positions on a whole spectrum of issues want to know where a candidate stands before they give him their vocal and financial support. The need to compete for campaign dollars forces candidates to address many issues and I consider this vital to the maintenance of a sound democratic system.

Second, millions of Americans now contribute voluntarily to federal, state and local political campaigns. These people see their decision to contribute to one campaign or another as a means of political expression. Public financing of federal general election campaigns would deprive people of an opportunity to participate and to express their strongly held opinions.

They would still be contributing, of course, since the Senate proposal will cost them hundreds of millions of dollars in tax money. But their participation would be compulsory and would involve the use of their money to support candidates and positions they find morally and political reprehensible.

Third, the proposal reported out of the Senate Rules Committee, like similar proposals advanced in the past, combines public financing with strict limits on expenditures. These limits must, on the whole, work to the benefits of incumbents, since they are lower than the amount that a challenger might have to spend presently in a hotly contested race if he wants to overcome the advantages of his opponent's incumbency.

Fourth, the various schemes devised to distribute federal dollars among various candidates and between the parties has to affect power relationships that now exist. Thus, if you give money directly to the candidate you further weaken the party system. If you give the money to the national party, you strengthen the national party organization relative to the state parties. If you aren't extremely careful you will freeze out or lock in minor parties. These are real problems with significant policy consequences that those who drew up the various public financing proposals tended to ignore.

Public financing will have two significant effects on third parties, neither desirable. In the first place, it will discriminate against genuine national third-party movements (such as that of George Wallace in 1968) because such parties haven't had the chance to establish a voting record of the kind required to qualify for financing.

On the other hand, once a third party qualifies for future federal financing, a vested interest arises in keeping it alive—even if the George Wallace who gave it its sole reason for existence should move on. Thus we run the risk of financing a proliferation of parties that could destroy the stability we have historically enjoyed through our two-party system.

Q. You say public financing raises grave constitutional questions. Are you saying that these plans might be struck down in the courts?

A. It is obviously rather difficult to say in advance just how the courts might decide when we don't know how the case will be brought before them, but I do think there is a real possibility that subsidies, expenditure limitations and contribution ceilings could all be found unconstitutional.

All of these proposals raise 1st Amendment questions since they all either ban, limit or direct a citizen's right of free speech.

In this light it is interesting to note that a three-judge panel in the District of Columbia has already found portions of the 1971 act unconstitutional.

The 1971 Act prohibits the media from charging for political advertising unless the candidate certifies that the charge will not cause his spending to exceed the limits imposed by the law. This had the effect of restricting the freedom both of individuals wishing to buy ads and of newspapers and other media that might carry them and, in the opinion of the D.C. court, violated the 1st Amendment.

Q. But Senator, according to the report prepared by the Senate Rules Committee on S. 3044, it is claimed that these questions

were examined and that the committee was satisfied that objections involving the effect of the legislation on existing political arrangements were without real functions.

A. I can only say that I must respectfully disagree with my colleagues on the Rules Committee. The committee report discusses a number of compromises worked out in the process of drawing up S. 3044, but I don't think these compromises do very much to answer the objections I have raised.

The ethical, constitutional and practical questions remain.

The fact is that the ultimate impact of a proposal of this kind on our present party structure cannot be accurately predicted. S. 3044 may either strengthen parties because of the crucial control the party receives over what the committee calls the "marginal increment" of campaign contributions, or it may further weaken the parties because the government subsidy is almost assured to the candidate, thereby relieving him of substantial reliance on the "insurance" the party treasury provides. One can't be sure and that alone should lead one to doubt the wisdom of supporting the bill as drawn.

As for third parties, the effect of the bill is equally unclear. It does avoid basing support for third parties simply on performance in the last election and thus "perpetuating" parties that are no longer viable. But the proposal does not deal, for instance, with the possibility of a split in one of the two major parties—where two or more groups claim the mantle of the old party.

Q. Senator Buckley, advocates of public financing of federal election campaigns claim that political campaigning in America is such an expensive proposition that only the very wealthy and those beholden to special interests can really afford to run for office. Do you agree with this claim?

A. No, I do not.

First, it is erroneous to charge that we spend an exorbitant amount on political campaigns in this country. In relative terms we spend far less on our campaigns than is spent by other democracies and, frankly, I think we get more for our money.

Thus, while we spent approximately $1.12 per vote in all our 1968 campaigns, the last year for which we have comparative figures, Israel was spending more than $21 per vote. An index of comparative cost of 1968 reveals that political expenditures in democratic countries vary widely from 27 cents in Australia to the far greater amount spent in Israel. This index shows the U.S. near the bottom in per vote expenditures along with such countries as India and Japan.

Second, I think we should make it clear that the evidence suggests that most contributors—large as well as small—give money to candidates because they support the candidate's beliefs, not because they are out to buy themselves a congressman, a governor or a President. Many of those advocating federal financing forget this in their desire to condemn private campaign funding as an evil that must be abolished.

Anyone who has run for public office realizes that most of those who give to a campaign are honest public-spirited people who simply want to see a candidate they support elected because they believe the country will benefit from his point of view. To suggest otherwise impresses me as insulting to those who seek elective office and to the millions of Americans who contribute to their campaigns.

I don't mean to imply that there aren't exceptions to this rule. There are dishonest people in politics as there are in other professions, but they certainly don't dominate the profession.

Q. But doesn't the wealthy candidate have a real advantage under our current system?

A. Oh, he has an advantage all right, but I'm not sure it's as great as some people would have us believe.

I say this because I am convinced that given adequate time a viable candidate will be able to attract the financial support he needs to get his campaign off the ground and thereby overcome the initial advantage of a personally wealthy opponent. And I am also convinced that a candidate who doesn't appeal to the average voter won't get very far regardless of how much money he throws into his own campaign.

My own campaign for the Senate back in 1970 illustrates this point rather clearly. I was running that year as the candidate of a minor party against a man who was willing and able to invest more than $2 million of his family's money in a campaign in which he began as the favorite.

I couldn't possibly match him personally, but I was able to attract the support of more than 40,000 citizens who agreed with my positions on the issues. We still weren't able to match my opponent dollar for dollar—he spent twice as much as we did—but we raised enough to run a creditable campaign, and we did manage to beat him at the polls.

At the national level it is just as difficult to say that money is the determining factor and the evidence certainly suggests that personal wealth won't get a man to the White House. If it were the case that the richest man always comes out on top, Rockefeller would have triumphed over Goldwater in 1964, Taft over Eisenhower in 1952 and neither Nixon nor Stevenson would ever have received their parties' nominations.

