HON. WILLIAM S. MAILLIARD

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1974

Mr. RODINO. Mr. Speaker, I was pleased to learn that my distinguished colleague, Hon. William S. Mailliard, has received an appointment as the Permanent Representative of the United States to the Organization of American States. Bill and I have been fellow representatives in the House for over 2 decades now, and I as well as many other Members of both parties will miss his legislative acumen as we struggle with the difficult problems that lie ahead. But it is this same diplomatic skill he is taking, coupled with his long experience in international affairs, that will enable Bill to gain the respect and confidence of his new Pan-American colleagues. I am confident, therefore, that he will meet this new challenge with the same degree of accomplishment that he now leaves in the House. And so, I want to congratulate and wish the best of luck to Bill in his new role of representing the United States in this important hemispheric organization.

SENATE—*Friday, March 29, 1974*

The Senate met at 10:45 a.m., on the expiration of the recess, and was called to order by Hon. JENNINGS RANDOLPH, a Senator from the State of West Virginia.

PRAYER

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

Eternal God, whose love is unfailing and embraces all Thy children, in reverent mood and with thankful hearts, we pause in the sacrament of memory to honor the men and women living and departed, who when called to the Armed Forces, responded with youthful energy and sacrificial devotion, to fulfill the mission of this Nation in the world. Forgive us for any indifference, carelessness, or callousness for those whose hearts and minds and bodies bear the scars of battle in faraway Vietnam.

Give comfort and courage to those families whose sons and brothers have not returned. May we have loving hearts and generous treasuries for all who need help and healing.

May the people in the lands where they fought live in peace and freedom.

With clean hands and pure hearts, with malice toward none, with charity toward all, with firmness in the right as God gives us to see the right, may we finish the work, bind up the Nation's wounds, care for all who need our care, and do all which may achieve a just and lasting peace among ourselves and with all nations.

We pray in the name of the Prince of Peace. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 29, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JENNINGS RANDOLPH, a Senator from the State of West Virginia, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed the following bills in which it requests the concurrence of the Senate:

H.R. 69. An act to extend and amend the Elementary and Secondary Education Act of 1965, and for other purposes; and

H.R. 12412. An act to amend the Foreign Assistance Act of 1961 to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to Pakistan, Nicaragua, and the Sahelian nations of Africa.

HOUSE BILL REFERRED

The bill (H.R. 12412) to amend the Foreign Assistance Act of 1961 to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to Pakistan, Nicaragua, and the Sahelian nations of Africa, was read twice by its title and referred to the Committee on Foreign Relations.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Thursday, March 28, 1974, be approved.

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations placed on the Secretary's desk.

The ACTING PRESIDENT pro tempore. Without objection, the nominations placed on the Secretary's desk will be stated.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

The second assistant legislative clerk read sundry nominations in the National Oceanic and Atmospheric Administration, which had been placed on the Secretary's desk.

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

Mr. MANSFIELD. Mr. President, I request that the President be notified of the confirmation of these nominations.

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

LEGISLATIVE SESSION

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

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

Does the Senator from Texas seek recognition?

Mr. TOWER. I do not seek recognition, Mr. President.

ORDER OF BUSINESS

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

(The remarks Senator PASTORE made at this point on the introduction of S. 3271, to establish a joint committee on energy, are printed later in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

The PRESIDING OFFICER. Under the previous order, the Senator from Kentucky is recognized for not to exceed 15 minutes.

Mr. MANSFIELD. Mr. President, if the Senator wants additional time, he may have it.

DEVELOPMENT OF DOMESTIC NATURAL RESOURCES

Mr. COOK. Mr. President, I invite the attention of my colleagues to the results of this week's bidding by oil companies to drill on the Outer Continental Shelf in search for oil and gas. A record $6.46 billion was offered for the leases at this one sale. As there are to be two more lease sales this year, the total to be paid to the U.S. Treasury from this source

alone could exceed $18 billion. I make no prediction as to what this total will be, but I would remind my colleagues of several related points.

I am pleased that we are moving forward in the development of our domestic natural resources. As I have stated many times on the floor of this Chamber, this Nation cannot continue to be dependent on foreign powers for its energy requirements if it is to be a world power.

The recent blackmail by the Arab States created an impossible situation and one which I, as one Senator, will not tolerate.

We must continue this effort and develop our own energy fuels.

In this connection, I would like to again bring to your attention a bill I introduced on November 13 of last year for myself, Senator BAKER, and Senator BARTLETT. This bill, S. 2694, would create an Energy Research, Development, and Demonstration Trust Fund to provide adequate funding over a sustained period to give us the best possible chance to convert our available natural resources to usable energy fuels. This fund would be supported at the rate of $2 billion per year, and the moneys would be obtained from these OCS leases. I do not want to repeat my statement here, but I would be happy to provide you with a copy, should you desire.

A third point I would add is that leases on the OCS, which were selling for millions of dollars a few months ago are now being sold for billions of dollars. This will result in higher cost for production, and these costs must be paid. I do not suggest that all costs must be passed on to the consumer, but I do think we must recognize that our fight to regain our energy fuel independence will be costly.

But, then, independence is always costly. No nation knows this better than the United States.

Mr. President, I suggest that we have billions of dollars for research and development but not 1 cent for blackmail.

Again I say that I should like to think that by reorganizing committees of Congress, we might be able to produce more fuel in the United States, but we are not going to be able to do it. The answer is a long-range, sustained research and development energy program on which the people of the United States can depend.

(The remarks Senator COOK made at this point on the introduction of S. 3272, to establish agricultural service centers, are printed later in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from South Carolina is recognized for not to exceed 15 minutes.

The Senator from South Carolina.

U.S. SOVEREIGNTY AND JURISDICTION OVER THE PANAMA CANAL

Mr. THURMOND. Mr. President, on behalf of the distinguished senior Senator from Arkansas (Mr. MCCLELLAN) and myself, and Mr. ALLEN, Mr. TOWER, Mr. HARRY F. BYRD, JR., Mr. BENNETT, Mr. DOLE, Mr. HELMS, Mr. GOLDWATER, Mr. COTTON, Mr. COOK, Mr. BROCK, Mr. HANSEN, Mr. FANNIN, Mr. NUNN, Mr. TALMADGE, Mr. YOUNG, Mr. BAKER, Mr. RANDOLPH, Mr. MCCLURE, Mr. DOMENICI, Mr. BARTLETT, Mr. GURNEY, Mr. HARTKE, Mr. BUCKLEY, Mr. MCINTYRE, Mr. WILLIAM L. SCOTT, Mr. EASTLAND, Mr. HOLLINGS, Mr. HRUSKA, Mr. CURTIS, Mr. DOMINICK, and Mr. BEALL, I submit a Senate resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama, and I ask unanimous consent that the text of the resolution and certain statements be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. THURMOND. Mr. President, it is by now well known that the U.S. Government is negotiating with the Republic of Panama for the surrender of our sovereignty and jurisdiction over the Canal Zone. On February 7, 1974, Secretary of State Kissinger signed in Panama "Joint Statement of Principles" for negotiating a new treaty. In due time I will analyze these principles more fully, but suffice it to say for the present that the so-called principles no only contemplate the transfer of our sovereignty, but are so worded that there is an implicit suggestion that the Canal Zone is already Panamanian territory and the only question involved is the transfer of jurisdiction.

For example, principle No. 4 begins:

> The Panamanian territory in which the canal is situated shall be returned to the jurisdiction of the Republic of Panama.

This is an utterly false statement.

No part of the canal is situated in the Panamanian territory. If that were indeed the case, then there might be some question of justice involved in renegotiation of the treaty and the elimination of the concept of perpetuity; however, that is emphatically not the case.

The Canal Zone was obtained both through treaty and purchase of all the lands in fee simple. It is the most expensive territorial acquisition of the United States. The only interest that remains to Panama is the so-called titular sovereignty, which is merely a legal way of saying that if we should ever give up the territory, it would revert to Panama, and not to some other country, such as Colombia, or to some international entity. Panama is in the same position as that of a residuary legatee. She has no claim to the territory involved unless all the other claims have been vacated.

Mr. President, we have paid $163,718,571 for the land, rights, and titles to the Canal Company and the Canal Zone. None of these rights is held by lease, or by dispensation from Panama. By contrast, the most that the United States has paid for other territorial purchases is $15 million, a sum that was paid for the Louisiana Purchase in 1803, and for the Mexican Cession in 1848. In all, if we add all costs that we have incurred, including defense, we have invested nearly $6 billion in the canal.

Mr. President, I ask unanimous consent that a list of the major territorial acquisitions of the United States and a breakdown of costs in the Canal Zone purchase be printed in the RECORD at this point in my remarks.

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

MAJOR TERRITORIAL ACQUISITIONS OF THE UNITED STATES

1803 Louisiana Purchase	$15,000,000
1821 Florida Purchase	6,674,000
1848 Mexican Cession inc. California	15,000,000
1853 Gadsen Purchase	10,000,000
1867 Alaska Purchase	7,200,000
1904 Canal Zone	163,718,571

BREAKDOWN OF CANAL ZONE PURCHASE

Republic of Panama:	
Original payment, 1904 (1903 treaty)	$10,000,000
Annuity, 1913–1973 (1903, 1936, 1955 treaties)	49,300,000
Property transfers:	
Property in Panama City and Colon (1943)	11,759,956
Water system in Panama City and Colon	669,226
1955 treaty transfers	22,260,500
Subtotal, Panama	(93,989,682)
Colombia (1922)	25,000,000
Compagnie Nouvelle du Canal de Panama (1904)	40,000,000
Private titles, stocks, and claims	4,728,889
Total	163,718,517

Mr. THURMOND. Mr. President, for this reason it is very disturbing when the Secretary of State implicitly agrees, even before the negotiations begin in earnest, that the territory in question is already Panamanian territory. The Spooner Act of 1902 authorized the President to negotiate for perpetual control of the lands necessary to build the canal, and it is upon that basis that the 1903 Hay-Bunau Varilla Treaty was concluded.

Title 2, section 2 of the Canal Zone Code authorizes the President to acquire additional land, by treaty, from the Republic of Panama, which he deems necessary for the maintenance, operation, sanitation, or protection of the canal and the Canal Zone. It also authorizes the President to exchange such lands by treaty, but it nowhere authorizes the President to cede the territory so acquired.

For this reason, the distinguished senior Senator from Arkansas and the other Senators whose names I mentioned and I are asking the Senate to take a close look at the underlying assumptions of the present negotiations.

Mr. President, I ask unanimous consent that the text of the Joint Statement of Principles and the State Department backgrounder be printed in the RECORD at the conclusion of my remarks.

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

Mr. THURMOND. Mr. President, these negotiations fly in the face of congressional prerogative. They are imprudent in themselves, as I have often pointed out on this floor; but they are proceeding without reference to the fact that the Canal Zone is territory of the United States for which the Congress is the general legislature. The Canal Zone Code was enacted by Congress as well as the Federal district court which sits in Balboa, Canal Zone. The domestic laws of the United States have effect in the Canal Zone. I have a list of some of the more recent such domestic enactments which apply in the zone.

Mr. President, I ask unanimous consent that the list of General Laws of the United States having effect in the Canal Zone be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 2.)

Mr. THURMOND. Mr. President, the distinguished Senator from Arkansas and other Senators who are joining in this resolution and I are therefore proposing a Senate resolution that it is the sense of the Senate that the Government of the United States should maintain and protect its sovereign rights and jurisdiction over the canal and zone, and should in no way cede, dilute, forfeit, negotiate, or transfer any of these sovereign rights, power, authority, jurisdiction, territory, or property. We invite the attention of other Senators to this resolution, and ask them to join as cosponsors.

EXHIBIT 1

S. RES. 301

In support of continued undiluted United States sovereignty and jurisdiction over the United States-owned Canal Zone on the Isthmus of Panama.

Whereas United States diplomatic representatives are presently engaged in negotiations with representatives of the de facto Revolutionary Government of Panama, under a declared purpose to surrender to Panama, now or on some future date, United States sovereign rights and treaty obligations, as defined below, to maintain, operate, protect, and otherwise govern the United States-owned canal and its protective frame of the Canal Zone, herein designated as the "canal" and the "zone", respectively, situated within the Isthmus of Panama; and

Whereas title to and ownership of the Canal Zone, under the right "in perpetuity" to exercise sovereign control thereof, were vested absolutely in the United States and recognized to have been so vested in certain solemnly ratified treaties by the United States with Great Britain, Panama, and Colombia, to wit—

(1) The Hay-Pauncefote Treaty of 1901 between the United States and Great Britain, under which the United States adopted the principles of the Convention of Constantinople of 1888 as the rules for operation, regulation, and management of the canal; and

(2) The Hay-Bunau-Varilla Treaty of 1903 between the Republic of Panama and the United States, by the terms of which the Republic of Panama granted full sovereign rights, power, and authority in perpetuity to the United States over the zone for the construction, maintenance, operation, sanitation, and protection of the canal to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority; and

(3) The Thomson-Urrutia Treaty of April 6, 1914, proclaimed March 30, 1922, between the Republic of Colombia and the United States, under which the Republic of Colombia recognized that the title to the canal and the Panama Railroad is vested "entirely and absolutely" in the United States which treaty granted important rights in the use of the canal and railroad to Colombia; and

Whereas the United States, in addition to having so acquired title to and ownership of the Canal Zone, purchased all privately owned land property in the zone, from individual owners, making the zone the most costly United States territorial possession; and

Whereas the United States since 1903 has continuously occupied and exercised soverign control over the zone, constructed the canal, and, since 1914, for a period of sixty years, operated the canal in a highly efficient manner without interruption, under the terms of the above mentioned treaties thereby honoring their obligations, at reasonable toll rates to the ships of all nations without discrimination; and

Whereas from 1904 through June 30, 1971, the United States made a total investment in the canal, including defense, at a cost to the taxpayers of the United States of over $5,695,745,000; and

Whereas Panama has, under the terms of the 1903 treaty and the 1936 and 1955 revisions thereof, been adequately compensated for the rights it granted to the United States, in such significantly benefical manner that said compensation and correlated benefits has constituted the major portion of the economy of Panama giving it the highest per capita income in all of Central America; and

Whereas the canal is of vital and imperative importance to hemispheric defense and to the security of the United States and Panama; and

Whereas approximately seventy per centum of canal traffic either originates or terminates in United States ports, making the continued operation of the canal by the United States vital to its economy; and

Whereas the present negotiations, and a recently disclosed statement of "principles of agreement" by our treaty negotiator, Ambassador Ellsworth Bunker, and Panamanian Foreign Minister Juan Tack, Panama treaty negotiator, constitute a clear and present danger to hemispheric security and the successful operation of the canal by the United States under its treaty obligations; and

Whereas the United States House of Representatives, on February 2, 1960, adopted H. Con. Res. 459, Eighty-sixth Congress, reaffirming the sovereignty of the United States over the zone territory by the overwhelming vote of three hundred and eighty-two to twelve, thus demonstrating the firm determination of our people that the United States maintain its indispensable sovereignty and jurisdiction over the canal and the zone; and

Whereas under article IV, section 3, clause 2 of the United States Constitution, the power to dispose of territory or other property of the United States is specifically vested in the Congress, which includes the House of Representatives: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the Government of the United States should maintain and protect its sovereign rights and jurisdiction over the canal and zone, and should in no way cede, dilute, forfeit, negotiate, or transfer any of these sovereign rights, power, authority, jurisdiction, territory, or property that are indispensably necessary for the protection and security of the United States and the entire Western Hemisphere; and

(2) That there be no relinquishment or surrender of any presently vested United States sovereign right, power, or authority or property, tangible or intangible, except by treaty authorized by the Congress and duly ratified by the United States; and

(3) That there be no recession to Panama, or other divestiture of any United States owned property, tangible or intangible, without prior authorization by the Congress (House and Senate), as provided in article IV, section 3, clause 2 of the United States Constitution.

[News Release, Department of State, Feb. 7, 1974]

UNITED STATES, PANAMA AGREE ON PRINCIPLES FOR CANAL NEGOTIATIONS

The Statement of Principles signed today by Secretary of State Kissinger and Foreign Minister Tack of Panama opens a new phase in the negotiations between the United States and Panama on a modern canal treaty.

In September 1973 Secretary Kissinger charged Ambassador at Large Ellsworth Bunker with renewing discussions with Panamanian officials for the purpose of arriving at a common approach to future treaty negotiations. Ambassador Bunker visited Panama November 26 to December 3, 1973 and again on January 6 and 7, 1974 to discuss with Panamanian Foreign Minister Tack general principles upon which a new treaty might be based. These discussions have resulted in the Statement of Principles of February 7.

The principles will serve as guidelines for the next round of treaty talks which are expected to get under way in the near future. The principles are general in character and do not address the many specific issues involved in defining the new treaty arrangement. These remain to be negotiated.

The United States welcomes the agreement on principles as a demonstration of how two countries with shared purposes can reach an understanding which fairly balances their interests, rights, and obligations.

Following is the text of the Joint Statement and a background paper on the status of the Panama Canal treaty negotiations.