What I'm saying, of course, is that while money is important it isn't everything.

Q. Wouldn't public financing assist challengers trying to unseat entrenched congressmen and senators who have lost touch with their constituents?

A. I don't like to think of myself as overly cynical, but neither am I naive enough to believe that majorities in the House and Senate are about to support legislation that won't at least give them a fair shake.

The fact is that most of the "reforms" we have been discussing work to the advantage of the incumbent—not the challenger. The incumbent has built-in advantages that are difficult to overcome under the best of circumstances and might well be impossible to offset if the challenger is forced, for example, to observe an unrealistically low spending limit.

Incumbents are constantly in the public eye. They legitimately command TV and radio news coverage that is exempt from the "equal time" provisions of current law. They can regularly communicate with constituents on legislative issues, using franking privileges. Over the years they will have helped tens of thousands of constituents with specific problems involving the federal government. These all add up to a massive advantage for the incumbent which may well require greater spending by a challenger to overcome.

Q. What kind of candidates will benefit from public financing?

A. Any candidate who is better known when the campaign begins or is in a position to mobilize non-monetary resources must benefit as compared to less-known candidates and those whose supporters aren't in a position to give them such help.

This is necessarily true because the spending and contributions limits that are an inegral part of all the public funding proposals I have seen even out only one of the factors that will determine the outcome of a given campaign. Other factors therefore become increasingly important and may well determine the winner on election day.

Thus, incumbents who are unusually better known that their challengers benefit because experience has shown that a challenger often has to spend significantly more than his incumbent opponent simply to achieve a minimum degree of recognition.

In addition, consider the advantage that a candidate whose backers can donate time to his campaign will have over one whose backers just don't have the time to donate. In this context one can easily imagine a situation in which a liberal campus-oriented candidate might swamp a man whose support comes primarily from blue collar, middle-class workers who would contribute money to their man, but don't have time to work in his campaign.

Or consider the candidate running on an issue that attracts the vocal and "independent" support of groups that can provide indirect support without falling under the limitations imposed by law. The effectiveness of the anti-war movement and the way in which issue-oriented anti-war activists were able to mesh their efforts with those of friendly candidates illustrates the problem.

David Broder of the Washington *Post* noted in a very perceptive analysis of congressional maneuvering on this issue that most members seem to sense that these reforms will, in fact, help a certain kind of candidate. His comments on this are worth quoting at length.

". . . [T]he votes by which the public financing proposal was passed in the Senate had a marked partisan and ideological coloration. Most Democrats and most liberals in both parties supported public financing; most Republicans and most conservatives in both parties voted against it.

"The presumption that liberal and Democrats would benefit from the change is strengthened by the realization that money is just one of the sources of influence on a political contest. If access to large sums is eliminated as a potential advantage of one candidate or party by the provision of equal public subsidies for all, then the election outcome will likely be determined by the ability to mobilize other forces.

"The most important of these other factors are probably manpower and publicity. Legislation that eliminates the dollar influence on politics automatically enhances the influence of those who can provide manpower or publicity for the campaign.

"That immediately conjures up, for Republicans and conservatives, the union boss, the newspaper editor and the television anchorman—three individuals to whom they are rather reluctant to entrust their fate of electing the next President."

Q. You indicated a few minutes ago that public financing will cost the American taxpayer hundreds of millions of dollars and that many Americans might be forced to give to candidates and campaigns they find repugnant.

A. That's right; it is estimated that the plan envisioned by the sponsors of S. 3044 would cost nearly $360 million every four years and other plans that have been discussed might cost even more.

Necessarily, this will involve spending tax dollars, extracted from individuals for the support of candidates and causes with which many of them will profoundly disagree. The fundamental objection to this sort of thing was perhaps best summed up nearly 200 years ago by Thomas Jefferson who wrote: "To compel a man to furnish contributions of money for the propagation of opinions which he disbelieves and abhors, is sinful and tyrannical."

Q. But won't this money be voluntarily designated by taxpayers participating in the check-off plan that has been in effect now for more than two years?

A. Not exactly. As you may recall, the check-off was originally established to give individual taxpayers a chance to direct one dollar of their tax money to the political party of their choice for use in the next presidential campaign.

When it was extended by the Congress last year, however, the ground rules were changed so that this year taxpayers are not able to select the party to which their dollar is to be directed. They are simply allowed to designate that the dollar should

go into the Presidential Election Campaign Fund to be divided up at a later date. Thus, while the taxpayer may still refrain from participating he may well be directing his dollar to the opposition party if he elects to participate.

A theoretical example will illustrate this. Let us assume that two candidates run in 1976 and that the money to be divided up amounts to $10 million dollars. Half of this would go to each candidate, but let us further assume that 60 percent of this money or $6 million is contributed by Democrats. Under this set of circumstances a million Democrats would unwittingly be contributing to the campaign of a candidate they don't support and for whom they probably won't vote.

If S. 3044 passes things will get even worse. During the first year only 2.8 per cent of the tax-paying public elected to contribute to the fund. This disappointing participation was generally attributed to the fact that it was difficult to elect to participate. Therefor this year the form was simplified and a great effort is being made to get people to participate.

As a result about 15 percent of those filing appear to be participating and while this increase seems to warm the hearts of those who have plans for this money it will not raise nearly enough money to finance the comprehensive plan the sponsors of S. 3044 have in mind.

Therefore they have found a way to increase participation. Under the terms of S. 3044 the check-off would be doubled to allow $2 from each individual to go into the fund, but the individual taxpayer will no longer have to designate. Instead, his $2 will be automatically designated for him unless he objects. This is a scheme designed to increase participation reminiscent of the way book clubs used to sell books by telling their members they would receive the month's selection unless they chose not to. As I recall, Ralph Nader and his friends didn't like this practice when book clubs were engaged in it and one can only hope that they will be equally outraged now that Uncle Sam is in the act.

But S. 3044 goes further still. If enough people resist in spite of the government's efforts to get them to participate, the Congress will be authorized to make up the difference out of general revenues. So, after all is said, it appears that the check-off is little more than a fraud on the taxpayer.

This to me is one of the most objectionable features of the whole scheme. It is an attempt to make people think they are participating and exercising free choice when in fact their choices are being made for them by the government.