JOINT STATEMENT BY THE HONORABLE HENRY A. KISSINGER, SECRETARY OF STATE OF THE UNITED STATES OF AMERICA, AND HIS EXCELLENCY JUAN ANTONIO TACK, MINISTER OF FOREIGN AFFAIRS OF THE REPUBLIC OF PANAMA, ON FEBRUARY 7, 1974 AT PANAMA

The United States of America and the Republic of Panama have been engaged in negotiations to conclude an entirely new treaty respecting the Panama Canal, negotiations which were made possible by the Joint Declaration between the two countries of April 3, 1964, agreed to under the auspices of the Permanent Council of the Organization of American States acting provisionally as the Organ of Consultation. The new treaty would abrogate the treaty existing since 1903 and its subsequent amendments, establishing the necessary conditions for a modern relationship between the two countries based on the most profound mutual respect.

Since the end of last November, the authorized representatives of the two governments have been holding important conversations which have permitted agreement to be reached on a set of fundamental principles which will serve to guide the negotiators in the effort to conclude a just and equitable treaty eliminating, once and for all, the causes of conflict between the two countries.

The principles to which we have agreed, on behalf of our respective governments, are as follows:

1. The treaty of 1903 and its amendments will be abrogated by the conclusion of an entirely new interoceanic canal treaty.

2. The concept of perpetuity will be eliminated. The new treaty concerning the lock canal shall have a fixed termination date.

3. Termination of United States jurisdiction over Panamanian territory shall take place promptly in accordance with terms specified in the treaty.

4. The Panamanian territory in which the canal is situated shall be returned to the jurisdiction of the Republic of Panama. The Republic of Panama, in its capacity as territorial sovereign, shall grant to the United States of America, for the duration of the new interoceanic canal treaty and in accordance with what that treaty states, the right to use the lands, waters, and airspace which may be necessary for the operation, maintenance, protection and defense of the canal and the transit of ships.

5. The Republic of Panama shall have a just and equitable share of the benefits derived from the operation of the canal in its territory. It is recognized that the geographic position of its territory constitutes the principal resource of the Republic of Panama.

6. The Republic of Panama shall participate in the administration of the canal, in

accordance with a procedure to be agreed upon in the treaty. The treaty shall also provide that Panama will assume total responsibility for the operation of the canal upon the termination of the treaty. The Republic of Panama shall grant to the United States of America the rights necessary to regulate the transit of ships through the canal, to operate, maintain, protect and defend the canal, and to undertake any other specific activity related to those ends, as may be agreed upon in the treaty.

7. The Republic of Panama shall participate with the United States of America in the protection and defense of the canal in accordance with what is agreed upon in the new treaty.

8. The United States of America and the Republic of Panama, recognizing the important services rendered by the interoceanic Panama Canal to international maritime traffic, and bearing in mind the possibility that the present canal could become inadequate for said traffic, shall agree bilaterally on provisions for new projects which will enlarge canal capacity. Such provisions will be incorporated in the new treaty in accord with the concepts established in principle 2.

BACKGROUND AND STATUS OF THE PANAMA CANAL TREATY NEGOTIATIONS

The United States and Panama are currently involved in negotiations for a new treaty to replace the Treaty of 1903 relating to the Panama Canal.

In that treaty Panama granted to the United States—in perpetuity—the use of a 10-mile wide zone of Panamanian territory for the "construction, maintenance, operation and protection" of a canal, as well as all the rights, power and authority within that zone which the United States would "possess if it were the sovereign." The very favorable treaty for the United States was the major reason for its decision to build the canal in Panama rather than in Nicaragua as initially planned.

VALUE OF CANAL

Since its opening in 1914, the canal has provided benefits to the United States, to Panama, and to the world without any increase in toll rates. The first increase (19.7% effective July 1, 1974) has recently been proposed by the Panama Canal Company because of current and projected losses due to recent increases in operating costs. In fiscal year 1973 the company sustained a net operating loss of more than $1 million.

Some 70 percent of the tonnage through the canal in recent years has either originated in, or been destined for, the United States. That tonnage has represented about 16 percent of the total of U.S. export and import tonnages. The proportions of exports and imports which move through the canal to and from the Latin American countires bordering upon the Caribbean and the Pacific, however, greatly exceed the U.S. proportion of 16 percent.

The canal has also served Panama well. Panama's position in the world is, in large measure, the result of the existence of the canal in its territory. More than 40 per cent of Panama's foreign exchange earnings, and nearly one-third of its gross national product, are directly or indirectly attributable to the presence of the canal.

PANAMANIAN TREATY CONCERNS

Panama has been dissatisfied with the treaty for many years. Part of this dissatisfaction has derived from Panama's views of two aspects of the negotiation of the Treaty of 1903: (1) that Panama's dependence upon the United States to protect its new-found independence from Colombia placed it in a position in which it felt that it had to accede to U.S. desires respecting the content of the treaty; and (2) that Panama's principal negotiator was a Frenchman who stood to benefit considerably if the United States purchased the private French concession to build a trans-isthmian canal.

Over the years, Panama has also charged that the United States has unilaterally interpreted the treaty to Panama's disadvantage, and given Panama an inadequate share of the benefits from the operation of the waterway. Even more objectionable in Panama's view are the provisions in the Treaty of 1903 which give governmental jurisdiction within a portion of Panamanian territory to a foreign power in perpetuity.

The United States has responded sympathetically to some of these Panamanian concerns. In 1905 it recognized Panama's titular sovereignty over the Canal Zone. The treaty was revised in 1936, and again in 1955, to provide Panama with a greater share of the economic benefits of the canal and to remove certain outdated aspects, such as the right granted to the United States to interfere, when it believed necessary, in Panama's internal affairs. Despite these modifications, however, many of the features of the treaty most objectionable to Panama remain unchanged.

The canal has become the major political issue in Panama, and the intensification of Panama's campaign for more favorable treaty terms in recent years has produced tension in U.S.-Panamanian relations. In 1964 a flag-raising incident in the Canal Zone led to riots which resulted in the death of 20 Panamanians and 4 Americans and brought the Panama Canal issue to the attention of the United Nations and the Organization of American States. (OAS).

BILATERAL NEGOTIATIONS ON NEW TREATY

Following discussion of the issue in the OAS, UN, and other international agencies, the U.S. and Panama agreed in 1964 to begin bilateral negotiations for a new treaty. In so doing, the U.S. recognized that a comprehensive modernization of its relationship with Panama corresponded to its long-term national interests and to a changing international environment.

U.S. officials entered the negotiations in late 1964 with three basic objectives:

The canal should continue to be available to the world's commercial vessels on an equal basis at reasonable tolls;

It should be operated and defended by the United States for an extended, but definite, period of time;

It should serve world commerce efficiently. To this end, the United States should have the right to provide additional canal capacity when it is needed.

By 1967, the negotiators of both countries had prepared three draft treaties. They provided for operation of the present canal under a joint U.S.-Panamanian authority; for construction and operation of a sea-level canal under a similar joint authority; and for U.S. defense of the old and new canals for the duration of each treaty. Neither Panama nor the United States Government moved to ratify these treaties, and the new government headed by General Omar Torrijos, which assumed power in October 1968, formally rejected them.

In 1970 the Government of Panama requested the renewal of negotiations and the U.S. agreed. President Nixon established negotiating objectives similar to those set by President Johnson in 1964, although modified by developments since that time. The objectives and positions of the United States thus reflect a bipartisan approach to treaty negotiations with Panama. They also are consistent with the broader policy stated in the President's 1972 Foreign Policy Report to the Congress. In that report he made it clear that our policy is not to seek to dominate Latin American nations but rather to develop with them a mature and stable partnership.

The Panamanian negotiating team arrived in Washington in June, 1971. Intensive negotiations during the rest of the year resulted in a U.S. treaty offer covering most of the issues relevant to the treaty. The Panamanian negotiators carried the offer to Panama for review in December, 1971. Except for some informal conversations in March, 1972, and an exchange of correspondence in the fall, the negotiations were not resumed until December, 1972, when a U.S. delegation traveled to Panama.

The new talks were not productive. Panama presented the United States with a comprehensive reply to its offer of December, 1971, but in many respects Panama's proposal reflected its maximum treaty aspirations and did not acknowledge the proposed compromise developed during the negotiations in 1971. Although disappointed, the United States agreed to study the offer and provide a written response, which was delivered in February, 1973.

U.N. SECURITY COUNCIL ACTION

At Panama's initiative, the U.N. Security Council met in Panama City from March 15–21. In those sessions, Panama criticized the U.S. posture on the canal question and sought a resolution supoprting its position. Thirteen nations voted for the resolution; the U.K. abstained. The United States vetoed the resolution on the grounds that it recognized Panama's needs but not those of the United States; that it was incomplete in its references to the negotiations; and that it was inappropriate because the treaty was a bilateral matter under amicable negotiations. In explaining the U.S. position, the U.S. Permanent Representative committed the United States to peaceful adjustment of its differences with Panama, and invited Panama to continue serious treaty negotiations.

NEW U.S. APPROACH

After his first visit to Panama in November, 1973, Ambassador Bunker recommended that the United States initiate some changes in the nature of the U.S. presence in the Canal Zone without awaiting the conclusion of a new treaty. With concurrence by the Departments of State and Defense, President Nixon announced on December 28 his intention to submit legislation to the Congress seeking the delivery to Panama of title and jurisdiction over two unused World War II airfields—Old and New France Fields—as well as authorization for the sale of Panamanian lottery tickets in the Zone. The lands in question will be of significant economic benefit to Panama. These legislative requests provide a tangible sign that the United States is prepared to adjust old ways in the Canal Zone to new realities and to conclude a new and modernized treaty relationship with Panama.

Any treaty agreed upon by the negotiators and approved by the Executive Branch will be submitted to the Senate for approval, and it is expected that some implementing legislation by the Congress as a whole would be required. Panama has expressed the intention to ratify the new treaty by plebiscite to ensure that it is acceptable to the Panamanian people.

ISSUES IN THE NEGOTIATIONS

The United States and Panama agree that the Treaty of 1903 should be replaced by a modern treaty that rejects the concept of perpetuity and accommodates the sovereignty of Panama with the interests of the United States, on the understanding that U.S. control and defense of the Panama Canal would continue for a period of fixed duration. Despite this agreement in principle, the two negotiating delegations have thus far been unable to reach an agreement acceptable to both governments on the major issues involved. These are:

1. *Duration.* The United States has proposed that the new treaty provide for continued U.S. control and defense of the

present canal for an extended but specific period of time, with provision for further extension in connection with expansion of canal capacity at U.S. expense. Panama has proposed that the new treaty be for a shorter period than that desired by the United States, and has thus far made no proposal for extension in connection with expansion of capacity.

2. *Jurisdiction.* The United States has proposed that Panamanian law and jurisdiction would be applied in the Canal Zone, in some areas immediately, in others over a period of years. Lands now part of the Zone would also be opened up to Panamanian development. The United States would retain only rights which are necessary to the execution of its responsibilities. Panama has accepted this concept in principle but the extent and duration of U.S. rights remain to be negotiated.

3. *Expansion of Capacity.* Current projections indicate that additional capacity will not be needed until the end of this century. The United States seeks long-term options (a) to add a third lane of locks to the present canal and (b) to build a new sea-level canal. Panama has wanted the United States to make a commitment to start construction within a shorter period or lose all expansion rights.

4. *Land and Water Areas.* The United States has proposed that Canal Zone lands and facilities not needed for canal operation and defense should be relinquished to Panama. The area still used by the United States for canal operations would be open to Panamanian Government and private activities under arrangements to be established by treaty and would be integrated into the jurisdiction, culture, and economy of Panama. Panama has thus far proposed that the United States control a much smaller area for canal operations and defense than the United States considered necessary.

5. *Defense.* The United States and Panama have agreed that the United States will continue to defend the canal and that Panama will participate. The extent of U.S. defense rights and the nature of Panama's participation remain to be negotiated.

6. *Compensation.* The United States has proposed that the current $2 million annual payment to Panama be replaced by a royalty on tonnage that would yield about $25 million per annum at current traffic rates, and increase as traffic increases. Panama has indicated that the payments proposed by the United States should be greater, but has not specified a formula or an amount that it would consider adequate.

EXHIBIT 2

GENERAL LAWS OF THE UNITED STATES HAVING EFFECT IN THE CANAL ZONE—AS OF DECEMBER 31, 1973

1973 ENACTMENTS

1. Emergency Petroleum Allocation Act of 1973; P.L. 93–159, 87 Stat. 627.

2. Rehabilitation Act of 1973: P.L. 93–112; 87 Stat. 355 (Fed. agencies only).

1972 ENACTMENTS

1. Noise Control Act of 1972: P.L. 92–574: 86 Stat. 1234 (applies to Fed. agencies only).

2. Consumer Product Safety Act: P.L. 92–373; 86 Stat. 1207.

3. Marine Protection, Research, and Sanctuaries Act of 1972: P.L. 92–532; 86 Stat. 1052.

4. Marine Mammal Protection Act of 1972: P.L. 92–522; 86 Stat. 1027.

5. Motor Vehicle Information and Cost Savings Act: P.L. 92–513; 86 Stat. 947.

6. Federal Water Pollution Control Act Amendments: P.L. 92–500; 86 Stat. 862, 875 (expanded certain oil pollution provisions to C.Z.).

7. Automobile Information Disclosure Act of 1972: P.L. 92–359; 86 Stat. 502.

8. Equal Employment Opportunity Act of 1972: P.L. 92–261; 86 Stat. 103 (extends Civil Rights Act of 1964 to fed. employees).

9. Drug Abuse Office and Treatment Act of 1972: P.L. 92–255; 86 Stat. 65.

1971 ENACTMENT

1. P.L. 92–187; 85 Stat. 644—equal treatment for married women federal employees.

1970 ENACTMENTS

1. Lead-Based Paint Poisoning Prevention Act: P.L. 91–695, 84 Stat. 2078.

2. Economic Stabilization Act of 1970: P.L. 91–379; 84 Stat. 796.

3. Intergovernment Personnel Act of 1970: P.L. 91–648; 84 Stat. 1909.

4. Comprehensive Alcohol Base and Alcoholism Treatment Act of 1970, as amended, P.L. 91–616; 84 Stat. 1848.

5. Occupational Safety and Health Act of 1970: P.L. 91–596; 84 Stat. 1590.

6. Comprehensive Drug Abuse Prevention and Control Act of 1970: P.L. 91–513; 84 Stat. 1236.

1969 ENACTMENTS

1. National Environmental Policy Act of 1969: P.L. 91–190; 83 Stat. 832.

2. Amendment of Contract Work Hours Act: P.L. 91–54.

1968 ENACTMENTS

1. Gun Control Act of 1968: P.L. 90–618; 82 Stat. 1213.

2. P.L. 90–616; 82 Stat. 1212 (waiver of collection of overpayments of Federal pay under certain circumstances).

3. Intergovernment Cooperation Act of 1968: P.L. 90–577; 82 Stat. 1098.

5. Consumer Credit Protection Act: P.L. 90–321; 82 Stat. 146.

50 U.S.C. App. 469 (Selective Service System).

50 U.S.C. App. 2021–2032 (Export controls).

Public Law 89–267, October 19, 1965, 79 Stat. 990 (Transfer of certain Canal Zone prisoners to custody of Attorney General).

UNITED STATES CODE PROVISIONS APPLICABLE TO THE CANAL ZONE—AS OF JANUARY 1966

5 U.S.C. 2211 (Compensation of Governor of Canal Zone).

7 U.S.C. 608a (Sugar Quotas).

8 U.S.C. 1101(9) and 1201, 1202 (issuance of visas to C.Z. residents by "consular officers' as designated by Governor).

8 U.S.C. 1185(providing for authority for imposing restrictions on departure of aliens from the United States, defined to include the Canal Zone (See 22 CFR 46.6 vesting such authority in Governor of C.Z.)

8 U.S.C. 1403 (confers citizenship on persons born in C.Z. or P.R. one of whose parents is a U.S. citizen).

8 U.S.C. 1452 (Certificates of citizenship of persons claiming citizenship under 8 U.S.C. 1503).

10 U.S.C. 312 (Exemption of executive officers of Canal Zone from militia duty).

10 U.S.C. 4342(8) (Appointments to Military Academy).

10 U.S.C. 6954(8) (Appointments to Naval Academy).

10 U.S.C. 6954(8) (Appointments to Naval Academy).

10 U.S.C. 9842(8) (Appointments to Air Force Academy).

12 U.S.C. all (Foreign banking corporations in "Panama and the Panama Canal Zone or other insular possessions" as depositaries of public monies).

(12 U.S.C. 1748–1748i (Armed Forces Housing Mortgage Insurance).

12 U.S.C. 1751–1775 (Federal Credit Unions).

14 U.S.C. 91 (Control of movements of vessels in Canal Zone waters to safeguard Naval vessels).

1967 ENACTMENT

1. Flammable Fabrics Act Amendments: P.L. 90–189; 81 Stat. 566.

1966 ENACTMENTS

1. P.L. 89–710; 80 Stat. 1104—to authorize the issuance of certificates of citizenship in the C.Z.

2. National Traffic and Motor Vehicle Safety Act of 1966; P.L. 69–563; 80 Stat. 716.

3. Federal Claims Collection Act of 1966; P.L. 80–508; 80 Stat. 308.

Mr. TOWER. Mr. President, will the Senator from South Carolina yield for an observation?

Mr. THURMOND. I shall be happy to yield to the able and distinguished senior Senator from Texas.

Mr. TOWER. I want to thank my distinguished friend from South Carolina for proposing this resolution. I believe it it to be timely and merited. I think all of the major points that can be made in favor of it, or virtually all of them, have been made by the Senator from South Carolina and by the Senator from Arkansas, and I will merely add a historic note: that the Republic of Panama was created under the sponsorship of the United States from territory that previously belonged to the Republic of Colombia. Therefore, I think we are under no strong obligation to surrender our sovereignity to a republic that would not be in existence had it not been for the fact that it was created under the sponsorship of the United States.