Q. If there are problems and you can't support public financing, just what sort of reform do you favor?

A. I said earlier that I prefer the general thrust of the President's message on campaign reform as compared to the direction represented by S. 3044. The President, unlike the sponsors of the Senate legislation we will soon be debating, seems to grasp the problems inherent in any overly rigid regulation of individual and group political activity in a free society.

We have to recognize that any regulation of political activity raises serious constitutional questions and involves limitations on the freedom of our citizens. This has to be kept in mind as we analyze and judge the various "reform" proposals now before us. Our job involves a balancing of competing and often contradictory interests that just isn't as easy as it might appear to the casual observer.

Thus, while we are called upon to do what we can to eliminate abuses, we must do so with an eye toward side effects that could render the cure worse than the disease.

I happen to believe rather strongly that this is the case with public financing and with proposals that would impose arbitrary limits on campaign spending and, thereby, on political activity.

The same problem must be faced if we decide to limit the size of individual political contributions. In this area, however, I would not oppose reasonable limits that would neither unduly discriminate against those who wish to support candidates they admire or give too great an advantage to other groups able to make substantial non-monetary contributions.

The least dangerous form of regulation and the one I suspect might prove most effective in the long run is the one which simply imposes disclosure requirements on candidates and political committees. The 1971 Act—which has never really been tested—was passed on the theory that major abuses could best be handled by full and open disclosure.

The theory was that if candidates want to accept sizable contributions from people associated with one interest or cause as opposed to another, they should be allowed to do so as long as they are willing to disclose receipt of the money. The voter might then decide if he wants to support the candidate in spite of—or because of—the financial support he has received.

The far-reaching disclosure requirements written into the 1971 Act went in effect in April 1972 after much of the money used to finance the 1972 campaigns had already been raised. This money—raised prior to April 7, 1972—did not have to be reported in detail and it was this unreported money that financed many of the activities that have been included in what has come to be known as the Watergate affair.

I feel that the 1971 Act, as amended last year, deserves a real test before we scrap it. It didn't get that test in 1972, but it will this fall. I would hope, therefore, that we will wait until 1975 before considering the truly radical changes under consideration.

On the other hand, there are a few loopholes that we can close right away. It seems to me, for example, that we might move immediately to ban cash contributions and expenditures of more than, say, $100.

Q. So you believe that "full disclosure" is the answer?

A. Essentially. But I don't want you to get the idea that disclosure laws will solve all our problems or that they themselves don't create new problems. I simply feel that they create fewer problems and are more likely to eliminate gross abuses than the other measures we have discussed.

Q. You say that "full disclosure" laws also create new problems. What kind of new problems?

A. Well, you may recall that Sen. Muskie's 1972 primary campaign reportedly ran into trouble after April 1972 because a number of his larger contributors were Republicans who didn't want it publicly known that they were supporting a Democrat. The disclosure requirements included in the 1971 Act clearly inhibited their willingness to give and, therefore, at least arguably had what constitutional lawyers call a "chilling effect" on their right of self-expression.

These were large contributors with prominent names. Perhaps their decision to give should not be viewed as lamentable in the context of the purpose of the act.

But consider the smaller contributor who might want to give to a candidate viewed with hostility by his employer, his friends and others in a position to retaliate. How about the bank teller who wants to give $10 to a candidate who wants to nationalize banks? Or the City Hall employe who might want to give $5 to the man running against the incumbent mayor? What effect might the knowledge that one's employer could uncover the fact of the contribution have on the decision to give? The problem is obvious when we remember that the White House "enemies list" was drawn up in part from campaign disclosure reports.

Still, it is a problem that we may have to live with if we are to accomplish the minimal reform necessary to "clean up" our existing system.

Q. Senator, are there any other "reforms" that you think worthy of consideration?

A. Well, there are a good many proposals being circulated that we haven't had a real chance to discuss, but I'm afraid most of them raise more questions than they answer.

S. 3044 does contain one proposal that might be worth consideration and has, in fact, been raised separately by a number of senators. Under our current tax laws a taxpayer can claim either a tax credit or a deduction for political contributions to candidates, political committees or parties of his choice. The allowable tax credit that can now be claimed amounts to $12.50 per individual or $25 on a joint return and the deduction if limited to $50 or $100 on a joint return.

The authors of S. 3044 would double the allowable credits and deductions. Sen. William V. Roth (R.-Del.) has proposed that we go even further by increasing the allowable credit to $150 per individual or $300 for those filing joint returns.

These proposals would presumably increase the incentive for private giving without limiting the freedom of choice of the individual contributor. If any proposal designed to broaden the base of campaign funding is worth consideration I would think this is it.

The PRESIDING OFFICER. The bill is open to amendment.

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

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

The bill is open to further amendment.

Mr. ALLEN. Mr. President, I call up the amendment I have at the desk having to do with Members of the House and Senate and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

The amendment is as follows:

On page 3, line 6, strike out "FEDERAL" and insert in lieu thereof "PRESIDENTIAL".

On page 4, line 6, strike out the comma and insert in lieu thereof a semicolon.

On page 4, beginning with line 7, strike out through line 12.

On page 4, line 13, strike out "(5)" and insert in lieu thereof "(4)".

On page 4, line 17, strike out "(6)" and insert in lieu thereof "(5)".

On page 5, line 6, strike out "any".

On page 5, line 21, immediately before "Federal", strike out "a".

On page 7, line 3, strike out "(1)".

On page 7, beginning with "that—" on line 5, strike out through line 7 on page 8 and insert in lieu thereof "that he is seeking nomination for election to the office of President and he and his authorized committees have received contributions for his campaign throughout the United States in a total amount in excess of $250,000.".

On page 9, line 6, after the semicolon, insert "and".

On page 9, strike out lines 7 and 8 and insert in lieu thereof the following: "'(2) no contribution from'."

On page 9, beginning with "and" on line 13, strike out through line 19.

On page 10 beginning with "(1)—" on line 3, strike out through line 16 and insert in lieu thereof the following: "(1), no contribution from any person shall be taken into account to the extent that it exceeds $250 when added to the amount of all other contributions made by that person to or for the benefit of that candidate for his primary election.".

On page 13, beginning with line 16, strike out through line 18 on page 14 and insert in lieu thereof the following:

"Sec. 504. (a) (1) Except to the extent that such amounts are changed under subsection (f) (2), no candidate may make expenditures in any State in which he is a candidate in a primary election in excess of the greater of—

"(A) 20 cents multiplied by the voting age population (as certified under subsection (g)) of the State in which such election is held, or

"(B) $250,000.".

On page 14, line 19, strike out "(B)" and insert in lieu thereof "(1)" and strike out "subparagraph" and insert in lieu thereof "paragraph".

One page 14, line 20, strike out "(A)" and insert in lieu thereof "(1)".

On page 15, line 8, beginning with "the greater of—," strike out through line 17 and insert in lieu thereof "15 cents multiplied by the voting age population (as certified under subsection (g)) of the United States.".

On page 18, beginning with line 10, strike out through line 20.

On page 26, lines 2 and 3, strike out "under section 504 of the Federal Election Campaign Act of 1971, or".

On page 71, beginning with line 20, strike out through line 2 on page 73 and insert in lieu thereof the following:

"(a) (1) Except to the extent that such amounts are changed under subsection (f) (2), no candidate (other than a candidate for nomination for election to the office of President) may make expenditures in connection with his primary election campaign in excess of the greater of—

"(A) 10 cents multiplied by the voting age population (as certified under subsection (g)) of the geographical area in which the election for such nomination is held, or

"(B) (i) $125,000, if the Federal office sought is that of Senator, or Representative from a State which is entitled to only one Representative, or

"(ii) $90,000, if the Federal office sought is that of Representative from a State which is entitled to more than one Representative.

"(2) (A) No candidate for nomination for election to the office of President may make expenditures in any State in which he is a candidate in a primary election in excess of two times the amount which a candidate for nomination for election to the office of Senator from that State (or for nomination for election to the office of Delegate in the case of the District of Columbia, the Virgin Islands, or Guam, or to the Office of Resident Commissioner in the case of Puerto Rico) may expend in that State in connection with his primary election campaign.

"(B) Notwithstanding the provisions of subparagraph (A), no such candidate may make expenditures throughout the United States in connection with his campaign for that nomination in excess of an amount equal to ten cents multiplied by the voting age population of the United States. For purposes of this subparagraph, the term 'United States' means the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, Guam, and the Virgin Islands and any area from which a delegate to the national nominating convention of a political party is selected.

"(b) Except to the extent that such amounts are changed under subsection (f) (2), no candidate may make expenditures in connection with his general election campaign in excess of the greater of—

"(1) 15 cents multiplied by the voting age population (as certified under subsection (g)) of the geographical area in which the election is held, or

"(2) (A) $175,000, if the Federal office sought is that of Senator, or Representative from a State which is entitled to only one Representative, or

"(B) $90,000, if the Federal office sought is that of Representative from a State which is entitled to more than one Representative.

"(c) No candidate who is unopposed in a primary or general election may make expenditures in connection with his primary or general election campaign in excess of 10 percent of the limitation in subsection (a) or (b).

"(d) The Federal Election Commission shall prescribe regulations under which any expenditure by a candidate for nomination for election to the office of President for use in two or more States shall be attributed to such candidate's expenditure limitation in each such State, based on the voting age population in such State which can reasonably be expected to be influenced by such expenditure.

"(e) (1) Expenditures made on behalf of any candidate are, for the purposes of this section, considered to be made by such candidate.

"(2) Expenditures made by or on behalf of any candidate for the office of Vice President of the United States are, for the purposes of this section, considered to be made by the candidate for the office of President of the United States with whom he is running.

"(3) For purposes of this subsection, an expenditure is made on behalf of a candidate, including a Vice Presidential candidate, if it is made by—

"(A) an authorized committee or any other agent of the candidate for the purposes of making any expenditure, or

"(B) any person authorized or requested by the candidate, an authorized committee of the candidate or an agent of the candidate to make the expenditure.

"(4) For purposes of this section an expenditure made by the national committee of a political party, or by the State commission of a political party, in connection with the general election campaign of a candidate affiliated with that party which is not in excess of the limitations contained in subsection (1), is not considered to be an expenditure made on behalf of that candidate.

"(f) (1) For purposes of paragraph (2)—

"(A) 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics, and

"(B) 'base period' means the calendar year 1973.

"(2) At the beginning of each calendar year (commencing in 1975), as necessary data becomes available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Federal Election Commission and publish in the Federal Register the percentage difference between the price index for the twelve months preceding the beginning of such calendar year and the price index for the base period. Each amount determined under subsections (a) and (b) shall be changed by such percentage difference. Each amount so changed shall be the amount in effect for such calendar year.

"(g) During the first week of January 1975, and every subsequent year, the Secretary of Commerce shall certify to the Federal Election Commission and publish in the Federal Register an estimate of the voting age population of the United States, of each State, and of each congressional district as of the first day of July next preceding the date of certification. The term 'voting age population' means resident population, eighteen years of age or older.

"(h) Upon receiving the certification of the Secretary of Commerce and of the Secretary of Labor, the Federal Election Commission shall publish in the Federal Register the applicable expenditure limitations in effect for the calendar year for the United States, and for each State and congressional district under this section.

On page 73, line 3, strike out "(b)" and insert in lieu thereof "(1)".

On page 73, line 24, strike out "section 504" and insert in lieu thereof "subsection (g); and".

On page 74, strike out lines 1 and 2.

On page 74, line 6, strike out "that Act" and insert in lieu thereof "the Federal Election Campaign Act of 1971".

On page 74, line 8, strike out "(c)" and insert in lieu thereof "(j)".

Mr. ALLEN. Mr. President, the vote that was had on the amendment to strike title I from the bill was a most encouraging vote from the standpoint of those who are opposed to public financing of Federal elections because it indicated that more than one-third of the members of the Senate oppose public financing in any form because they were willing to vote to strike from the bill any reference whatsoever to public subsidies in Federal elections, indicating that it might be difficult to pass the bill in the final analysis, and indicating the possibility that some members of the Senate would be willing to strike certain races from the public subsidy provision while leaving others.

Mr. President, the bill, in effect, while the provisions are intermingled and intermixed, really provides for a subsidy on a matching basis for House and Senate members in primaries, and then full financing of campaigns for House and Senate Members in general elections. That is one major division of the subsidy provision.

Then, the next major provision of the subsidy portion of the bill relates to subsidies with respect to the Presidential general election and the contests for the nominations for President of major parties.

So taking those subsidized races piecemeal, the amendment that has been reported, and which is the pending business of the Senate, would strike from the bill any subsidy of the U.S. House of Representatives primary races, any subsidy of U.S. Senate primary races, any subsidy of U.S. House of Representatives general campaign races, or any subsidies of U.S. Senate general campaign races. So it would leave the subsidies in the quest for the Presidential nomination, by any number of candidates, and then the Presidential election itself.