Mr. THURMOND. The distinguished Senator from Texas is correct, and I want to say the record is absolutely clear. The United States bought and paid for the Panama Canal. It is our property. It belongs to the people of this country.

The only way that it can be legally disposed of is by an act of Congress, which requires action by both bodies of Congress.

As I point out in one of the insertions—I did not speak in detail on that subject—we originally began under the 1903 treaty with a payment to the Republic of Panama of $10 million.

The annuity, 1913 to 1973, under the 1903, 1936, and 1955 treaties was $49,300,000.

A property transfer in Panama City and Colon in 1943 cost $11,759,956.

For a water system in Panama City in Colon we paid $669,226.

The cost of the 1955 treaty transfers was $22,260,500.

That makes a subtotal as to Panama of $93,989,682.

We paid Colombia in 1922, $25 million.

Then for the Compagnie Nouvelle du Canal de Panama, in 1904, we paid $40 million.

For private titles, stocks, and claims, we paid $4,728,889.

That makes a total of $163,718,571.

Mr. President, that is a breakdown of Canal Zone purchases. We bought it. We have paid for it. It is ours. The President of the United States has no authority to dispose of this property except by an act of Congress. The State Department has no authority to dispose of this property except by an act of Congress.

If the State Department asks for a treaty, seeking to convey this property without violating the laws in a case of this kind, an act of Congress is required.

I shall bitterly oppose—and I have

heard many other Senators say that they will bitterly oppose—any action to give away this canal. It belongs to the people of the Nation, and we do not expect to see it given away.

Mr. President, I wish to thank the distinguished Senator from Montana for arranging time for me to make this statement.

Mr. MANSFIELD. I am very happy to have been able to accommodate the Senator from South Carolina.

Mr. McCLELLAN. Mr. President, I strongly support the resolution introduced in the Senate today by the distinguished Senator from South Carolina, (Mr. THURMOND) calling for the continued sovereignty of the United States over the Canal Zone on the Isthmus of Panama. I am proud, indeed to join with others in cosponsoring that resolution.

The Secretary of State recently signed a "Statement of Principles" with the Republic of Panama which states in part:

The Panamanian Territory in which the canal is situated shall be returned to the jurisdiction of the Republic of Panama.

Mr. President, I wholly disapprove of that statement, and I protest the action of the Secretary of State in signing it. A revision of the existing treaty with Panama which would incorporate provisions consonant with the joint principles enunciated in that statement would be unwise, unjust, and destructively detrimental to our national interest and also to the welfare of Panama itself. Yes, more, Mr. President. I truly believe it could well engender controversy that could endanger world peace and disturb tranquillity among nations.

Briefly, I would like to remind my colleagues that:

The United States has a tremendous economic investment in the Canal Zone. From 1904 through mid-1971, our total investment amounted to almost $5.7 billion.

Both nations, the United States and the Republic of Panama, have profited immensely from this investment. As is stated in the resolution, the per capita income of Panama is now the highest in all of Central America.

The day-to-day operation of the canal is being underwritten to a great extent by the United States, both through the direct appropriations of our Government and commercial use. If Panama were to come into full sovereignty and control of the Canal Zone, the operation of the canal would suffer immediately. Ship tolls would experience a drastic increase, and with the prospect of vast amounts of capital required to modernize and widen the canal and notwithstanding this large increase in toll charges, the canal would be forced to operate at a deficit.

If the Canal Zone were to be surrendered to the sovereignty and control of the Government of Panama—a country which has seen 59 Presidents or differ governments in the last 70 years—compelling doubt arises as to the stability of the Panamanian Government and its capability to withstand the great and increasing international pressures and be able to remain a nation of the free world.

Mr. President, as we consider the security and future service of this vital interocean link, let us remember what has happened to the Suez Canal which is now cluttered with sunken ships and which has been rendered unavailable to world commerce following its abandonment by Great Britain in 1956.

We do not want to see this experience imposed on the Western Hemisphere. It is our responsibility—the responsibility of our Government—to honor our treaty commitments with the other nations of the world and to meet the challenge of providing for the defense and security of the Western Hemisphere. We cannot do that by surrendering the sovereignty and control of the Panama Canal to the Government of Panama. If the Panama Canal and its service and benefit to the world are to be continued and preserved, then its sovereignty, control, and operation must remain with the United States of America.

Mr. President, I commend the distinguished Senator from South Carolina for introducing this resolution and again I wish to emphasize that I am proud to join him as a cosponsor of the resolution.

CONSIDERATION OF CERTAIN BILLS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders Nos. 727, 728, 729, 731, and 732.

The PRESIDING OFFICER. Without objection, the clerk will state the first bill.

AMENDMENT OF THE FOREIGN SERVICE BUILDING ACT, 1926

The bill (H.R. 12465) to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations for the fiscal year 1974 was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF THE DEPARTMENT OF STATE APPROPRIATIONS AUTHORIZATION ACT OF 1973

The Senate proceeded to consider the bill (H.R. 12466) to amend the Department of State Appropriations Authorization Act of 1973 to authorize additional appropriations for the fiscal year 1974 and for other purposes which had been reported from the Committee on Foreign Relations with an amendment on page 1, line 9, strike out "$288,-968,000" and insert "$304.568,000".

The amendment was agreed to.

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. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 93-754), explaining the purposes of the measure.

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

PURPOSE OF THE BILL

The principal purpose of H.R. 12466 is to increase the authorization level in three categories in the Department of State Appropriations Authorization Act of 1973 (Public Law 93-126) and also to increase the permanent authorization for annual contributions to the International Committee of the Red Cross.

BACKGROUND

The Department of State Appropriations Authorization Act of 1973 (Public Law 93-126), passed in October of that year, authorized fiscal year 1974 appropriations in 11 different categories (and amended previous authorizations in two other categories). The following table shows these 11 categories, the amounts originally authorized, the amounts subsequently appropriated, the authorization levels as they would be revised by H.R. 12466, the difference between the original and the revised levels, and, finally, the supplemental appropriations request which the Department has made pending approval of H.R. 12466:

DEPARTMENT OF STATE COMPARATIVE DATA FOR FISCAL YEAR 1974

[In thousands of dollars]

Authorization category	Amount authorized by Public Law 93-126	Amount appropriated to date	Authorization as revised by H.R. 12466	Change in authorization level	Supplemental appropriation request
Administration of foreign affairs	282,565	281,968	304,568	+22,003	22,550
International organizations and conferences	211,279	210,490	212,777	+1,498	2,287
International commissions	15,568	12,528	12,528	−3,040	----------
Educational exchange	59,800	56,500	57,170	−2,630	269
Migration and refugee assistance	8,800	8,800	8,800	(1)	----------
Pay raises	9,328	----------	16,711	+7,383	16,711
Devaluation costs	12,307	9,905	9,905	−2,402	----------
Liaison office in Peking	1,165	1,165	1,165	(1)	----------
Antiterrorism measures	40,000	20,000	20,000	−20,000	----------
Assistance to Soviet refugees	36,500	36,500	36,500	(1)	----------
International Commission of Control and Supervision	4,500	----------	4,500	(1)	----------
Total	681,812	592,556	684,624	−2,812	41,817

[1] No changes.

As shown in the fourth column above, H.R. 12466 provides for an increased authorization in three categories—"Administration of Foreign Affairs," "International Organizations and Conferences," and "Pay Raises." In four other categories, H.R. 12466 actually *lowers* the authorization levels, down to or near the amounts heretofore approved by Congress for appropriation; these adjustments are legally unnecessary and simply constitute a means chosen by the Department to demonstrate (1) that the Department does not intend to request supplemental authorizations in those categories, except for a small amount under "Educational Exchange"; and (2) that

the overall appropriation for fiscal year 1974, even if all supplemental requests are approved, is approximately equal to the amount originally authorized in Public Law 93–126 (as shown in column 4).

One further authorization is provided by H.R. 12466, through an amendment added in the House with the approval of the Administration. This amendment raises the standing authorization for an annual contribution to the International Committee of the Red Cross from $50,000 to $500,000, beginning in fiscal year 1974. Thus, in its entirety the provisions of H.R. 12466 provide for a supplemental appropriations request of $42,267,000 (the $41.8 million shown above plus $450,000).

COMMITTEE ACTION

On March 11, in open session, the Committee received testimony from Under Secretary of State Joseph Sisco on the major provisions of this bill; and on March 19, the Committee met in executive session and voted unanimously to order the bill reported, with an amendment to Section 1 which is described below in the section-by-section analysis.

ISSUANCE AND RECORDING OF MARRIAGE LICENSES

The Senate proceeded to consider the bill (S. 2348) to amend the Canal Zone Code to transfer the functions of the clerk of the U.S. 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, which had been reported from the Committee on the Judiciary with an amendment, on page 8, after line 12, insert the following:

SEC. 8. Item (4) of section 344 of title 3, Canal Zone Code (76A Stat. 62), is repealed.

SEC. 9. The analysis of chapter 1 of title 8, Canal Zone Code (76A Stat. 671), is amended by striking out in the item relating to section 5 "marriages;" and inserting in lieu thereof "marriage;".

SEC. 10. All records of marriages in the custody of the clerk of the United States District Court of the District of the Canal Zone shall be transferred to the civil affairs director of the Canal Zone Government within ninety days after the date of enactment of this Act.

SEC. 11. The amendments and repeals made by this Act shall become effective upon the expiration of ninety days after the date of enactment, except that section 10 shall become effective on the date of enactment.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of title 8, Canal Zone Code (76A Stat. 672), is amended to read as follows:

"§ 4. Marriage license; application; waiting period; medical certificate or court order; fee; record; period of validity

"(a) A marriage may not be celebrated in the Canal Zone unless a license to marry has first been secured from the office of the civil affairs director of the Canal Zone Government. If both parties to a proposed marriage are residents of the Republic of Panama and neither is a United States citizen, a license may not be issued in the Canal Zone unless the parties have previously obtained a license to marry from the proper authorities in the Republic of Panama. A marriage license may not be issued to a leper except upon a certificate of approval by the health director of the Canal Zone Government. A license when issued shall be accompanied by a marriage certificate to be executed by the person celebrating the marriage.

"(b) The application for a marriage license shall state—

"(1) the name, address, legal residence, age, and date of birth of each of the persons to be married;

"(2) the relationship, if any, of the persons, by consanguinity or affinity; and

"(3) if either person has been previously married, the date and place of each previous marriage, the name of each former spouse, and the manner in which each previous marriage has been terminated.

"(c) Except as provided by subsection (d) of this section, the civil affairs director, or his designee, shall issue a marriage license, after application therefor, if—

"(1) the appication for the license is in accordance with subsection (b) of this section, and is accompanied by the written consent when required by section 2 of this title; and

"(2) it appears to the satisfaction of the civil affairs director, or his designee, from the sworn statements of the persons desiring to marry, or, if required by the civil affairs director, or his designee, from the sworn statement of another person, that no legal impediment to the marriage is known to exist.

"(d) The civil affairs director, or his designee, may not issue a marriage license until—

"(1) the application therefor remains on file, open to the public, in his office, for three days before license is issued; and

"(2) each of the persons desiring to be married has presented and filed with him either a medical certificate indicating that the examination required by subchapter II of this chapter has been made, or an order from the district court, as provided by that subchapter, directing him to issue the license.

"(e) The Governor shall prescribe the form of the application for a marriage license, of the marriage license, and of the marriage certificate.

"(f) The civil affairs director, or his designee, shall collect a fee of $2 upon the issuance of a marriage license, and shall keep a record of all licenses issued and of all applications for licenses, together with any written consent of parents or a parent or guardian or the health director accompanying the same.

"(g) A marriage license is valid for only thirty days, including the date it is issued.".

SEC. 2. Section 5 of title 8, Canal Zone Code (76A Stat. 673), is amended to read as follows:

"§ 5. Who may celebrate marriage; license to celebrate

"(a) A marriage may be celebrated in the Canal Zone only by a—

"(1) magistrate of the Canal Zone;

"(2) minister in good standing in any religious society or denomination who resides in the Canal Zone; or

"(3) minister in good standing in any religious society or denomination who resides in the Republic of Panama, if he has procured from the civil affairs director of the Canal Zone Government, or his designee, a license authorizing the minister to celebrate marriage in the Canal Zone.

"(b) The civil affairs director, or his designee, shall issue the license provided for by paragraph (3) of subsection (a) of this section upon the submission, by a minister referred to therein, of a written application, together with a duly authenticated copy of his authority to celebrate marriages in the Republic of Panama. The civil affairs director, or his designee, shall be paid a fee of $5 for issuing and recording the license.".

SEC. 3. Section 6 of title 8, Canal Zone Code (76A Stat. 673), is amended to read as follows:

"§ 6. Certifying, signing, return, and recording of license; marriage certificate

"(a) The judicial officer or minister celebrating a marriage shall—

"(1) certify upon the marriage license that he celebrated the marriage, giving his official title and the time when and place where the marriage was celebrated;

"(2) cause two persons who witnessed the marriage to sign their names on the marriage license as witnesses, each giving his place of residence;

"(3) at the time of the marriage, fill out and sign the marriage certificate accompanying the license and deliver it to one of the parties to the marriage; and

"(4) within thirty days after the date of the marriage, return the license, so certified and witnessed, to the office of the civil affairs director of the Canal Zone Government.

"(b) Upon return of a license as required by subsection (a) of this section, the civil affairs director, or his designee, shall file it after making registry thereof in a book to be kept in his office for that purpose only. The registry must contain the Christian and surnames of the parties, the time of their marriage, and the name and title of the person who celebrated the marriage.".

SEC. 4. Section 8 of title 8, Canal Zone Code (76A Stat. 673), is amended to read as follows:

"§ 8. Acknowledgment and recording of declaration

"Declarations of marriage shall be acknowledged and recorded in the office of the civil affairs director of the Canal Zone Government.".

SEC. 5. Section 11 of title 8, Canal Zone Code (76A Stat. 674), is amended to read as follows:

"§ 11. Offenses and penalties

"(a) Whoever, being a judicial officer, minister qualified to celebrate marriages in the Canal Zone, or an officer or employee of the United States, violates section 4, 5, or 6 of this title, shall be fined not more than $100 or imprisoned in jail not more than thirty days, or both.

"(b) Whoever knowingly makes a false oath as to a material matter for the purpose of procuring or aiding another to procure a marriage license is guilty of perjury and shall be imprisoned in the penitentiary not more than ten years.

"(c) Whoever knowingly files with the civil affairs director of the Canal Zone Government, or his designee, a written consent, any signature to which is a forgery, is guilty of uttering a forged instrument and shall be imprisoned in the penitentiary not more than fourteen years.

"(d) Whoever, not being qualified to celebrate marriages in the Canal Zone pursuant to this subchapter, celebrates what purports to be a marriage ceremony shall be imprisoned in the penitentiary not more than three years.".

SEC. 6. Section 34 of title 8, Canal Zone Code (76A Stat. 675), is amended to read as follows:

§ 34. Marriage license, without medical certificate, because of pregnancy

"If a female applicant for a marriage license makes an affidavit to the effect that marriage is necessary because she is with child and that the marriage will confer legitimacy on the unborn child, the district court may hear and determine on medical testimony the question of pregnancy and, on adjudging that pregnancy exists, shall order the civil affairs director of the Canal Zone Government, or his designee, to issue the marriage license if all other requirements of the law regarding the issuance of marriage licenses are complied with, even though the clinical examination and laboratory tests reveal that one or both applicants have syphilis infection. In its order, the court shall provide that the applicant or applicants having syphilis infection shall be treated for the infection as provided by the regulations referred to in section 33 of this title. A copy of the order shall be filed

with the civil affairs director, or his designee, in lieu of the medical certificate.".

SEC. 7. Subsection (a) of section 36 of title 8, Canal Zone Code (76A Stat. 675), is amended to read as follows:

"(a) If an applicant has been refused a marriage license by the civil affairs director, or his designee, because of failure to obtain a medical certificate, the applicant may elect to file a protest and take the procedure authorized by this section or to take any other procedure.".

SEC. 8. Item (4) of section 344 of title 3, Canal Zone Code (76A Stat. 62), is repealed.

SEC. 9. The analysis of chapter 1 of title 8, Canal Zone Code (76A Stat. 671), is amended by striking out in the item relating to section 5 "marriages;" and inserting in lieu thereof "marriage;".

SEC. 10. All records of marriages in the custody of the clerk of the United States District Court for the District of the Canal Zone shall be transferred to the civil affairs director of the Canal Zone Government within ninety days after the date of enactment of this Act.

SEC. 11. The amendments and repeals made by this Act shall become effective upon the expiration of ninety days after the date of enactment, except that section 10 shall become effective on the date of enactment.

The amendment was agreed to.

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

SUPPLEMENTAL APPROPRIATIONS FOR THE VETERANS' ADMINISTRATION

The Senate proceeded to consider the joint resolution (H.J. Res. 941) making an urgent supplemental appropriation for the fiscal year ending June 30, 1974, for the Veterans' Administration, and for other purposes.

Mr. HRUSKA. Mr. President, the resolution just approved, House Joint Resolution 941, comes at a most timely moment. It will provide the necessary funds to permit uninterrupted payment of allowances for veterans educational programs. It is a necessary measure and is a fitting way to pay tribute to the millions of men who served us in one of America's most unpopular wars.