We already have the subsidy of the general Presidential election. That is already provided for in the checkoff. As I pointed out on the floor that is available to the parties in the sum of around $21 million or $22 million only if they forego private contributions.

I do not believe either party is going to come under that by certifying they will accept that in lieu of all private contributions.

Let us see, Mr. President, if the Members of the House and the Senate want to subsidize their own primary races and subsidize their own general election races. If they do, they will vote against this amendment when it comes up for a vote. If it is felt that the incumbents have advantage enough by reason of being incumbents, I do not know that that is altogether an advantage based on the polled results showing that 21 percent of the public approves of Congress. So I do not know that being an incumbent is such an advantage.

But I believe that this bill is an incumbent's bill. I believe that it is weighted heavily in favor of the incumbent in many particulars. Why is that? Well, in the first place, in the primary the Federal Treasury matches equally the contributions of up to $100 of the various candidates. It stands to reason that the incumbent, with the prestige of his office, the prestige of the many favors and accommodations he has given his constituents through the years, the fact he is so much better known than the challenger, would certainly give him the advantage in soliciting contributions of any size, contributions up to $100, or above the $100. So certainly, he is going to get contributions of more than the $100 to a greater extent than the challenger.

Now let us examine the maximum contributions; that is, those up to $100. In the first place, before the challenger in a congressional race or a senatorial race is able to get anything from the public Treasury, he has got to collect, in small contributions, 20 percent of the amount that he is able to spend in the primary. The amount he is able to spend in the primary is 10 cents per person of voting age in the political subdivision in which he is running. So, many of the challengers never would get up to that 20 percent.

Take the first State on this list, my own State of Alabama. Before a candidate could participate in public financing, he would have to collect, in small contributions of $100 or less, $46,760. It would be a very big job for a challenger, or an incumbent—either one—to collect $46,000 in contributions of $1 up to $100. Yet that is what he would have to do in order even to qualify for public funds. I think that is unfair.

But let us just assume, in round figures, that a Senator or a Congressman collected the following: Take the State of California. In the State of California it is permissible for a senatorial candidate to spend $1.417 million, half of which could be contributed.

Let us just assume that the Senator from California is opposed by a lesser known candidate, and this lesser known candidate is able to raise $100,000 in small contributions of $100 or less. Well, he can get $100,000 from the public Treasury. The incumbent, though, Mr. President, could raise the whole $700,000 in small contributions, and then the Government would give him another $700,000.

So the lesser known candidate, without the public financing, would have $100,000 to go up against the incumbent with $700,000. He would have a $600,000 spread there. But with public financing, he would get $100,000 to match the $100,000 that he had collected. However, the incumbent would get $700,000 matched.

An incumbent, then, would have $1,400,000, and the poor challenger, the lesser known challenger, would just have $200,000.

So the spread between the amount available to the challenger and the amount available to the incumbent ranges from a $600,000 differential under private financing to a differential of $1.2 million. It doubles the advantage that the incumbent already has.

Mr. CANNON. Will the Senator yield?

Mr. ALLEN. I yield.

Mr. CANNON. I think rather than for the Senator to say it doubles the advantage, it would be fairer to say it greatly reduces the advantage an incumbent would already have because of the fact that the nonincumbent is the person who would have the difficulty raising private financing.

Mr. ALLEN. That is correct.

Mr. CANNON. In this fashion, he would at least be able to get some assistance if he raises the threshold amount, but, on the other hand, if we do not put a limit on private financing, and let the person who is the incumbent raise money through whatever source or method he wished to do so, we are going to find that he will have not too great difficulty raising the campaign financing from private sources. Yet the nonincumbent challenger is going to have an extremely difficult problem of raising money from private sources to compete against an incumbent.

Mr. ALLEN. I agree with the Senator, but I believe he has the matter confused, in that where the challenger is permitted to do so on the overall limitation, we do not have to have the use of public funds to put a ceiling on the total amount, and I submit that the incumbent, being able to raise more funds, could receive the entire $700,000 for matching, and he would end up with $1.4 million; whereas the challenger, raising only $100,000, would have a differential, by reason of public financing, between him and the incumbent, from $600,000 up to $1,200,000.

Mr. CANNON. It is not quite that differential, though, because if there is no public financing, one simply places his limit. The incumbent is not going to have difficulty raising that amount, because the facts are that in the State of California, which the Senator uses as an example, the campaigns cost more than that and they have traditionally used more than that amount. So an incumbent is going to spend whatever that limit is, whether it be private or a combination of private and public; but the challenger, on the other hand, if he can only raise $100,000, if he has no public financing, will have only that $100,000 to put into the campaign.

Actually, it would be a little higher than that, because $125,000 is the triggering figure. So if he could raise $125,000, he would get matching funds of $125,000 to give him $250,000 to put into the campaign. On the other hand, if he is limited to what he can raise, and there is no public financing, he would get no money. So he would be competing with $125,000 of funds available in a campaign against an incumbent who could spend, and certainly could raise, as the facts show, $1.4 million.

Mr. ALLEN. Mr. President, I submit to the Senator that the amount by which the incumbent can outdraw, so to speak, the challenger is compounded and intensified and exactly doubled by reason of the campaign financing. So the more the incumbent receives in contributions, the more the Treasury is going to give him, up to the limit.

Mr. CANNON. Up to the matching amount.

Mr. ALLEN. So the challenger would have been better off with $100,000 as against $700,000, rather than $200,000 against $1.4 million.

Mr. CANNON. I do not know whether he would or not, because that is in exactly the same proportion, but I shall simply say that is not the proportion he would be up against if there were no public financing.

If $100,000 is all a challenger could raise, it would be a proportion of $400,000, because the incumbent in any of the big States consistently spends more than that.

Let me refer to the State of Texas, for which I happen to have figures. In the last campaign in Texas, in the general election, for example, $23 million was spent. The limit we have now, that is covered in the bill, would permit an expenditure of $778,500 in a primary election. So it is obvious that this would be quite restrictive, and thereby, by the restrictive factor alone, would limit the cost of a campaign and make it less disproportionate between the challenger and an incumbent who has more access to private funds.

Mr. ALLEN. I do not think it would be inaccurate to say—and I believe the Senator would agree with me—that the extent to which an incumbent can obtain more contributions is going to be duplicated in the Federal matching. So the incumbent receiving much in contributions would have that amount doubled, whereas the challenger would have his lesser amount doubled. That would adjust downward the difference between the two, according to the arithmetic of the Senator from Alabama, from which he sees no escape.

I feel that it is somewhat presumptuous on the part of Members of Congress to say to the American people, "We want you to finance our campaign for us. We want you to pay half the expenses of our primaries and all of the expenses of our general election. This is necessary to keep out improper influences."

I do not like the suggestion to the people which would say that Members of Congress would be susceptible to improper influences by reason of having received a $3,000 contribution from an individual. The Senator from Alabama has not received any contributions of

that size. He has an amendment which seeks to cut the amount of contributions in Presidential races to $250, and in House and Senate races to $100, because that is all that the Government will match, and there must be something evil, something sinister, about that portion above that that the Government will match.

I do not believe, though, that Members of Congress and people who are of sufficient stature to run for the House and the Senate are going to allow themselves to be influenced by the receipt of a contribution of $3,000. I simply believe it is impunging the honor and integrity of Members of Congress to suggest that they would be so influenced.

Is there any law that makes a person accept a contribution that he does not want to accept? I do not know of any. Is there not some reason to believe that Members of Congress could be restrained in the amount and type of contributions they receive? It would seem to the Senator from Alabama that that might be the case.

Then, too, Mr. President, I think that there has developed among Members of the House and Senate a highly commendable restraint in the matter of the acceptance of campaign contributions.

I noticed, some weeks ago, that Representative VANIK of Ohio said that he would not accept a single contribution in his race for Congress. Not only was he not going to accept any contributions; he was not going to make any expenditures.

The distinguished senior Senator from Maryland (Mr. MATHIAS) has announced that his policy is going to be that subsequent to a certain time, which he will set, he will not accept any contribution for more than $100. So why do we have to escalate the cost of campaigning? That, I submit, is what we are doing by adding a public subsidy that is matched in primary races, and is paying 100 percent of the cost of general elections by the public treasury. It comes out of the pockets of the taxpayer, with the taxpayer not having any right to designate to whom the contribution will go.

The matter of tax credits and deductions is allowed under the present income tax laws. The reason I do not object to tax credits is that they can be spread by the taxpayer wherever he wants to spread them, and the amounts can be given to the candidates of his choice.

Having wiped out, in the matter of the checkoff, where the taxpayers can designate the party of their choice, the money all goes into a common pot and is then divided between the parties, if they come within the law.

I am glad we are going to have a test vote. I want to see how many Members want to see Uncle Sam pay the cost of their campaigns at a terrific amount, at 15 cents a person per vote in his State, in the case of a Senator, or in his congressional district, in the case of a Member of the House. How much would that be? In California, this is what would be paid to each of the Senate candidates.

I suppose the checks would be written out for them as soon as they became nominees. I hope I will be corrected if my statement is not correct. And the amounts are paid in advance; I do not believe it is on certification of expenses. If I am wrong, I should like to be corrected. I believe that the check is written first. For how much? For $221,450. Possibly there is some formula by which the candidates come by it. I am not advised as to that at the present time. I assume that as soon as the candidates are nominated, they will start to spend the money, and Uncle Sam will have to get there quickly with the money; or perhaps the senatorial candidate can be counted on to drop by the Treasury to pick up his $2 million. I expect that he will find a way to get there.

I expect he would find a way to get there. But the candidate of the Democratic Party would get a check for $2,121,000 and the candidate of the Republican Party would get a check for $2,121,000; we have already taken care of half of their primary costs, so they are getting along pretty good. The candidate for the Senate, sitting on $2 million in campaign funds—what incentive is there for him, as the Senator from South Dakota (Mr. MCGOVERN) said earlier this evening, to go to the grassroots for help, for a small contribution? There would be no incentive at all.

Mr. President, we have enough apathy and disinterest in our elections now, and in my judgment this public financing of our elections would only add to and increase manifold the apathy and disinterest on the part of the American people in their elections.

Mr. President, the Senate of the United States, just a few short weeks ago, took action here in the face of strong public opinion and refused to raise the salaries of the Members of the Senate and the House of Representatives—and I was one who voted against the raise—by around $2,500. I believe that every Member of the Senate feels that the strong force of public opinion influenced his vote on that issue.

We were talking about $2,500 to each Senator at that time. But what about giving one $2 million for his election campaign? What is the public going to think about that? That is what we would provide here.

I do not believe that a public opinion that is opposed to a raise of $2,500 for Members of the House of Representatives and the Senate is going to look with a great deal of satisfaction and approval on subsidizing the election campaigns of of the Members of the House and Senate.

Let us look at some of the States, and see what the Senators would get. For the State of New York, the Senator would get a subsidy in the general election of $1,899,750 whenever he would run, and one of them will be up for reelection this November. I do not see anything to prevent this measure going into effect before the November election.

The Senator from Alabama would receive $350,000, and the Senator from Alabama does not even have opposition in the November election.

The Senator from Pennsylvania would get a subsidy of $1,236,000. The Senator from Missouri, who was here a few moments ago——

Mr. MANSFIELD. He is still here.

Mr. ALLEN. The Senator from Missouri (Mr. EAGLETON) would pick up a check for $487,650 at the start of his reelection campaign.

Mr. President, we are going to give the Senator from Missouri an opportunity tomorrow to vote against that subsidy for his race out there in Missouri. The Senator from Missouri does not believe he needs it. He thinks he will win without it overwhelmingly. I do not believe he needs that kind of a subsidy.

Mr. President, that is what the amendment would eliminate. It would leave the Members of the House of Representatives and the Senate subject to the wishes of their constituents, subject to letting the constituents have some little influence and input into their thinking, their campaigns, and their philosophy. They would be approachable by their constituents, and not just look to the public Treasury for payment of their campaign expenses.

Mr. President, put any limit you wish on overall expenditures and the Senator from Alabama can live with it. Wipe out contributions, for all the Senator from Alabama would care. Put any limit whatsoever on it. Limit contributions to $10 or $5, but leave it in the private sector. Do not turn it over to Uncle Sam. Do not have Members of Congress dipping into the public till to pay the costs of elections of Members of Congress.

Tomorrow the Members of the Senate and the House of Representatives will have the opportunity to take themselves out from under the provisions of this campaign subsidy bill.

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

Mr. ALLEN. I yield.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, would the Senator consider the possibility of a time limitation on the pending amendment, after the vote on the conference report on the minimum wage bill tomorrow?