As my colleagues know, today is "Vietnam Veterans Day." The selection of March 29 as the day to honor Vietnam veterans was most appropriate. Today is the anniversary of the return of our prisoners of war from Southeast Asia. It is a happy day for these men and their families, and it should be. Our POW's made us remember again how good it is to be an American and how much we should treasure our basic freedoms.

House Joint Resolution 941 provides $750 million in additional appropriations for veterans educational programs. This additional sum for fiscal 1974 was made necessary, because of the wide popularity of educational programs for veterans. The extensive activities of the "outreach" program encouraged a substantially greater number of veterans than initially anticipated to utilize educational opportunities for this fiscal year. The number of veterans in training has now increased from 1,866,000 to 2,450,000 or a total of 584,000. This significant increase shows that more and more veterans are becoming aware of programs to which they are entitled, and this is good news.

"Vietnam Veterans Day" was not meant to be a day for idle speechmaking. It was meant to be a day for reflection about some of the concerns we still have in the aftermath of the Vietnam war. More importantly, it was meant to be a day when we resolutely moved to solve some of the problems that still exist for the Vietnam veteran.

Of primary importance is the utter failure of the North Vietnamese to abide by the Paris peace agreements and particularly those provisions which provide for a complete accounting of our men who are listed as missing in action in Southeast Asia. Frustration is the only word which can describe the plight of those families who want nothing more than to learn the fate of their loved ones.

Mr. President, I believe these families deserve our support in their efforts to urge appropriate officials to push for the fullest possible accounting. We have an obligation to these families whose loved ones gave so much to America. I would hope that the Communists soon realize that it is in their best interests to assist the search efforts of American officials. Their lack of cooperation is inexcusable. I would hope that people of the world join all Americans in urging the Communists to comply with the peace agreements and particularly this issue which so deeply affects the lives of many of our citizens.

"Vietnam Veterans Day" will still mean nothing to the veteran who is out of work, not in school and simply confused about which direction his future should take. The Vietnam veteran did not return in the glory that has accompanied the return of soldiers from other wars. Vietnam was a different war and one that wore thin the nerves of most Americans. All too often, the Vietnam veteran was looked upon as the victim of his Government rather than a soldier who served his country in time of need.

That attitude must be rectified. Some 2,500 years ago the Greek statesman, Pericles, had some very profound words to say about those Athenian citizens who in the Peloponnesian war. He said:

> While committing to hope the uncertainty of final success, in the business before them thought fit to act boldly.

That statement applies equally to the Vietnam veteran.

These men are one of America's greatest resources. They have acquired skills and self-discipline during their military careers which make them an asset to employers. They have acquired the patience which would make them excellent students. We have an obligation to assist these men as they plan new lives outside the military. We have had some measure of success, but the record needs improvement.

There are currently bills pending before the Senate Veterans' Affairs Committee which seek to improve educational benefits and other services for veterans. I would hope that the Senate can proceed to an early consideration of these measures.

But, the problem is not one for the Federal Government alone though we have a special obligation in this area. State and local governments, private industry, charitable organizations, and local citizens have an obligation to the veteran. We must promote the veteran on the job market. He must be advised of the opportunities available to him. He should receive the skills and training that will make him an even better candidate on the job market. He must be encouraged to participate fully in the life of his community.

Those are the things we must do to give March 29 meaning. "Vietnam Veterans Day" is a day when we honor those men who served us in time of need. It is now our chance to serve them.

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

SUPPLEMENTAL EXPENDITURES BY SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

The Senate proceeded to consider the resolution (S. Res. 295) authorizing supplemental expenditures by the Select Committee on Nutrition and Human Needs for inquiries and investigations, which had been reported from the Committee on Rules and Administration with an amendment, to strike out all after the word "Resolved" and insert:

That section 3 of S. Res. 260, Ninety-third Congress, agreed to March 1, 1974, is amended to read as follows:

"SEC. 9. The expenses of the committee under this resolution shall not exceed $353,800, of which amount not to exceed $15,000 may be expended for the procurement of the services of individual consultants, or organizations thereof.".

The amendment was agreed to.

The resolution, as amended, was agreed to.

ELEMENTARY AND SECONDARY EDUCATION ACT OF 1974

Mr. MANSFIELD. Mr. President, I ask unanimous consent that H.R. 69, a bill to extend and amend the Elementary and Secondary Education Act of 1965, and for other purposes, be placed on the calendar.

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

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from West Virginia (Mr. ROBERT C. BYRD) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I vacate my request for time.

TRANSACTION OF ROUTINE BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond the hour of 12 o'clock noon, and with statements therein limited to 3 minutes each.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

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

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

ORDER FOR RECOGNITION OF SENATOR ROTH ON MONDAY, APRIL 1

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday next, after the distinguished Senator from Wisconsin (Mr. PROXMIRE) has been recognized under the previous order, the distinguished senior Senator from Delaware (Mr. ROTH) be recognized for not to exceed 15 minutes.

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

ORDER FOR TRANSACTION OF ROUTINE BUSINESS ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday next there be a period for the transaction of routine business not to extend beyond 1 o'clock, with statements therein limited to 5 minutes each.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant 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.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent, barring the inclusion of any special orders, that when the Senate meets at 12 o'clock noon on Monday, there be a period for the transaction of routine morning business after the special orders have been heard, that at the hour of 1 o'clock the Weicker amendment become the pending business, and that there be 2 hours allocated to that amendment, the time to be equally divided between the distinguished Senator from Connecticut, the sponsor of the amendment (Mr. WEICKER), and the distinguished Senator from Nevada, the manager of the bill (Mr. CANNON).

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

Mr. MANSFIELD. That means that the first vote will occur at approximately the hour of 3 o'clock, because I am certain that there will be a yea-and-nay vote on the Weicker amendment.

Mr. TOWER. If the distinguished majority leader will lock that into the point that we do not vote before 3 o'clock, I have no objection.

Mr. MANSFIELD. That is right; I made that statement, that the first vote will occur at the hour of 3 o'clock, roughly.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PELL, from the Committee on Labor and Public Welfare, with an amendment:

S. 1539. A bill to amend and extend certain acts, relating to elementary and secondary education programs and for other purposes (together with supplemental and additional views) (Rept. No. 93-763).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. PEARSON, from the Committee on Commerce:

Rear Adm. Owen W. Siler, U.S. Coast Guard, to be Commandant of the U.S. Coast Guard with the grade of admiral, while so serving; and

Rear Adm. Ellis Lee Perry, U.S. Coast Guard, to be Vice Commandant of the U.S. Coast Guard, with the grade of vice admiral, while so serving.

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. PASTORE (for himself and Mr. AIKEN):

S. 3271. A bill to establish a Joint Committe on Energy, and for other purposes. Referred to the Committee on Government Operations.

By Mr. COOK:

S. 3272. A bill to require the establishment of an Agricultural Service Center in each county of a State as a part of the implementation of any plan for the establishment of such centers on a nationwide basis. Referred to the Committee on Agriculture and Forestry.

By Mr. COOK (for himself and Mr. HUMPHREY):

S. 3273. A bill to amend the act which created the U.S. Olympic Committee to require such committee to hold public proceedings before it may alter its constitution, to require arbitration of certain amateur athletic disputes, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. GURNEY (for himself and Mr. INOUYE):

S. 3274. A bill to establish the Federal Tourism Energy Resources Board. Referred to the Committee on Commerce.

By Mr. DOMINICK:

S. 3275. A bill to authorize the disposal of manganese metal from the national stockpile and the supplemental stockpile. Referred to the Committee on Armed Services.

By Mr. TOWER (for Mr. HUGH SCOTT):

S. 3276. A bill for the relief of Angela A. Sandino de Balmaceda. Referred to the Committee on the Judiciary.

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

S. 3277. A bill to amend the Solid Waste Disposal Act, to encourage full recovery of energy and resources from solid waste, to protect health and the environment from the adverse effects of solid waste disposal, and for other purposes. Referred to the Committee on Public Works.

By Mr. HUMPHREY (for himself and Mr. ROTH):

S.J. Res. 200. 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. PASTORE (for himself and Mr. AIKEN):

S. 3271. A bill to establish a Joint Committee on Energy, and for other purposes. Referred to the Committee on Government Operations.

Mr. PASTORE. Mr. President, today, with the Senator from Vermont (Mr. AIKEN) as cosponsor, I am introducing a bill to establish a new joint committee, a committee that would be devoted entirely to energy, the research for and the development of new energy sources—a Joint Committee on Energy.

In Ecclesiastes, it is wisely said:

To everything there is a season and a time to every purpose under the heaven.

I submit that we are well into the season and this definitely is the time when Congress must face up to our long-range energy dilemma and organize a concerted, clearly focalized legislative structure to deal with it as effectively as possible.

Our national quest for a sufficiency of environmentally acceptable forms of useful energy for the foreseeable future may well be the most important and difficult undertaking for high material purpose that our Nation will be embarked on during the remainder of this century. The fundamental qualities of our way of life, jobs, food, industrial and agricultural necessities, our health and well-being, and our very existence as a first-rank nation will make it imperative for us to press on to acceptable solutions.

To gain our objective we must begin at once to organize and direct our functions and resources—not only in the executive branch, but also in the legislature—to assure the early formulation and conduct of a well-conceived, thoroughly comprehensive and efficiently coordinated national research and development program encompassing all potentially useful sources of clean energy and utilization of techniques.

The bill Senator AIKEN and I are introducing will enable both Houses of Congress to act most knowledgeably, on the basis of full insight, and to respond as swiftly as appropriate, in matters pertaining to policy planning, management, and effective support of a total national energy research and development commitment.

The new committee, which would supersede but absorb the Joint Committee on Atomic Energy, would capitalize on the experience and beneficial results of the Joint Committee on Atomic Energy accumulated over a period of more than a quarter of a century. My own duties as a member of that committee for 20 years, and as its chairman and vice chairman for more than a decade, permit me to give first hand testimony that the successes of the atomic energy program in both military and civilian areas, have in large part been due to the sharply focused and timely labors of the Joint Committee on Atomic Energy.

We must adopt the wisdom of the 79th Congress which had the foresight almost 30 years ago to redirect the scientific and technical forces of the Manhattan Project by removing them from the control of the military and placing them under close civilian control. And that Congress had the wisdom to create the uniquely structured Joint Committee on Atomic Energy to oversee the conduct and the progress of the newly-directed program. To this day, the atomic energy program is the only energy research and development program that receives the measure of full, knowledgeable and timely attention by both the executive branch and the Congress that, clearly, must now be applied to the development of a wide range of promising new energy sources and technologies.

We say the time has come to supplant the Joint Committee on Atomic Energy which was adequate when atomic energy and only atomic energy was the subject of a comprehensive and concerted research and developmental program. The Joint Committee on Atomic Energy is no longer adequate because it is no longer enough for the United States to focus solely on the development of atomic energy. It is time to replace the Joint Committee on Atomic Energy with a new Joint Committee on Energy. It is time we dedicated an exhaustive, well organized and comprehensive program to the development of all potentiality usable sources of clean energy.

Sources such as the sun, the tides, the wind, fossil fuels, synthetic fuels, nuclear fission, geothermal, running water and any other energy sources our ingenuity may yet uncover. The Pastore-Aiken bill is designed to accomplish this.

A new Committee on Energy, consisting of 16 Members from the Senate and 16 Members from the House would replace the Joint Committee on Atomic Energy. Proud as I have been to hold the position of chairman and vice chairman, rotationally, of the Joint Committee on Atomic Energy, I assure you my pride will increase despite the fact that my job will be abolished by the creation of a Joint Committee on Energy.

The new Joint Committee on Energy would become the legislative watchdog of our new national comprehensive research and development program which would be dedicated to developing all promising sources of clean energy, innovative technologies for using fuels and other energy sources and new and better techniques of conserving energy.

Under the Pastore-Aiken bill, the new Joint Committee on Energy would inherit from the Joint Committee on Atomic Energy its responsibility for oversight over atomic energy research and development programs, including military programs. However, the new Joint Committee on Energy would not pick up the jurisdiction of the Joint Committee on Atomic Energy over nuclear licensing and related regulatory activities except for those licensing and regulatory functions that bear on national security or pertain to energy research and development.

Licensing and regulatory activities that involve national security or research and development cannot realistically be separated from interrelated matters simply because they are licensing and regulation. They must continue to be overseen and evaluated in an integrated manner. Subject to these considerations, oversight jurisdiction over nuclear licensing and related regulatory activities would be assigned by the Congress to the appropriate committee.

The Executive agency that would consolidate now disparate energy research and development programs and which would conduct a national comprehensive program would be established under the Energy Reorganization Act which the House of Representatives passed a few months ago. The comparable Senate bill, S. 2744, sponsored by Senators RIBICOFF and WEICKER—would create an Energy Research and Development Administration and is now being considered by the Government Operations Committee.

I understand that the bill I am introducing today will be referred to that committee.

The Energy Research and Development Administration—ERDA—would be a new independent agency that would be built out of the scientific and technical resources of the Atomic Energy Commission, the Office of Coal Research, the Bureau of Mines and other agencies. With this strong base of reseach and development talent and facilities already in existence, ERDA could quickly begin to investigate and develop all promising energy sources. ERDA would be able to make significant advances in developing new methods and techniques of extraction, conversion, storage, transmission and utilization pertaining to energy. It would improve existing techniques for conserving energy and develop new ones; it would increase the efficiency and reliability of producing energy. And, of critical importance, ERDA would develop only those sources of energy consonant with environmental protection and enhancement.

ERDA's functions would include most of the research and development work now performed by the Atomic Energy Commission. The Atomic Energy Commission's licensing and related regulatory functions would be placed in a new agency—the Nuclear Energy Commission. Hence, the ERDA bill, for the first time, would separate the development of atomic energy for commercial use from the regulation of atomic energy use. The time has come when the authority to develop atomic energy plants should be separated from the authority that licenses such plants. The ERDA measure would meet the clear need for a reorganization of energy research and development functions in the executive branch. It would bring together separate, fragmented research and development efforts and orchestrate a comprehensive integrated national program. The Pastore-Aiken bill would grant to the Joint Committee on Energy oversight jurisdiction over the Energy Research and Development Administration.

In order to make this abundantly clear, the House has already passed a bill that would create an integrated energy agency in the executive branch. A bill comparable to that one is now being considered by the so-called Ribicoff Subcommittee of the Government Operations Committee.

What my bill intends to do is to create a joint committee for the Congress that would have supervisory, watchdog, oversight jurisdiction over this new agency. That essentially is what my bill would do.

The trouble is——

Mr. STAFFORD. Mr. President, will the Senator from Rhode Island yield for an observation?

Mr. PASTORE. I yield.

Mr. STAFFORD. My senior colleague, Senator AIKEN, is your joint sponsor, Senator, and I wanted the RECORD to note that he is not here today because his wife had the misfortune to break her leg a week ago in Vermont and she is now in a walking cast. He expects that he will be back here next week and he is very sorry not to be here this morning.

Mr. PASTORE. I knew that and I was going to say that at the end of my statement. The Senator from Vermont (Mr. AIKEN) knows pretty much what the statement is all about.

Mr. President, without the Pastore-Aiken bill, the ERDA measure would not alter the present fragmented congressional oversight responsibilities with respect to energy research and development, leaving them scattered amongst several committees. This would mean that in connection with annual authorization of appropriations, and with respect to other legislation that would be required from time to time, as well as appropriate congressional oversight, the comprehensive cohesive national program would be presented to the Congress and be reviewed by various committees in fractionated, disjointed fragments. This would be the case unless a Joint Committee on Energy is established as we propose. It is this fragmentation of congressional responsibilities with regard to energy that is precisely what the Pastore-Aiken bill is designed to remedy by placing the authority for review in a single committee. Without a Joint Committee on Energy, only the nuclear portion of the total energy program would continue to be advantageously considered as an entity. For the Congress to function effectively in relation to our overall long-range research and development efforts, all components of the program should be reviewed in full context by a single joint committee.

In our view, halfway measures, several

of which are already pending before the Congress, simply are not adequate to the monumental task at hand.

The scope of the duties and authority of the Joint Committtee on Energy should be as extensive as the scope of functions of the executive agency responsible for energy research and development. The Joint Committee on Energy should be directly responsible to the Senate and the House of Representatives and to their respective appropriations committees.

The experiences of the past half year have dramatically demonstrated to us the dangers inherent to our economy and to our very style of living by being even only partially reliant upon unstable and insecure foreign sources of energy. Energy has a major impact on our lives and it is therefore imperative that we must become self-reliant with regard to energy as rapidly as possible. What we need is a concerted program to develop all our energy resources consistent with the protection of our environment in every respect.

We believe the Pastore-Aiken bill would go a long way toward accomplishing this result.

Mr. President, I send the bill to the desk for appropriate reference together with the cosponsorship of the distinguished Senator from Vermont (Mr. AIKEN).

The PRESIDING OFFICER (Mr. BIDEN). The bill will be received and appropriately referred.

Mr. PASTORE. Mr. President, I yield to the Senator from Washington (Mr. JACKSON).

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. JACKSON. Mr. President, I rise to commend my colleague, the senior Senator from Rhode Island, for his leadership in promoting energy self-sufficiency and in insuring that governmental institutions are responsive to the social, environmental, and energy needs of American consumers.

The measure he has introduced today proposes a major realinement of Senate committee jurisdiction in the area of energy policy oversight and legislative jurisdiction. At present, nearly every committee of the Senate has some degree of involvement in energy issues and some interest in energy policy. Furthermore, the traditional descriptions of committee jurisdiction—whether in the rules of the Senate or in precedent and practice—are inadequate to encompass the full range of complex legislative and public policy problems emerging from the energy crisis.

The Congress has been faced with decisions in recent months which have no precedent and which were not anticipated when the rules were written.

In recognition of the complexity of energy issues and the inadequacy of committee jurisdiction, all rules in this area the Senate acted 3 years ago—long before the current energy crisis—to initiate a study and coordinate its activities.

In Senate Resolution 45 of the 92d Congress, adopted in May of 1971, the Senate directed the Committee on Interior and Insular Affairs to undertake a national fuels and energy policy study. The Commerce, Public Works, and Joint Committee on Atomic Energy were given ex officio representation in the study. This year, representation was extended to include the Finance, Foreign Relations, and Government Operations Committees.

Representation by these seven major committees was in recognition of the fact that energy policy, energy problems, and energy solutions involve influences, constraints, and considerations which, at first glance, do not seem directly related to energy. For example, major and often dominant influences on energy policy and the adequacy of energy supply include tax policy—depletion, foreign tax, credit, expensing of intangibles, regulatory policy—natural gas, transportation, pipeline; environmental policy—air, water, solid waste; economic policy—price controls, balance of payments, and so forth; foreign policy—imports, export restrictions, relations with oil producing countries; science policy—research and development, technology assesment; and many other areas of national policy concern and congressional committee jurisdiction.

The Senate's national fuels and energy policy study has produced over 80 reports, studies, and hearing records since its inception. Areas of study and inquiry have touched on all of the above areas of policy concern and many others.

Many important legislative measures have emerged from the study. Because of their broad influence over public affairs, some have been jointly referred to two or more committees for consideration. In general, legislation on energy in the Senate has been handled in a spirit of full cooperation and with little jurisdictional controversy. But the matters before the Senate in this time of energy crisis have been issues which deserve the attention of the whole Senate.

In the years to come, more energy policy decisions will be necessary. They may be more detailed, they may be more routine and they may enjoy less national attention. In short, they will be the kinds of decisions which can only be handled within the traditional framework of standing committees. Associated with them will be the need for many hours of legislative oversight activities to insure that national energy policies now being formed will continue to be updated and effectively implemented. If these oversight functions are not properly performed by the Congress, our national dilemma will continue to plague us and we will be faced with chronic crises for the decades ahead.

My colleague from Rhode Island is the vice chairman of the Joint Commitee on Atomic Energy and he has led and served that committee with distinction for over 20 years. His experience with the development of nuclear technology uniquely suits him to suggest to the Senate alternative approaches by which the Senate could administer a broader and, in my view, more significant technological effort to achieve energy self-sufficiency.

The measure, which he is introducing today, to create a Joint Committee on Energy, presents one alternative approach to congressional oversight of energy research and development policy. I have discussed this proposal with my colleague. Although we are not in complete agreement on this approach, we are in agreement upon the urgent need for an effective program of energy research and development. We also agree that the Congress should give high priority to its own responsibilities in energy research and development.

As I understand the proposed measure, it would take the special relationship between the existing Joint Committee on Atomic Energy and the Atomic Energy Commission as a model for a new relationship between a Joint Committee on Energy and the proposed Energy Research and Development Administration. The new committee would be concerned with research and development in new energy technologies of all kinds. It would not, apparently, be concerned with other aspects of Federal energy policy such as regulation or the leasing and management programs for the public lands.

I share my colleague's high opinion of the past achievements of the nuclear energy program under the joint committee oversight. I do not believe, however, that the energy problems we now face are close parallels of the nuclear energy program. Certainly there are not the same considerations of national security, in a military sense, throughout the other energy technologies and there are not the concerns for security of classified information.

Another difference is that nuclear energy was an entirely new concept. A new industry had to be created. Many of the technologies we will be dealing with in our effort to achieve energy self-sufficiency will be involved with conventional resources such as coal and oil and with existing major industries that many feel require more in the way of regulation, less in the way of assistance and subsidy.

The rapid transfer of new technologies into actual application will affect the day-to-day existence of our citizens. It will affect their lifestyle: the homes they live in, the transportation they use, and the prices they pay for commodities. Policies on energy technology cannot and should not be entirely isolated from other public policies. The creation of a single purpose committee in the Congress, therefore, may not be the best way to oversee energy research and development in its relationship to other social problems and goals. The proposal set forth in this bill, however, is one possible alternative. Other proposals include select committees, separate energy committees in each House, and more aggressive action by the present standing committees to deal with energy problems within their respective jurisdictions. I am pleased that my colleague has placed his proposal before the Senate to begin discussion of this matter. I look forward to working with my colleagues, and particularly the distinguished Senator from Rhode Island, to develop the best congressional response for dealing with the many problems we agree exist.

Mr. COOK. Mr. President, I commend the Senator from Rhode Island for his actions, and I hope that the bill will move

along. If I thought we could get more fuel and self-sufficiency out of committee reorganization, I would be happy, but obviously we will not.

By Mr. COOK:

S. 3272. A bill to require the establishment of an agricultural service center in each county of a State as a part of the implementation of any plan for the establishment of such centers on a nationwide basis. Referred to the Committee on Agriculture and Forestry.

Mr. COOK. Mr. President, on November 21, 1973, the U.S. Department of Agriculture announced plans to establish agricultural service centers throughout the country. The term itself seems innocuous enough but upon closer scrutiny I have reached the conclusion that implementation of the program would prove to be an abomination to the American farmer.

The proposal calls for the creation of agricultural service centers which would provide "one-stop services" for clients of the Agricultural Stabilization and Conservation Service, the Soil Conservation Service, the Farmers Home Administration, the Federal Crop Insurance Corporation and, whenever feasible, the Extension Service, other USDA agencies, and appropriate State and local organizations. The concept of "one-stop service" for the American farmer is certainly a noble one. I wholeheartedly support the consolidation of USDA offices at the county level whenever possible. On the other hand, I am inalterably opposed to such "one-stop service" when the farmer must drive an unconscionable distance to receive it. This is especially objectionable at the moment since every available gallon of fuel is needed for the operation of farm machinery, and not for the drive to a USDA service center two counties away.

Thus, in essence, the most reprehensible aspect of the proposal is the projected reliance upon multicounty agricultural service centers. Each farmer with whom I have discussed this matter in recent months has expressed his dismay at the difficulty of securing adequate assistance from the Department of Agriculture even now. It is obvious that, if the USDA offices are relocated in regional centers and become even further removed from the farmer, the services will obviously be more difficult to obtain.

Another reason I am totally opposed to the agricultural service center concept, as now envisioned, is the total lack of success the Commonwealth of Kentucky had with a similar program several years ago. Until July 1, 1965, the Kentucky Cooperative Extension Service operated strictly at the county level. Between July 1, 1965, and September 1, 1969, an effort was made to conduct Kentucky's Extension Service on an area basis—each area composed of three to five counties. The experiment was a dismal failure.

This recent experiment in Kentucky failed for a number of reasons. Like farmers in the remainder of the United States, Kentuckians are county oriented. They have historically conducted their business in their local county seats. Thus, one of the primary reasons the Kentucky program failed was because of the reluctance of the members of the farm community to travel to the district office to do business.

In addition, whereas, before the farmer could place a local call to his county extension agent, with the advent of the new program in 1965, he had to place a long-distance call to his areawide extension agent. After several unsuccessful attempts to reach their agent by long distance, many of the farmers just gave up. In short, because of experiences such as these, there was a drastic curtailment in requested services, and more displeasure than before with the services which were actually rendered. Thus, on September 1, 1969, Kentucky recognized the futility of such an approach and reinstated the county-level Extension Service programs.

Mr. President, multicounty agricultural services did not, and will not succeed in Kentucky. Likewise, it is my feeling that such an approach will not succeed nationwide. Therefore, I am introducing legislation today which will prohibit the implementation of new multicounty agricultural service centers by the U.S. Department of Agriculture. I should point out that this proposal does not prohibit the consolidation of USDA programs within a county. It encourages such consolidation. Likewise, my proposal does not require the creation of additional services in counties which do not now have such services. The legislation which I introduce today has one goal: To maintain the integrity of the county-level approach to agricultural services.

Mr. President, the multicounty approach did not work in Kentucky and it will not work in the remainder of the United States. Implementation of this approach under the USDA guidelines could begin as early as June 3 of this year. I urge my colleagues to join me in an effort to prohibit such an ill-advised program.

I might say, in conclusion, that we were told, and some organizations throughout my State were told, that when they have to consolidate in, say, a three-county or a five-county region, they have to consolidate all under one roof; that the building must be on one floor; and that everybody must go in one door. If that is not bureaucracy at its worst, I have never heard it.

I wonder what GS rating individual sits down when they determine that a program has to be imposed on the people of the United States, and his time and his effort and the tax dollars of the United States are wasted, for him to come up with the conclusion that all services must be in a one-floor building, all people must go in one door, and they must come out of one door; and it must have been quite a conclusion for him to come to and he really must have been delighted when he finally came to that conclusion and started to put out those directives to the farm organizations of the United States. It seems so ridiculous to this Senator that I would not want to dwell on it further.

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

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

S. 3272

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding any other provision of law, in implementing any proposed program for the establishment of Agricultural Service Centers in any State, the Secretary of Agriculture shall provide for the establishment of such a center in each county of such State if, on the date of enactment of this Act, one or more local field offices of the Department of Agriculture were located within such county.

(b) Nothing in subsection (a) shall be construed to require the Secretary of Agriculture to provide in any Agricultural Service Center established for any county any local field office of the Department of Agriculture not located in such county on the date of enactment of this Act, but the Secretary, whenever he determines such action will promote efficiency and economy and provide improved service to farmers, shall provide, in the Agricultural Service Center, as many services of the Department of Agriculture (applicable to such county) as practicable.

(c) As used in this Act, the term "Agricultural Service Center" means the type of offices described in the Secretary of Agriculture's Memorandum No. 1492 (Revised) or any similar type office.

By Mr. COOK (for himself and Mr. HUMPHREY):

S. 3273. A bill to amend the act which created the U.S. Olympic Committee to require such committee to hold public proceedings before it may alter its constitution, to require arbitration of certain amateur athletic disputes, and for other purposes. Referred to the Committee on the Judiciary.

Mr. COOK. Mr. President, I am introducing today for myself and the Senator from Minnesota (Mr. HUMPHREY) a bill designed to provide a mechanism for finally ending many of the disputes which have plagued the amateur sports world for many years. I know everyone is well aware of many of these problems. Only last fall the Senate considered S. 2365, the Amatuer Athletic Act of 1973, of which I am a cosponsor. At that time, it was felt that since there was so much misunderstanding as to the impact of that legislation, it would be preferable to send the bill back to the Commerce Committee for further hearings and discussion.

The fact that I am today proposing a different approach from that embodied in S. 2365 should not be interpreted as a sign that I am withdrawing my support for a more thorough and exhaustive treatment of the problems of amateur sports. However, we have run into a most serious time problem. The 1976 Olympiad is now less than 2 years away, and not one thing has been done in order to avoid the recurrence of the disasters that beset the American teams at Munich in 1972. I believe the Congress has a compelling obligation to take decisive and effective action to accomplish the reforms necessary to field the best representatives of our country in both the summer and winter games.

The legislation which I am proposing would amend the act which created the U.S. Olympic Committee to provide for arbitration of all disputes between individual athletes and athletic organiza-

tions, or between the various organizations which desire to hold the U.S. franchise in any Olympic sport. The arbitration would be conducted by the American Arbitration Association, and the Federal courts would be empowered to enforce the decision of the arbitrator.

It is highly significant that Senator HUMPHREY has joined with me in the sponsorship of this proposal. As Vice President he was responsible for appointing the Kheel Commission which examined the controversies in amateur athletics for 2 years. The report of that Commission proposed the arbitration mechanism as a solution to many of those problems. Unfortunately the various organizations could not reach agreement on the Commission's proposal, when the National Collegiate Athletic Association refused to submit to the arbitration suggestion. Although I do not believe that this approach will resolve many of the deep-rooted problems facing amateur athletics, such as the need for grassroots development programs, I am confident that this concept can prevent controversy from subverting our Olympic effort in 1976.

The legislation I am proposing today also takes a major step forward in relieving the amateur athlete from the arbitrary and pointless actions taken by sports organizations which have often prevented our best athletes from competing in international competition.

All of you will remember the incident last summer when the NCAA arbitrarily refused to allow its member athletes from participating in the exciting series of basketball games against the Russian national team. At that time I asked many of you to sign a letter to Mr. Walter Byers, executive director of the NCAA, imploring him to remove the prohibition. Fifty-seven Senators joined me in sending that letter, which ultimately permitted our fine college athletes to participate and help the American team prevail in the series.

This legislation gives the athletes an almost unqualified right to participate in any national championship or international competition in an Olympic sport. Of course, exception is made for the legitimate and reasonable rules relating to the educational standards of our high schools, colleges, and universities. However, this "right to participate" should finally preclude institutional squabbles of our amateur athletic organizations from hindering the pursuits of our fine young athletes.

I might also add that this proposal does have the support of the amateur athletic union, the U.S. Olympic Committee, and many other athletic organizations in the United States. It has been introduced in the House of Representatives by Congressman ROBERT MATHIAS, and already has over 40 cosponsors. I sincerely hope that the committee on the Judiciary, which will consider this bill, and the Senate will take swift and favorable action on this proposal so that our fine athletes can return the standard of Olympic achievement and excellence to the United States.

Mr. President, I ask unanimous consent that the text of this leigslation 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. 3273

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Act entitled "An Act to incorporate the United States Olympic Association", approved September 21, 1950 (36 U.S.C. 373), is amended by striking out "amateur representation" in paragraph (4) and inserting in lieu thereof the following: "administrators, coaches, and amateur athletes."

SEC. 2. Section 4 of the Act entitled "An Act to incorporate the United States Olympic Association," approved September 21, 1950 (36 U.S.C. 374), is amended—

(1) by inserting "(a)" before "The corporation shall have perpetual succession";

(2) by striking out paragraph (9);

(3) by redesignating paragraphs (10), (11), and (12) as paragraphs (3), (10), and (11), respectively; and

(4) by inserting at the end thereof the following new subsection:

"(b) The corporation shall have the power to adopt and alter a constitution and bylaws not inconsistent with the laws of the United States, except that the corporation may alter the constitution only if—

"(1) the corporation publishes in a newspaper or magazine of national circulation or in any publication published by the corporation, and in the Federal Register, a general notice of the proposed alteration of the constitution including the terms of substance of such alteration, the time and place of the corporation's regular meeting at which such alteration is to be decided, and a provision informing interested persons that they may submit materials as authorized by paragraph (2);

"(2) for a period of at least thirty days after the date of publication of such notice in the Federal Register, the corporation gives to all interested persons an opportunity to submit written data, views, or arguments concerning the proposed alteration;

"(3) the corporation decides upon the alteration for which notice was published under paragraph (1) only after the thirty-day period under paragraph (2) and only at a regular meeting (with or without opportunity for a written or oral presentation by any interested person whom the corporation may invite to such meeting); and

"(4) the corporation mails the alteration to all persons who submitted any material under paragraph (2) and to all persons who submitted a written or oral presentation under paragraph (3).".

SEC. 3. The Act entitled "An Act to incorporate the United States Olympic Association", approved September 21, 1950, is further amended by inserting after section 4 the following new section:

"SEC. 4A. (a) (1) No individual who is eligible under applicable international or applicable national amateur athletic rules and regulations may be directly or indirectly denied his right to attempt to qualify for selection, or his right (if he so qualifies) to participate, as an athlete, coach, trainer, administrator, manager, or other official representing the United States in any international amateur athletic competition, if such competition involves any sport included on the Olympic games or pan-American games program during the Olympiad time period concurrent with such attempt to qualify for such participation. Nowithstanding the provisions of the preceding sentence any university, college, high school, or other educational institution which an individual is attending at the time of such attempt to qualify may deny him his right of such attempt if, after a hearing conducted by the educational institution at a reasonable time prior to such attempt, the institution determines that such attempt would unreasonably interfere with the individual's academic or athletic interests at the institution.

"(2) There shall be a reasonable number of amateur athletes (who represented the United States in any international amateur competition in any sport included on the Olympic games or pan-American games program during the Olympiad time period concurrent with such representation) as members on the governing board of the governing body for that sport.

"(b) Any national amateur sports organization may seek recognition as a governing body if it establishes by a preponderance of the evidence each of the following:

"(1) It provides, at the time of arbitration under subsection (c) and in comparison with the governing body, if any, more effective national competition in the sport for which it claims recognition as the governing body, so that such competition will result in a higher quality of United States athletes in all international amateur athletic competition for such sport.

"(2) It provides (without regard to race, creed, color, religion, or sex) equal opportunity, for competition in the sport for which it claims recognition as the governing body, to all individuals who are eligible under applicable international or applicable national amateur athletic rules and regulations; and it applies international rules and regulations concerning athletic competition without discrimination to all such individuals.

"(3) It has a reasonable number of amateur athletes (who represented the United States in any international amateur athletic competition in the sport for which the organization claims recognition under this subsection, and which is included on the Olympic games or pan-American games during the Olympiad time period concurrent with or immediately preceding such claim for recognition) as members of its governing board for that sport.