Mr. ALLEN. Before or after, it does not matter to the Senator from Alabama. I shall be glad to agree to any time the distinguished majority leader would say. I am ready to vote. Say 30 minutes?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at the conclusion of the vote on the conference report on the minimum wage bill tomorrow, there be a time limitation of 1 hour on the pending Allen amendment, with the time to be equally divided between the distinguished Senator from Alabama, the sponsor of the amendment (Mr. ALLEN), and the chairman of the committee, the distinguished Senator from Nevada (Mr. CANNON).

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, with the approval of the Senator, I ask unani-

mous consent that, following the disposition of the Allen amendment, the distinguished Senator from Maine (Mr. HATHAWAY) be recognized for the purpose of offering his amendment.

Mr. HATHAWAY. No. 1082.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Then, with the approval of the distinguished Senator from Alabama, I ask unanimous consent that on the disposition of the Hathaway amendment, the second Allen amendment be brought up.

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

Mr. MANSFIELD. Would the Senator consider a limitation on that also?

Mr. ALLEN. Yes. The same order will be fine.

Mr. MANSFIELD. Mr. President, on the second Allen amendment, I ask unanimous consent that, as in the case of the first Allen amendment now pending, there be a time limitation of 1 hour, with the time to be equally divided under the same circumstances.

Mr. ALLEN. Mr. President, reserving the right to object, as I understood on the first one it would be 30 minutes to be equally divided.

Mr. MANSFIELD. Oh, I thought the Senator had suggested 30 minutes to a side. I will change the request to 30 minutes to be equally divided.

Mr. ALLEN. And 30 minutes on the other one also.

Mr. MANSFIELD. And 30 minutes on the second one as well.

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

Mr. ALLEN. Let me state that the second amendment that the majority leader refers to would take from under the bill the presidential nomination contests.

Mr. MANSFIELD. That is in the record now. I would like to ask the distinguished Senator from Maine if he would consider a time limitation on his amendment tomorrow, and if so, of how long.

Mr. HATHAWAY. Mr. President, let me say to the distinguished majority leader that the Senator from Michigan (Mr. GRIFFIN) and I debated this matter yesterday, and I think we said just about all that we wanted to say. There are some other Senators, as I understand, who would like to speak in favor of my amendment. There may also be some who want to speak in opposition to it. I hesitate to preclude them from talking if they wish to do so.

Mr. MANSFIELD. That is a good "hesitation waltz." I agree with the Senator completely that we should have Senator GRIFFIN and others here tomorrow so that we can, maybe, arrive at an agreement then.

I thank the distinguished Senator.

Mr. HATHAWAY. I thank the distinguished majority leader.

AMENDMENT NO. 1066

Mr. HATHAWAY. Mr. President, I have an amendment here which I understand is acceptable both to the floor manager and the ranking minority member of the committee. I do not think it will take much time and it can be accepted, I hope. It is amendment No. 1066. I ask that my amendment be read.

The PRESIDING OFFICER (Mr. BARTLETT). The Chair would advise the Senator from Maine that that would take unanimous consent.

Mr. HATHAWAY. I ask unanimous consent that my amendment No. 1066 may be considered at this time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Maine?

Mr. ALLEN. Mr. President, reserving the right to object, provided it does not replace the unanimous consent agreement given on the action on the other bill, I have no objection.

The PRESIDING OFFICER. The Chair would advise the Senator from Alabama that it will not do so.

Without objection it is so ordered, and the clerk will state the amendment.

The legislative clerk read as follows:

On page 73, beginning with line 3, strike out through line 22, and insert in lieu thereof the following:

"(b)(1) Notwithstanding any other provisions of law with respect to limitations on expenditures or limitations on contributions, the national committee of a political party and a State committee of a political party, including any subordinate committees of a State committee, may make expenditures in connection with the general election campaign of candidates for Federal office, subject to the limitations contained in subsections (2) and (3) hereof.

"(2) The national committee of a political party may not make any expenditure in connection with the general election campaign of any candidate for President who is affiliated with that party which exceeds an amount equal to 2 cents multiplied by the voting age population of the United States.

"(3) The national committee of a political party, or a State committee of a political party, including any subordinate committees of a State committee, may not make any expenditure in connection with the general election campaign of a candidate for Federal office in a State who is affiliated with that party which exceeds—

"(A) in the case of a candidate for election to the office of Senator, or of Representative from a State where a Representative is required to run statewide, the greater of—

"(i) 2 cents multiplied by the voting age population of that State, or

"(ii) $20,000; and

"(B) in the case of a candidate for election to the office of Representative in any other State, $10,000.

"(4) For purposes of this subsection—".

On page 73, line 23, strike out "(1)" and insert in lieu thereof "(A)".

On page 74, line 3, strike out "(2)" and insert in lieu thereof "(B)".

Mr. HATHAWAY. Mr. President, this amendment would strike subsection (b) on page 73 and replace it with separate limitations with respect to what a national committee and a State committee may contribute to candidates running for Federal office. Under the bill as it now stands, there is a certain amount which may be used by both national and State committees for candidates in general, but it does not specify amounts with respect to individual candidates. Under the bill as presented, the national committee could funnel all the money it is entitled to under its limit into the race of one candidate. The State committee could do likewise.

My amendment would prevent that from happening. It would be a more equitable proviso for a distribution of funds to be spent by both the national committee and the State committee.

I understand that the distinguished Senator from Nevada (Mr. CANNON), the chairman of the committee, has no objection to this amendment. I also understand that it has been cleared with the minority side and that there is no objection on that side either.

Mr. CANNON. Mr. President, do I understand correctly now that, under the terms of the amendment, the national committee could spend 2 cents per voting age population in that State but not to exceed $20,000 or not to exceed $20,000 whichever is greater, but the population formula would depend on the State or the area in which it is to be spent?

Mr. HATHAWAY. That is correct.

Mr. CANNON. In the case of the House of Representatives, the ceiling figure would be $10,000 or the 2 cents per voting age population, whichever is higher in that particular area?

Mr. HATHAWAY. The fixed amount is $10,000.

Mr. CANNON. It is a fixed amount, then, without using the 2 cents formula?

Mr. HATHAWAY. Yes. That is the ceiling, of course.

Mr. CANNON. Very well. Yes, I do understand that now correctly, and so far as this Senator is concerned, I am ready to accept the amendment.

Mr. HATHAWAY. I thank the distinguished Senator from Nevada.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maine, No. 1066.