"(4) Its membership is open to any amateur sports organization in the sport for which it claims recognition as the governing body under this subsection.

"(5) There are representatives of a reasonable number of national amateur sports organizations (which represent the sport for which recognition is claimed under this subsection, if the sport is included on the Olympic games or pan-American games program during the Olympiad time period concurrent with such claim for recognition) as members of its governing board in that sport.

"(6) Members on its governing board are selected without regard to race, creed, color, religion, or sex.

"(7) It is able to comply with all applicable international requirements (written and uniformly applied to all nations) relating to recognition as the governing body for the sport for which it claims recognition.

"(c) Any individual who alleges he has been denied a right established under subsection (a) in violation of such subsection may submit to the American Arbitration Association a claim documenting the denial, but shall submit such claim within six months after the date of the denial: *Provided further,* That the association is authorized, upon forty-eight hours notice to the parties, to hear and decide a matter under such procedures as the association deems appropriate if the association determines that it is necessary to expedite such arbitration in order to resolve a matter relating to an amateur athletic competition which is so scheduled that compliance with regular procedures would not be likely to produce a sufficiently early decision by the association to do justice to the affected parties.

"(d) Any national amateur sports organization claiming recognition under subsection (b) shall submit such claim to the association not later than one year after the termination of any summer Olympic games. The association shall serve notice on the parties to the arbitration and on the corporation, and shall immediately proceed with arbitration according to the commercial rules of the association; except that (1) for any

arbitration in which at least two of the parties are not individuals, there shall be not less than three arbiters selected by the association, (2) there shall only be arbitration of a claim under subsection (b) after the ninetieth day after the day that the national amateur sports organization submitted such claim to the association, and (3) the arbitration decision shall be served on the corporation in the same manner as it is to the parties to the arbitration.

"(e) Any person whose claim is upheld by an arbitration decision under subsection (c) may bring suit in a United States district court having jurisdiction over any party to such arbitration to compel compliance with the terms of such decision. In addition to the provisions of the first sentence, any party to such an arbitration decision may bring suit in such court for review of the decision within a period of sixty days after the decision; except that the court may only modify or set aside the decision if it is procured by fraud, if it is clearly erroneous, or if the subject matter for the arbitration is not included within the paragraph under subsection (a) or (b) upon which the person based his claim for arbitration under subsection (c) or (d). Any person who submits a claim for arbitration under subsection (c) or (d) may bring suit in such court to compel arbitration pursuant to subsection (c) or (d), and the arbiters of an arbitration under subsection (c) or (d) may petition such court to enforce compliance with a subpena issued by the arbiters pursuant to the rules of the American Arbitration Association. Any individual who alleges he has been denied a right established under subsection (a) in violation of such subsection may (in lieu of seeking arbitration under subsection (c)) bring suit in such court for adjudication of such denied right.

"(f) Any person seeking arbitration under this section shall have the burden of introducing the evidence to support his claim and shall have the burden of proving his claim; except that when any individual seeks arbitration because of an alleged violation of a right established by paragraph (1) of subsection (a), the burden of introducing the evidence and the burden of proof shall be on the person who allegedly violated such right.

"(g) If an arbitration decision upholds a claim of a national amateur sports organization for recognition as a governing body under subsection (b), the corporation shall (on the sixty-first day after such decision) recommend and support in any other appropriate manner such sports organization to the appropriate international governing body for recognition by such international body as the governing body; except that if there is district court review under subsection (e), such recommendation and support shall occur immediately after the judicial review if such review upholds such decision.

"(h) The arbiter of any arbitration under subsection (c), or a majority of the arbiters under subsection (d) (1), may order that the losing party pay to the prevailing party reasonable fees for attorneys' services rendered for such arbitration. The district court may order that the losing party to a suit under subsection (e) pay to the prevailing party reasonable fees for attorneys' services rendered for such suit.

"(i) For the purposes of this section—

"(1) The term 'international amateur athletic competition' means any athletic event between an athlete or team of athletes representing the United States and an athlete or team of athletes representing any foreign country, conducted in compliance with applicable national and international requirements.

"(2) The term 'Olympiad time period' means the time period beginning at the termination of any summer Olympic games and ending at the termination of the following summer Olympic games.

"(3) The term 'governing body' means the national amateur sports organization which is recognized by the international governing body for a sport as the national representative for that sport for international amateur athletic competition in the Olympic games and pan-American games.

"(4) The term 'national amateur sports organization' means any club, federation, union, association, or similar group in the United States (A) which conducts regular national competition in a sport on the Olympic games or pan-American games program concurrent with such competition, (B) which is capable of holding an annual national championship in any such sport from which a team of athletes or a substantial number of athletes who are not members of a team could be selected to represent the United States in international amateur athletic competition, and (C) is capable of conducting international amateur athletic competition in any such sport.".

SEC. 4. Section 5 of the Act entitled "An Act to incorporate the United States Olympic Association," approved September 21, 1950 (36 U.S.C. 375), is amended by inserting after "bylaws of the corporation" the following: ", except that any governing body may only be a member of the corporation if it files an annual financial statement with the Congress. Any such statement shall not be printed as a public document".

SEC. 5. Section 9 of the Act entitled "An Act to incorporate the United States Olympic Association", approved September 21, 1950 (36 U.S.C. 379), is amended—

(1) by striking out "the emblems of the United States Olympic Committee" and inserting in lieu thereof the following: "(1) the emblem of the United States Olympic Committee"; and

(2) by striking out "or the words 'Olympic', 'Olympiad', or 'Citius Altius Fortius' or any combination of those words" and inserting in lieu thereof the following: "(2) five interlocked rings or any other symbol tending to represent such five interlocked rings (whether or not such symbol is a sign or insignia under clause (1), or (3) the words 'Olympic,' 'Olympiad,' or 'Citius Altius Fortius' or any combination or confusingly similar derivation of any of these words."

SEC. 6. The amendments made by this Act shall take effect on the date of enactment of this Act. However, the amendments made by paragraph (2) of section 5 of this Act shall not apply to any person that used the rings, symbol, or derivation of words proscribed by such paragraph (2) for any lawful purpose prior to the date of enactment of this Act if such person uses such rings, symbol, or derivation of words proscribed by such paragraph (2) for any lawful purpose prior to the date of enactment of this Act if such person uses such rings, symbol, or derivation for the same purpose and for the same class of goods after the date of enactment of this Act.

By Mr. DOMINICK:

S. 3275. A bill to authorize the disposal of manganese metal from the national stockpile and the supplemental stockpile. Referred to the Committee on Armed Services.

Mr. DOMINICK. Mr. President, the bill that I am introducing today would provide for the disposal of a limited amount of manganese metal from our national stockpile.

We should be extremely cautious in disposing of any material from our national stockpiles. The Middle East crisis has illuminated our need for adequate strategic stockpiles of basic material on an individual basis.

The increased demand for manganese metal and the short supply coupled with the fact that at the present time our stockpile inventory is at a level where the disposal of 9,550 tons will not place our country in jeopardy is the reason that I introduce the legislation today.

Electrolytic manganese metal is an essential material in the economical production of stainless steel, aluminum and other nonferrous alloys. The use of this grey-white, hard, brittle material imparts the necessary properties so that the alloys produced can be fabricated into the forms needed by housing construction, transportation, electronics, container, appliance, chemical and paint industries. At present, nothing is foreseen that will eliminate or substantially reduce the need for manganese in these end uses.

It is estimated by one major domestic producer, Union Carbide, that 31,000 tons of electrolytic manganese were consumed in 1973 in the United States compared to a usage of 24,000 tons in 1972 and 23,000 tons in 1971. Fifty-eight percent of the total usage in 1973 was consumed by the aluminum and other nonferrous metal industries, 24 percent by stainless steel producers, and the remaining 18 percent by ferrite producers, chemical manufacturers, and others.

Domestic production in 1973 was estimated to be 26,100 tons, imports were 2,450 tons, inventory reductions were 1,950 tons, and exports were 2,350 tons. The subsequent shortfall of 2,850 tons was offset by withdrawals from the GSA stockpiles.

In April 1973, when the Office of Emergency Preparedness announced a new stockpile objective of 4,750 tons of electrolytic manganese metal, the stockpile inventory totaled 21,500 tons, of which 7,200 tons had previously been authorized for release. This material was offered to the consumers by the GSA and each offering was oversubscribed with the total of 7,200 tons being completely sold by November 29, 1973.

If aluminum and steel production is not to be curtailed in 1974, it will be necessary to release additional manganese metal from the stockpile. This legislation to dispose of the 9,550 tons of surplus manganese would be in accord with the omnibus bill H.R. 7135, covering 16 major commodities submitted by the administration.

A shortage of electrolytic manganese metal in fact exists throughout the free world as the traditional overseas suppliers, Japan and South Africa, have not been able to expand rapidly enough to meet the growing demand. Japanese production, in fact, has been cut back because of the power curtailment resulting from the energy crisis. Delays were encountered in the expansion of the existing South African facility, and a new producer's planned fourth quarter 1973 startup has been deferred at least until the second quarter of 1974.

In this country, the high usage rate continues and the pinch is again beginning to be felt as the last GSA releases are being used up. Only one domestic producer plans an incremental expansion and imports continue to enter at a slow rate. Clearly, if aluminum and stainless steel production are to continue at their present rates, additional electrolytic manganese metal must be released from the stockpile.

It is felt that additional releases will not be disruptive to the domestic producers, if the material can be made available early enough, that is, before new South African production becomes a factor in the market. GSA would, of course, be expected to follow its customary policy of consultation with producers and consumers in deciding the timing and disposition rate.

The other U.S. producers, Foote Mineral Corp., who operates a plant at New Johnsonville, Tenn., and Kerr-McGee Chemical Corp., with a facility at Hamilton, Miss., have been consulted as to the advisability of this legislation. They generally agreed that it is a good move with the aforementioned safeguards as to the quantities and timing of the release.

In summary, it is recommended that the attached legislation be enacted at an early date to provide segments of U.S. industry with sufficient electrolytic manganese metal to sustain present rates of production. Its implementation will permit the Government to derive income—approximately $7,258,000 at today's market price—from no longer needed material, help curb inflation by offsetting demand pressure, and contribute toward a more favorable balance of trade. Properly implemented, the disposition of 9,550 tons can be accomplished without disruption of usual markets.

Mr. President, I urge its early consideration and passage.

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

S. 3277. A bill to amend the Solid Waste Disposal Act, to encourage full recovery of energy and resources from solid waste, to protect health and the environment from the adverse effects of solid waste disposal, and for other purposes. Referred to the Committee on Public Works.

ENERGY AND RESOURCE RECOVERY FROM SOLID WASTE—II

Mr. DOMENICI. Mr. President, I am pleased to introduce, on behalf of myself and Senators RANDOLPH, MUSKIE, BAKER, STAFFORD, and MCCLURE, the proposed Energy and Resources Recovery Act of 1974. The bill will amend the Solid Waste Disposal Act to provide a major new thrust toward our goals of increasing domestic production of energy and raw materials while insuring a healthful and clean environment.

Each major new environmental concern—protection of scenic and other land resources, air pollution, water pollution, noise—was first perceived as a local problem and only later as one with a national dimension. Similarly the statements to the effect that "there is nothing so local as a city's garbage" are now giving way to a recognition of the national need for the energy and materials in that garbage and of the widespread air, water, and land pollution that unregulated dumps can cause.

Last week I inserted in the RECORD a statement by Arsen Darnay, the Deputy Assistant Administrator for solid waste programs of the Environmental Protection Agency, and other materials which indicate the vast opportunities for recovery of energy and raw materials from the Nation's solid waste and the seriousness of the risk to public health and the environment from unregulated solid waste disposal. The bill I introduce today deals with a number of the major problems and opportunities raised by Mr. Darnay and other experts in the field.

Today we stand at this exciting new threshold of environmental protection through energy and resource recovery largely because of planning, research, and demonstrations conducted under the Resource Recovery Act of 1970, legislation produced chiefly by the dedicated efforts of the distinguished chairman of the Public Works Committee (Mr. RANDOLPH), the very able chairman of the Subcommittee on Air and Water Pollution—now the Subcommittee on Environmental Pollution—Mr. MUSKIE, and Senator HOWARD H. BAKER, JR., now the ranking minority member of the committee.

The need for further planning research, and demonstrations, however, is being eclipsed rapidly by the requirement for action; action by our cities, States, and the private sector primarily, but action by the Federal Government as well.

The economics of energy and resource recovery have improved greatly. In the midst of energy shortages there is enough energy value in the solid waste generated by our major cities to light all of our homes and commercial establishments. Recycled newsprint prices have tripled in a year. Values of scrap iron and steel are higher than ever before. Despite the inequitable freight rates of secondary versus virgin materials, the economics still look very good.

The primary need appears to be for larger, more active, better funded Federal, State, local and private efforts to implement and further refine existing technology for energy and resource recovery. In this way, the favorable economic situation for energy and secondary materials can be fully exploited.

I anticipate that the goals of this bill, if not the actual provisions, will be realized in final legislative form during this Congress, following the usual course of hearings, staff study and debate in the Environmenttal Pollution Subcommittee and in the full Committee on Public Works.

The bill is aimed primarily at encouraging full recovery of energy and materials from municipal, industrial and other solid waste wherever practicable by 1985, and at providing for controls over the disposal of hazardous and other waste to avoid adverse effects on air and water quality and further blight of our land.

EPA will be required to establish an Office of Energy and Resource Recovery to implement these objectives through a full range of Federal efforts in cooperation with States, localities and the private sector.

EPA will have authority to set standards for the disposal of hazardous and other wastes; for Federal procurement of products utilizing recycled materials, and for packaging practices which make full recovery of resources and environmentally sound disposal of solid waste practical.

EPA will have authority to enforce disposal standards where States are unable or unwilling to do so.

The bill directs EPA to develop Federal guidelines to indicate the nature and extent of energy and resource recovery that is possible by use of the best technology in each industrial class and to describe such technology in precise detail.

EPA will be required to assist States and regional agencies with 80 percent Federal funding to establish or continue comprehensive programs to regulate, assist, and encourage recycling and sound disposal practices. This funding will be provided for a period of 5 years during which the States will be expected to develop self-financing mechanisms to carry on the program.

In addition, municipal agencies of government will be provided with limited seed money and extensive technical and managerial assistance to make the transition from inadequate land disposal practices to coherent projects which emphasize full energy and resource recovery.

The bill will establish a major new system of Energy and Resource Recovery Institutes centered around State universities.

The legislation will facilitate financing of facilities to recover energy and resources from solid waste by providing for Small Business Act loans to build recycling facilities.

EPA will also be authorized to conduct a thorough study of the legal and other constraints which impede acquisition of land for environmentally sound disposal and solid waste.

The bill would authorize sufficient added funding to assure full implementation of the new programs authorized in the bill.

I am enthusiastic about the prospects for major new solid waste and resource recovery legislation in this session, and I invite further cosponsorship by my fellow Senators of the bill I introduce today. I ask unanimous consent that the bill be printed in its entirety at this point in the RECORD.

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

S. 3277

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Energy and Resources Recovery Act of 1974."

"FINDINGS AND PURPOSES

"SEC. 2(a) The Congress finds—

"(1) that the requirements for energy and resource recovery are national in scope and concern and necessitate Federal leadership through financial and technical assistance and through the development of new and improved methods and standards to encourage greater utilization of the wealth of natural resources in solid waste;

"(2) that the volume of waste and discarding of salvageable materials can be reduced markedly and that the resultant reduced volume of waste then can be disposed of in an economical and environmentally sound manner;

"(3) that energy supplies from sources such as petroleum products, natural gas, and hydroelectric generation have failed to meet constantly increasing consumer demands and therefore, the need exists to develop alternative sources of energy for public and private consumption.

"(4) that increasing demand for products made from timber, mineral and non-mineral natural resources is causing the depletion of these resources, while more efficient use of such resources would extend the life-span of the world's existing reserves;

"(5) that the technology and economics exist to support recycling of solid waste as a practical means of increased resource utility;

"(6) that energy and materials can be recovered efficiently from solid waste;

"(7) that resource recovery techniques are not presently utilized to a sufficient extent; and

"(8) that such traditional methods of waste disposal as landfill and incineration are becoming impracticable and costly, and contribute to unacceptable levels of air, water and land pollution.

"(b) The purposes of this Act therefore are—

"(1) to encourage full recovery wherever practicable of energy and materials from municipal, industrial and other sources of solid waste by 1985,

"(2) to assist States and localities in carrying out their primary responsibilities for solid waste collection, handling, recycling and disposal, with priority attention to metropolitan and other areas where land-use patterns inhibit solid waste disposal;

"(3) to insure that recycling or disposal of hazardous wastes is controlled to avoid adverse effects on health and the environment;

"(4) to provide for use of best technological practices to minimize adverse effects on air and water quality where land disposal of hazardous and other wastes is the only practicable method, and to assure consideration of alternative uses of the land;

"(5) to provide for programs of research, development and demonstration to support achievement of these purposes; and,

"(6) to establish the Office of Energy and Resources Recovery, under the direction of the Environmental Protection Agency, to achieve the purposes and administer the provisions of the Solid Waste Disposal Act, as amended.

"SEC. 3. Section 216 of the Solid Waste Disposal Act, as amended (42 U.S.C. 3259) is amended by adding at the end thereof the following new sections:

"ENERGY AND RESOURCES RECOVERY OFFICE

"SEC. 217. The Administrator shall establish within the Environmental Protection Agency an Office of Energy and Resources Recovery to achieve the purposes and administer the provisions of this Act, as amended by the Energy and Resources Recovery Act of 1974.

"FEDERAL SOLID WASTE STANDARDS

"SEC. 281(a). The Administrator shall, within one year of the date of enactment of the Energy and Resources Recovery Act of 1974, after consultation with appropriate Federal, State, interstate, regional, and local agencies and after opportunity for public hearings, promulgate standards for collection, handling, disposal and recovery of all hazardous and other solid waste which may, if improperly disposed of, cause air or water pollution or other environmental damage.

"(b) Such standards shall

"(1) identify hazardous and other wastes to be regulated;

"(2) be specific in terms of allowable quantities, concentrations, and physical, chemical, or biological properties of such waste, taking into account likely disposal sites and methods of disposal or recycling;

"(3) contribute to the achievement and maintenance of emission or effluent limitations, air quality implementation plans, and any established or proposed land use plans, and

"(4) contribute to the enhancement of the environment.

"FEDERAL REGULATIONS

"SEC. 219(a) The Administrator, in carrying out the provisions of this Act, may require the operator of any disposal system for hazardous or other solid waste to

"(1) establish and maintain such records,

"(2) make such reports,

"(3) install, use, and maintain such monitoring equipment or methods, and

"(4) provide such other information as he may require.

"(b) The Administrator or his authorized representative, upon presentation of his credentials:

"(1) shall have a right to entry to, upon, or through any premises in which a hazardous or other solid waste disposal system is located or in which any records required to be maintained under subsection (a) of this section are located, and

"(2) may have access to and copy any records, and inspect any monitoring equipment or method required under subsection (a) of this section.

"(c) The Administrator may make such rules and regulations, after opportunity for hearing, as he considers necessary to carry out the provisions of this Act.

"ENFORCEMENT

"SEC. 220(a)(1) Whenever, on the basis of any information available to him, the Administrator finds that any person is in violation of any rule, regulation, permit or other requirement which implements sections 218 or 219 of this Act, the Administrator shall give notice to the violator of his failure to comply with such requirement or he shall request the Attorney General to commence a civil action in the appropriate United States district court for appropriate relief including temporary or permanent injunctive relief. If such violation extends beyond the thirtieth day after the Administrator's notification, the Administrator shall issue an order requiring compliance within a specified time period or the Administrator shall request the Attorney General to commence a civil action in the United States district court in the district in which the violation occurred for appropriate relief, including a temporary or permanent injunction: Provided, that, in the case of a violation of any requirement of Sections 218 or 219, the Administrator simultaneously shall give notice to the State in which such violation has occurred thirty days prior to issuing an order or requesting the Attorney General to commence a civil action. If such violator fails to take corrective action within the time specified in the order, he shall be liable for a civil penalty of not more than $25,000 for each day of continued noncompliance.

"(2) Any order issued under this section shall state with reasonable specificity the nature of the violation and specify a time for compliance and assess a penalty, if any, which the Administrator determines is a reasonable period and penalty taking into account the seriousness of the violation and any good faith efforts to comply with the applicable requirements.

"(3) Any person who knowingly violates any requirement of sections 218 or 219 of this Act shall, upon conviction, be subject to a fine of not more than $25,000 for each day of violation, or to imprisonment not to exceed one year, or both.

"(b)(1) Each State may develop and submit to the Administrator procedures under State law for enforcement of the standards developed under Section 218 of this Act, and for inspection, monitoring, and entry and other requirements under Section 219, with respect to hazardous and other solid waste disposal systems located in such State.

"(2) If the Administrator finds that the procedures and the legal authority of any State relating to enforcement of standards promulgated pursuant to Section 218 of this Act and to inspection, monitoring, entry and other requirements of Section 219 of this Act are substantially equivalent to those required by Sections 218 and 219, such State is authorized to apply and enforce such procedures and legal authority with respect to hazardous and nonhazardous waste disposal systems located in the State.

"NATIONAL GUIDELINES FOR RESOURCE RECOVERY

"SEC. 221. (a) The Administrator, within one year following enactment of this section and each year thereafter, shall publish guidelines specifying the percentages of energy and resources that can be recovered from solid waste by use of the best recovery management practices and technology that are reasonably available. These guidelines shall specify those materials which constitute a significant portion of the solid waste stream, including but not limited to: aluminum, copper, glass, iron and steel, paper, lumber and other wood products, petroleum and petroleum products, plastics and other synthetic materials, rubber, and zinc.

"(b) As a part of such guidelines, the Administrator shall publish thorough descriptions of existing technology and practices which can be implemented by agricultural producers, industries, municipalities, consumers, and others to achieve the percentages of energy or resource recovery from each category of solid waste that the Administrator finds reasonable.

"FEDERAL PACKAGING GUIDELINES

"SEC. 222. The Administrator shall, within one year following enactment of this section:

"(a) make a complete assessment of the use of natural resources and recycled materials in product packaging;

"(b) establish guidelines for the packaging of products to encourage efficient use of such resources and materials with a consequential reduction in solid waste; and

"(c) publish model standards and regulations which, if implemented by States, would insure use of the most efficient and recoverable materials in packaging.

"FEDERAL PROCUREMENT REGULATION

"SEC. 223(a). The Administrator shall, within one year following enactment of this section: establish standards that emphasize the maximum procurement and use of Federal materials recovered from solid waste and of products composed of such materials, following consultation with the General Services Administration, the Department of Defense, and other Federal agencies.

"(b) Within 18 months of the publication of such guidelines, the General Services Administration, the Department of Defense and all other Federal agencies shall revise their procurement regulations to comply with the standards set by the Administrator pursuant to subsection (a) of this section.

"STATE AND LOCAL ASSISTANCE

"SEC. 224(a)(1). The Administrator shall grant to each State 80 per centum of the cost of a comprehensive solid waste management and energy and resource recovery program which such State establishes or continues in order to meet the requirements of paragraph (2) of this subsection, and, when the Administrator determines that a regional entity composed of two or more municipalities or other governmental units that represent a significant geographical portion of a State or States and that the Administrator finds is capable of administering such a program within its jurisdiction, to each such regional agency.

"(2) The Administrator shall approve each program submitted by a State or a regional entity pursuant to paragraph (1) of this subsection if he determines that adequate authorities and programs exist or will be established during the term of the grant to: (A) apply and ensure compliance with any applicable requirements of Section 218 of the Act through a system of permits, licenses, or the equivalent which the Administrator finds is reliable and enforceable; (B) provide technological and management advice and assistance to units of local government within such state or region to enable them to

manage programs for energy and resource recovery and solid waste disposal that enhance the environment; (C) enforce the requirements of the permit or equivalent system under subparagraph (A) of this paragraph and such other regulatory programs as the State or region establishes to achieve the purposes and carry out the provisions of this Act; (D) inspect, monitor, enter, and require reports to at least the extent required under Section 219 of the Act; (E) provide advice and assistance to the general public regarding environmentally sound solid waste handling practices that enhance the environment; (F) in the case of a State submittal, provide, either with the state agency responsible for the comprehensive solid waste management and energy and resource recovery program or in a separate entity, an organization capable of assisting municipalities to obtain financing for energy and resource recovery projects through loans, grants, loan guarantees, cooperative public and private ventures or other means; (G) to hire, train and maintain in service an adequate staff of professional and other personnel to carry out these functions and (H) to provide for development of financing self-sufficiency for such programs no later than June 30, 1979, either through an equitable system of fees as a part of the permit or equivalent system required under subparagraph (A) of this paragraph or through other means.

"(b) The Administrator shall provide (1) management grant assistance of up to 10 per centum of the estimated cost of construction of any publicly financed energy or resources recovery facility, and (2) a complete program of management and technical assistance to any State, regional agency, or municipalities to help it develop projects for:

"(A) improving collection, separation, and handling of solid waste;

"(B) implementing energy and resource recovery or disposal systems which are technologically feasible and cost-effective;

"(C) considering optimum ways to market energy and secondary materials recovered from solid waste; and

"(D) providing information to assist the applicant in securing itself financially against unusual risks.

"(3) Such assistance shall involve the development of:

"(A) workable contract bid package for energy and resource recovery facilities;

"(B) sound financing, whether through industrial revenue bonds, loans, grants or joint municipal-industrial cooperation;

"(c) There are hereby authorized to be appropriated $25,000,000 for each of the fiscal years ending June 30, 1975 through June 30, 1979 to carry out the purposes of subsection (a) of this Section and $10,000,000 for each of such fiscal years to carry out the purposes of subsection (b) of this section.

"(d) No project funded under subsection (b) shall receive more than $300,000.

"STUDY OF LAND ACQUISITION

"SEC. 225(a) The Administrator shall conduct a full investigation and study of the legal and institutional problems associated with the acquisition of land for hazardous and other solid waste disposal, and for the construction and implementation of energy and resource recovery facilities, in consultation with appropriate Federal and State agencies, and shall report to the Congress not later than one year after the enactment of this section, his findings, conclusions, and recommendations.

"STATES ENERGY AND RESOURCES RECOVERY INSTITUTES

"SEC. 226(a) The Administrator shall make grants to each State to assist in establishing and carrying on the work of a competent and qualified energy and resources recovery research institute, center, or equivalent agency (hereinafter referred to as "institute") at one college or university in each such State which wishes to support such an institute. The recipient college or university shall be one established in accordance with sections 301, 305, 307 and 308 of Title 7 of the United States Code or some other institution designated by Act of the legislature of the State concerned; Provided that

"(1) $100,000 shall be provided annually to each such institute;

"(2) two or more States may cooperate in the designation of a single interstate or regional institute, in which event the sums assignable to each of the cooperating States shall be granted to such institute; and,

"(3) a designated college or university may, as authorized by appropriate State authority, arrange with other colleges and universities within the State to participate in the work of the institute.

"(b) Such grants or contracts may include payment of all or part of the cost of programs or projects to

"(1) develop or expand training of State, municipal and other government officials and other persons in the design, financing, construction, management, operation and maintenance of systems and facilities for energy and resources recovery from solid waste and for all other aspects of solid waste management so as to enhance the environment,

"(2) Support research, development, and demonstration programs for the systems and facilities referred to in paragraph (1) of this subsection.

"(3) Transfer and disseminate to interested government officials and to the public of technological and other information related to the systems and facilities referred to in paragraph (1) of this subsection.

"(c) Money appropriated pursuant to this section shall also be available for printing and publishing the results thereof and for administrative planning and direction.

"(d) There are hereby authorized to be appropriated $5,400,000 for each of the fiscal years which end June 30, 1975, June 30, 1976 and June 30, 1977.

"SEC. 4. Section 216 of the Solid Waste Disposal Act, as amended, is amended further to read as follows:

"GENERAL AUTHORIZATION

"SEC. 216. There are authorized to be appropriated to carry out the provisions of this Act, other than sections 224 and 226, $40,000,000 for each of the fiscal years which end June 30, 1975, June 30, 1976 and June 30, 1977."

"SMALL BUSINESS LOANS

"SEC. 5. (a) Section 7 of the Small Business Act is amended by inserting at the end thereof a new subsection as follows:

"(1)(1) The Administration also is empowered to make loans (either directly or in cooperation with banks or other lenders through agreements to participate on an immediate or deferred basis) to assist any small business concern in effecting additions to or alterations in the equipment, facilities, or methods of operation of such concern to recover energy and resources from solid waste, if the Administrator determines that such loans will help achieve the purposes of the Solid Waste Disposal Act, as amended.

"(2) any such loan—

"(A) shall be made in accordance with provisions applicable to loans made pursuant to subsection (a) of this section, except as otherwise provided in this subsection;

"(B) shall be made only if applicant furnishes the Administration with a statement in writing from the Environmental Protection Agency or, if appropriate, the State, that such additions or alterations will help achieve the purposes of the Solid Waste Disposal Act, as amended.

"(3) The Administrator of the Environmental Protection Agency shall, as soon as practicable after the date of enactment of the Energy and Resources Recovery Act of 1974, but not later than one hundred and eighty days thereafter, promulgate regulations establishing uniform rules for the issuance of statements for the purpose of paragraph (2)(B) of this subsection.

"(4) There is authorized to be appropriated to the business loan fund established pursuant to section 4(c) of this Act not to exceed $300,000,000 solely for the purpose of carrying out this subsection."

"(b) Clause (B) of paragraphs (1) and (2) of section 4 (c) and clause (A) of paragraph (4) of that section of the Small Business Act are amended by inserting "7(i)," after "7 (h),".

ADDITIONAL COSPONSORS OF BILLS

S. 3077 AND S. 3078

At the request of Mr. GURNEY, the Senator from Wyoming (Mr. HANSEN) was added as a cosponsor of S. 3077, a bill to increase the maximum amount of the grant payable for specially adapted housing for disabled veterans; and S. 3078, a bill to increase the maximum limitation on loans made or guaranteed under Title 38, United States Code, for the purchases of homes and for other purposes.

S. 3229

At the request of Mr. SCHWEIKER, the Senator from Colorado (Mr. DOMINICK) and the Senator from Virginia (Mr. WILLIAM L. SCOTT) were added as cosponsors of S. 3229, the Soviet Energy Investment Prohibition Act.

SENATE RESOLUTION 301—SUBMISSION OF A RESOLUTION RELATING TO JURISDICTION OVER THE U.S.-OWNED CANAL ZONE ON THE ISTHMUS OF PANAMA

(Referred to the Committee on Foreign Relations.)

Mr. THURMOND (for himself, Mr. MCCLELLAN, Mr. ALLEN, Mr. BAKER, Mr. BARTLETT, Mr. BENNETT, Mr. BROCK, Mr. BUCKLEY, Mr. HARRY F. BYRD, JR., Mr. COOK, Mr. COTTON, Mr. CURTIS, Mr. DOLE, Mr. DOMENICI, Mr. DOMINICK, Mr. EASTLAND, Mr. ERVIN, Mr. FANNIN, Mr. GOLDWATER, Mr. GURNEY, Mr. HANSEN, Mr. HARTKE, Mr. HELMS, Mr. HOLLINGS, Mr. HRUSKA, Mr. MCCLURE, Mr. MCINTYRE, Mr. NUNN, Mr. RANDOLPH, Mr. WILLIAM L. SCOTT, Mr. TALMADGE, Mr. TOWER, Mr. YOUNG and Mr. BEALL) submitted a resolution (S. Res. 301) in support of continued undiluted U.S. sovereignty of jurisdiction over the United States-owned Canal Zone on the Isthmus of Panama.

(The discussion in connection with the submission of the resolution appears earlier in the RECORD.)

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974—AMENDMENTS

AMENDMENT NO. 1121

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

Mr. ROTH. Mr. President, for the distinguished junior Senator from New York (Mr. BUCKLEY) and myself, I am today submitting the second in a series of amendments which I plan to offer to S. 3044, the Federal Elections Campaign Act Amendments of 1974.

By adding a new title to the Federal Election Campaign Act of 1971, my amendment will permit all candidates for congressional office, whether incum-

bents or challengers, to mail, at Government expense, 3 mass mailings of their campaign material to their potential constituents in the 60 days prior to a general election.

In exchange for the authorization to make three mass mailings during the final 60 days of the campaign period, all congressional candidates will be prohibited from making any mass mailings of their campaign literature within the 120 days immediately preceding a general election day. This provision is in accordance with S. 343, the bill presented by Senator ROBERT C. BYRD of West Virginia and passed by the Senate last June which would shorten the campaign period to approximately 8 weeks.

Included in my amendment is a change in the laws governing the use of the franking privilege by Members of Congress. At present, no Member of Congress can make a mass mailing to his constituents during the 28 days prior to a general election in which he is a candidate. My amendment lengthens this time period to 120 days in order to place both an incumbent and a challenger on equal terms.

As used in my amendment, the term "mass mailings" includes literature, such as newsletters, which are substantially identical in appearance or content. It excludes mailings which are in response to persons who have written to the candidate during the campaign period. In addition the term does not include news releases sent by the candidate to the members of the press.

Mr. President, by giving each candidate the opportunity to mail, without postage, these mass mailings to potential voters, the Senate will have made a substantial contribution to campaign reform. Each candidate will be encouraged to present his or her views to those whom they seek to represent without incurring the large postage costs which are associated with large-scale mailings.

I am pleased that Senator BUCKLEY has joined me in offering this amendment and I encourage each of my colleagues to support its adoption.

NOTICE OF HEARING ON INDIAN HEALTH CARE IMPROVEMENT ACT

Mr. JACKSON. Mr. President, I wish to inform the Members of the Senate and the general public that the full Committee on Interior and Insular Affairs has scheduled open public hearings on S. 2938, the Indian Health Care Improvement Act, on April 3, 4, and 11.

The hearings on all 3 days will commence at 10 a.m. in room 3110, Dirksen Senate Office Building.

ADDITIONAL STATEMENTS

VIETNAM VETERANS DAY— MARCH 29, 1974

Mr. ABOUREZK. Mr. President, this being Vietnam Veterans Day, I would like to take this opportunity to offer my thanks to the thousands of Vietnam veterans who, in terms of life, limb, and liberty, have given so much in recent years.

It has now been over a year since our involvement in the Vietnam conflict was officially ended. For thousands of young veterans who came home, it has not been a particularly happy or productive year. Our veterans have come home to scarce job markets, and to a high rate of inflation which has been reflected in rent, food costs, and even education.