The amendment was agreed to.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The amendment of the Senator from Alabama (Mr. ALLEN) is the pending question.

PROGRAM

Mr. MANSFIELD. Mr. President, the Senate will adjourn shortly to come in at 9:30 a.m. tomorrow. There are three special orders which will take up to about 10:15 a.m. We have morning business for not to exceed 10 minutes, with statements therein limited to 3 minutes. At the hour of approximately 10:30 a.m., the Senate will start on the time limitation covering the conference report on the minimum wage bill, the vote on which will occur at 11:30 a.m.

After that vote, the pending Allen amendment will then be the order of business, with a time limitation of one half-hour, to be equally divided.

After the conclusion of that vote, the Senator from Maine (Mr. HATHAWAY) will offer his amendment. Hopefully, a time limitation can be agreed on tomorrow. I hope to discuss this matter with

the distinguished acting Republican leader, the Senator from Michigan (Mr. GRIFFIN), in the morning.

Following disposition of the Hathaway amendment, the second Allen amendment will be laid before the Senate. On that amendment, there will likewise be a 30-minute time limitation, to be equally divided, as on the first Allen amendment.

So there will be votes tomorrow.

QUORUM CALL

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

The PRESIDING OFFICER (Mr. ABOUREZK). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

ADJOURNMENT TO 9:30 A.M.

Mr. MANSFIELD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9:30 a.m. tomorrow.

The motion was agreed to; and, at 5:06 p.m., the Senate adjourned until tomorrow, Thursday, March 28, 1974, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate on March 27, 1974:

FEDERAL COUNCIL ON THE AGING

The following-named persons to be Members of the Federal Council on the Aging for the terms indicated, new positions:

For a term of 1 year

Bertha S. Adkins, of Maryland.
Dorothy Louise Devereux, of Hawaii.
Carl Eisdorfer, of Washington.
Charles J. Fahey, of New York.
John B. Martin, of Maryland.

For a term of 2 years

Frank B. Henderson, of Pennsylvania.
Frell M. Owl, of North Carolina.
Lennie-Marie P. Tolliver, of Oklahoma.
Charles J. Turrisi, of Virginia.

For a term of 3 years

Nelson Hale Cruikshank, of the District of Columbia.
Sharon Masaye Fujii, of Washington.
Hobart C. Jackson, of Pennsylvania.
Garson Meyer, of New York.
Bernard E. Nash, of Maryland.

HOUSE OF REPRESENTATIVES—*Tuesday, March 27, 1974*

The House met at 12 o'clock noon.

The Reverend Monsignor John J. Karpinski, St. Stanislaus B & M Church, New York, N.Y., offered the following prayer:

Our Father, as we walk in these trying times, give us Your hand, for it is better than a light, or a known way.

Where we usually tread over beaten paths, give us the courage to make new trails.

While we wade along the shore, challenge us to launch out into the deep waters.

Whenever we are tempted to do what everyone else is doing, give us the morality to stand up for what is right.

Help us seek the grace to endure all trials and problems ourselves—as well as understanding of those in need.

As we consecrate our talents help us find the true reason for serving.

Heavenly Father, since we are always asking for something in our prayers, help us try and count for something in Your plan. Teach us our faith works when we do. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

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

H. Con. Res. 78. Concurrent resolution to authorize the printing of a veterans' benefits calculator; and

H. Con. Res. 397. Concurrent resolution providing for the printing of additional copies of hearings before the Subcommittee on Foreign Economic Policy entitled "Foreign Policy Implications of the Energy Crisis."

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

S. 939. An act to amend the Admission Act for the State of Idaho to permit that State to exchange public lands, and for other purposes;

S. 2446. An act for the relief of Charles William Thomas, deceased;

S. 2893. An act to amend the Public Health Service Act to improve the national cancer program and to authorize appropriations for such program for the next 3 fiscal years;

S. 3052. An act to amend the act of October 13, 1972; and

S. Con. Res. 73. Concurrent resolution authorizing the printing of additional copies of a committee print of the Senate Select Committee on Nutrition and Human Needs.

The message also announced that the Vice President, pursuant to Public Law 85–474, appointed Mr. HRUSKA to attend the Interparliamentary Union Meeting to be held in Bucharest, Romania, April 15 to 20, 1974.

THE RIGHT REVEREND MONSIGNOR JOHN J. KARPINSKI

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

Mr. WOLFF. Mr. Speaker, this morning our legislative day began with an opening prayer by a dear friend of mine, Monsignor John Karpinski of New York. For 10 years, since October 3, 1964, Monsignor Karpinski has been the much respected and beloved pastor of St. Stanislaus Church in New York City. St. Stanislaus, the oldest parish serving the Polish community on the east coast, has served the Polish population well for some 102 years, and continues its fine record for service to the community.

Monsignor Karpinski has earned the trust and respect of his flock and he has been both active and effective as a Polish leader, as well as a religious leader. Evidence of this can be noted in this sampling of his offices and awards: Monsignor Karpinski is the president of the Polish Immigration and Relief Committee; the chaplain of the Sons of Poland; grand counsel of the Pulaski Association of New York and New Jersey, and the monsignor was the grand marshal of the 1970 Pulaski Day Parade in New York City.

Monsignor Karpinski, with his record of achievements, comes to the House of Representatives today as a man following the great traditions of service set by those honored Polish leaders, Pulaski and Kosciusko, who contributed so much to this Nation.

ANOTHER CHAMPIONSHIP, ANOTHER RECORD

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

Mr. CLANCY. Mr. Speaker, Elder High School has just won another State championship and set another record for Cincinnati area high schools which is of tremendous pride to all Cincinnati sports fans and of special personal pride to me.

Elder won the AAA Ohio basketball crown last year, the first time that a Cincinnati high school had accomplished that feat. Last Saturday, they won the AAA championship again; another record for Cincinnati schools and the first time that an Ohio high school had repeated State championship play in two successive seasons since 1968 and 1969.

What is even more remarkable is that Elder High School athletes have now won four State athletic championships in 12 months. Last summer, they won the baseball championship. Last fall, their cross-country runners carried home the State meet trophy.

While all Cincinnati fans are enormously pleased with this record, I take extra pleasure in it because Elder is my alma mater.

The members of the 1974 AAA basketball championship team are cocaptains, Rick Apke and Bill Early, Kenny Brown, Tony Apro, Paul Niemeyer, Phil Bloemker, Jim Stenger, Terry McCarthy, Mike