In South Dakota, the cost of higher education have necessarily risen to unprecedented rates for tuition, books, room, and board. In recent years, tuition alone has more than doubled. Yet, today's veteran is forced to make ends meet with a flat $220 per month—a sum with which most veterans are required to pay these rising costs of education as well as support a family. Our present GI bill, it seems to me, is nothing more than a carrot stick in aiding veterans to go to school. Our veterans need and deserve far better than this and I hope that Congress and the American people will begin to realize that these men are proud young men who only want the chance other veterans got when they returned from previous wars.

It is a well-known fact that this has not always been the case, however. After World War II, veterans from that war were able to take advantage of a GI bill which paid for all tuition, books, and fees; which granted a monthly subsistance allowance of 35 percent of average monthly earnings; and which even allowed for public colleges to pay out-of-State tuition for veterans. Yet, today, while education costs have risen over five times in many cases, veterans are stuck with only a limited subsistance allowance. There is no good reason why today's veterans cannot expect at least as much as their fathers got. Certainly, this war was as hard on them as the "big war" was on their fathers. I would truly be interested in knowing how many middle-aged Americans would have college degrees today, had it not been for the fine GI bill of the late forties.

There is another significant difference between then and now. While jobs were plentiful in the postwar boom of the forties, the serious economic situation we now face has forced many of our veterans on the welfare roles because they cannot find work. In light of this, it is becoming increasingly apparent that there is a real need for greater Federal assistance—in terms of veteran job placement and public employment programs. Today's veterans want a hand, not a handout. Only by getting off our duffs can we ever expect to be of real assistance to them.

Mayor Kenneth Gibson recently declared that "today veterans must not be a political pawn." I agree with that statement, Mr. President. I believe that the hawks and the doves have now had their day in court and now Congress must listen and act to help these men in the time of their greatest need. Their problems are our problems and we have the power—and should have the will—to overcome them.

But the time to overcome them is now. South Dakota is fortunate to have one of the highest proportions of veterans presently attending college and a large number of those veterans have written to me to express their hope that the Congress push for a new GI bill soon. With thousands of veterans across the country like those in South Dakota now planning their immediate future, it is extremely important that they know well ahead of time whether or not they will be allowed to return to school next fall. I am therefore hopeful that the Congress will be able to make an early decision on this matter in order that this legislation become law well before the end of the current school year.

On Vietnam Veterans Day, 1974, it is important that we in the Congress not only recognize our indebtedness to our newest veterans, but set our resolve to assist them in becoming the educated and employed Americans they so fervently want to be.

REOPENING SUEZ CANAL

Mr. THURMOND. Mr. President, some far-reaching questions have been raised in reference to the wisdom of the United States aiding Egypt in reopening the Suez Canal.

The American people have always been friends with the people of Egypt. However, this area of the world has become a testing point for the great powers and the Congress has every right to expect this administration to strike a bargain which will serve peace in the world.

Mr. President, I ask unanimous consent that an editorial which appeared in the Augusta Chronicle on Friday, March 22, 1974, be printed in the RECORD at the conclusion of my remarks.

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

WHAT DO WE GET?

When Secretary of State Henry Kissinger secured a ceasefire between Israel and Egypt, and an agreement by Egypt's President Sadat to come to an unprecedented negotiating table with the Israelis, The Chronicle said editorially that with little doubt the price we would pay for getting such an accord would emerge later.

It has—at least in part.

The United States, it is now admitted by the Pentagon, will expend "tens of millions of dollars" to help clear the Suez Canal of unexploded mines and other explosives. This is a plum for the Egyptians, whose economy desperately needs the revenues which would be provided by the canal—revenues missing since the 103-mile-long waterway was closed by the 1967 war.

The American taxpayer can count on having to support this expenditure, just as he already supports billions of dollars worth of boondoggles that provide no tangible return to the taxpayer or his country.

In the case of the Suez Canal, of course, an intangible result of tremendous value is the return of peace—no matter how fragile it may seem at the moment. We would be the first to recognize that the absence of a hot war in the Middle East, which could spread into world war, is worth much to Americans—worth much more, in fact, than the expense of clearing mines.

Nevertheless, the fact remains that insofar as Egypt is concerned, we will make possible the reactivation of a project of inestimable value to the poverty-stricken land of the Nile. That being the case, it is worth asking why Mr. Kissinger did not get an urgently needed commitment to neutralize the canal, which could have put a damper on future wars in countries bordering the Indian Ocean.

The Soviet Union seeks, as it has sought for well over a century, access to that ocean by one route or another. With a canal open to all, its fleet in the Mediterranean can count on moving a great deal of power eastward—impractical now, with Britain controlling Gi-

braltar and with a South Africa opposed to Communist aggression controlling the naval resupply and service facilities in its part of the world.

The trouble with United States foreign policy, not only under this but previous administrations, is its seeming failure to secure concessions in exchange for all kinds of vital assistance we provide other countries.

We just don't seem to bargain, as other countries do, to get the best return for the benefits we throw around so liberally.

VIETNAM VETERANS DAY

Mr. NUNN. Mr. President, today's special recognition of our over 6.8 million Vietnam era veterans is long overdue. However, a 1-day salute to honor veterans who spent over 8 years in Vietnam will not settle our responsibility to recognize their sacrifices.

The Vietnam era veteran fought for a unique place in our military history. From the longest and most unpopular war in our Nation's history, most marched home to silent drums. They won possibly the shabbiest treatment accorded any American veterans. Rather than applaud them with the same recognition and benefits showered on their fathers and grandfathers, our country ignored them—hoping their memory would melt with that of the entire Vietnam conflict and fade into those files that are never opened.

These Vietnam veterans are really no different from those honored veterans of World War II and Korea. The Vietnam war itself was different; and the public reaction to the war was different. In trying to forget these differences, our country has forgotten the war's veterans with it.

Yet the families of the 56,000 men killed in Southeast Asia have not forgotten. The 308,822 veterans wounded have not forgotten. The 374,205 disabled veterans have not forgotten. The rest of the 6 million Vietnam era veterans have not forgotten the differences that made it an "unpopular" war.

Our older veterans have not forgotten that when they returned from World War II—whether they served in combat or on sentry duty—they were all heroes.

As heroes they were accorded heroes' recognition and benefits. Many of today's leaders in industry, education and Government will remember that it was the GI bill that provided the foundations of their successful careers. Each World War II veteran had the opportunity to get an education at little or no cost and over 7 million World War II veterans used this opportunity.

In my own State of Georgia, there are over 160,000 Vietnam era veterans with only 2.1 percent using the GI bill.

The main reason for this low usage is that the current GI bill is inadequate. Over 50 percent of World War II veterans used their GI bill because they got a substantially better deal in terms of benefits and acceptance.

Today's veterans have complained loudly about the $220 a month check they are given to cover both tuition and living costs—a stark difference from the full tuition and subsistence provided for World War II vets.

The inadequacy of the Vietnam veterans' educational benefits becomes obvious when the GI bill is compared to the percentage of average monthly earnings. The following chart was presented by the Veterans' Administration in testimony before the Senate Veterans' Affairs Committee:

COMPARISON OF U.S. AVERAGE MONTHLY EARNINGS TO GI BILL BENEFITS

Date	Average monthly earnings	No dependents		1 dependent		2 dependents	
		Monthly payment	Percent of average monthly earnings	Monthly payment	Percent of average monthly earnings	Monthly payment	Percent of average monthly earnings
1948	$212	$75	35.4	$105	49.5	$120	56.6
May 1973 (after payment of average tuition and book costs at all public colleges)	617	163	26.4	204	33.1	241	39.8
May 1973 (after payment of average tuition and book costs at major 4-year public colleges)	617	138	22.4	179	29.0	216	35.0

This chart points out the fact that the Vietnam era veteran—if he is to avail himself of even these inadequate educational benefits—has to have a source of supplemental income.

This brings our focus to the second major problem facing Vietnam veterans—employment.

Employment is a major concern of these veterans. They are caught in a paradoxical circle. The veteran needs good education and training to obtain a decent job; yet without a job to supplement the inadequate GI bill benefits, he cannot obtain this education and training.

In my opinion, most Vietnam veterans do not want to be singled out and recognized as "Vietnam Veterans" but simply accorded the respect given all other American veterans.

These "Vietnam" veterans want to return to their former life patterns which were interrupted by the war.

Poor GI benefits and unemployment problems are making it difficult for them to readjust.

On this day designated as "Vietnam Veterans Day" we should resolve that next year we will not need a special day to focus attention to the problems and needs of this group of veterans who have received second-class treatment.

Today, we mark the first anniversary of the day when the last American troops were withdrawn from Vietnam. On this same day, let us commit ourselves to free these "Vietnam era veterans" from their second-class treatment and welcome them back with the same heroes' trappings the last POW's received as they landed on American soil.

ANNIVERSARY OF OIC PILGRIMAGE

Mr. HUMPHREY. Mr. President, 1 year ago on March 29, 1973, Dr. Leon H. Sullivan and more than 10,000 representatives of OIC's from 110 cities and 41 States conducted a peaceful pilgrimage to bring 1 million petitions to the White House and the Congress urging passage of a manpower bill designed to help the unemployed and unemployables. The petition read as follows:

We, the undersigned, appeal to our American Government, our Congress, our President, our other elected officials, to continue and to expand support for the Opportunities Industrialization Centers (OIC).

We further strongly urge that the independence of OIC be preserved and that OIC be kept free from political patronage and controls.

We, the people of America, believe it is vital to America that OIC continue its economical, successful and positive self-help efforts, unhindered by political interference, to motivate, train and place people in jobs, and help build our communities and the nation.

To this end, we the people of this city and America, will do our part, in cooperation with government and with industry, to help OIC in its continuing work to help people to help themselves.

We ask that our names and this Appeal be appropriately delivered to our Congress and to our President in a National "OIC Pilgrimage" to Washington on Thursday, March 29, 1973 and afterwards to our state, county and city officials to emphasize our compelling concerns for the future of OIC, and to put the hopeful work of "OIC on the mind and the heart of America."

Today 1 year later, on March 29, 1974, special prayers of thanksgiving are being given by OIC clergy support leaders across the land. The fact that in America today, the petitions of 10,000 citizens from the poverty communities, among them the Indian Americans, Mexican Americans, Afro Americans, and poor white Americans, have received encouragement because their petitions were answered. The Government responded. The Congress passed the Comprehensive Employment Training Act of 1973 on December 20, 1973. President Richard M. Nixon signed the bill on December 28, 1973. On April 1, 1974, the Department of Labor will issue its guidelines and regulations naming the prime sponsors who will receive the Federal money. The appropriations process is working. The Honorable DANIEL J. FLOOD, chairman of the House Subcommittee on HEW and Labor, is holding hearings now and Dr. Sullivan is scheduled to testify before his committee with reference to appropriating the funds to implement the manpower law. The Honorable WARREN MAGNUSON, Sen-

ator from the State of Washington, and chairman of the Senate Subcommittee on Labor and HEW is holding hearings for the same purpose.

We proved that American democracy does work and can work, even in the midst of the many conflicts and complexities, that the Nation is facing. The OIC program, which has a 10-year track record of performance and proven effectiveness, was written into the manpower bill by name, by definition and is assured 3 years' existence under the 3-year authorization bill. Dr. Sullivan and the more than 1,000 industry leaders and 5,000 clergymen who support OIC across this land are living witnesses to the fact that the Congress of the United States will respond to the people when a positive, constructive program is presented and the legislative process is used as a means of solving social and economic problems.

I wish to enter into the RECORD the following statement from the Reverend Leon Sullivan in a telegram to President Nixon following the signing of the Comprehensive Employment Training Act of 1973:

Millions of Americans have gained new hope as a result of your signing today the historic Manpower Act of 1973. Be sure that OIC, which was included by definition in the Bill as an internal part of the 1973 Manpower System, stands ready to cooperate with the Department of Labor in every way possible to carry out your plans to develop the most effective and successful manpower training effort in the history of our Nation.

Mr. President, I wish unanimous consent that a statement by Dr. Sullivan be in the RECORD at this point in my remarks:

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

REMARKS BY DR. LEON SULLIVAN

"It gave me a great deal of satisfaction to send such a telegram and to express appreciation to the Congressmen and Senators who had passed this legislation since it demonstrated that our government does care and will respond to the petitions of the people. Just one year ago, on March 29, 1973, I called together 10,000 persons from across America to attend a Pilgrimage on the Capitol grounds in Washington in support of OIC. It was a peaceful gathering. There was no disorder and no confusion. When the large crowd left the grounds, there was not a single piece of paper left behind.

"On that day 800,000 signatures were delivered to the White House on special Appeal Petitions, requesting the American Government, our President and our Congress to continue providing funds for OIC, to expand that support, and to keep OIC free from political hindrances.

"We tried to make it clear in Washington that it was OIC's intention to help build the nation. We said:

"OIC is here to build. We want to build the attitudes of men and women who have lost pride in themselves and faith in the free enterprise system and in our American way of life.

"We want to build motivation in people so a worker will add to the productivity of the country, each giving a fair day's work for a fair day's pay.

"We want to build skills so men and women can use their hands to strengthen the economy of the nation in an increasingly industrialized competitive world where skilled manpower means the difference between a nation's rise and a nation's fall.

"We want to build our communities and to reconstruct our inner cities so that every child will have a decent home to live in, a decent school to go to, and a safe neighborhood to walk in.

"We want to build; if America can help build the bombed out cities of Saigon and Hanoi, then America can help rebuild the poverty bombed out inner cities of the nation.

"We want to build a nation united of every race, color and creed; taking Black Power, and Brown Power, and Red Power, and White Power, putting it together with the help of God, to build American Power."

We also emphasized that OIC had performed, and when you weed a field you don't cut down the good trees. Rather, you help them grow and plant more like them. OIC has trained and placed in jobs more than 100,000 people who were unemployed and underemployed of all races, colors and creeds. It is our goal in the next ten years to train three million men and women with skills to get good jobs in our communities and to take one million people off the welfare rolls.

In Washington last Thursday, the OIC in their city was represented by many supporters who brought with them thousands of signatures on the OIC Appeals from people in their town interested in OIC's future. As Chairman of the OICs of America, I wanted to let you know of the success of the Pilgrimage and to thank those citizens for the interest they are taking in the OIC work. We wanted by means of the Pilgrimage to put OIC, in a positive way, on the mind and the heart of America. We believe we succeeded.

We were particularly pleased that, in a meeting with top officials of the White House, we had the opportunity to discuss the problems facing OICs in the transition of our program into decategorized manpower plans. We discussed how OIC could lose as many as one-half of our 100 programs in America if some method is not found in conjunction with revenue-sharing goals to save them. We were able, also, to explain how important it is to keep OIC from political patronage and controls.

The White House representatives listened to us carefully and, I believe, with understanding. They assured us our problems would be carefully looked into, and in the light of our discussions I am encouraged to believe that an earnest effort will be made to find a solution to our problems.

At our 10th Annual Convocation in Minneapolis, Minnesota, Senator Gaylord Nelson, author of the 1973 Manpower Bill, was joined by Senator Hubert Humphrey in expressing the assurance that the Congress had responded to the people's needs in this time of rising unemployment.

Mr. Leonard Garment, representing the President of the United States, also came to the Convocation and indicated that the Executive Branch of the Government, through the President, had also responded to the petitions of the people in the Pilgrimage of March 29, 1973. Mr. Garment said:

"In addition to reading a message from the President, I have an official assignment to give Leon Sullivan a box—in exchange for the one he gave me last March. It was March 29, 1973, when 10,000 friends of OIC's massed the Capitol, carrying petitions from another 800,000 supporters. The occasion was the 'OIC Pilgrimage' and the petition asked the Congress and the President to continue and expand support for the Opportunities Industrialization Centers."

"While the gathering was at the Capitol, a delegation of 100 ministers came to the White House to present the petitions, 800,000 names make up a lot of petitions and to carry them in the Ministers had to find a very large box and they did. They came to the entrance of the Executive Office Building with a very large box—about 45 cu. ft., so big it had to be pushed on a wheeled dolly. It was decorated with the original markings of the Ark of the Covenant and filled to the brim with petitions.

"Now, when the people come to make deliveries of large objects to the White House, the Secret Service has a firm rule. The box was wheeled around to the side door to undergo the required Secret Service examination and then it was brought to my office, but it was too large to get inside the door. Those petitions were the voices of the citizens speaking to the Congress and the President symbolically as though each person were in the White House Office and in the Congressional Offices.

"The President and the Congress listened. In the intervening months, the new Comprehensive Employment and Training Act was enacted by the Congress and signed by the President. The OICs were mentioned by name in that new law. The people's petitions made a difference. Their voices were heard. The box had fulfilled its function. Now, Leon, tonight I have a box to give you in return. It, too, is symbolic. It has on the outside the Presidential seal and the President's signature. It has one thing inside—a pen engraved with the President's autograph. It symbolizes the signing of the Comprehensive Employment Training Act on December 28, 1973. Leon, it has been an honor and a pleasure to have taken part in the events surrounding this historic exchanges of boxes. It symbolizes the fact that at least sometime when the people speak, their voices are heard."

Mr. HUMPHREY. Mr. President, just 18 days ago, on March 11, the Vice President of the United States went to Philadelphia to see the operation of OIC as Dr. Sullivan's special guest. By the end of the tour, Vice President FORD said:

This is one demonstration of what can be done with leadership and motivation and help from private and Federal sources. We have got to expand it and we will. We will do our best to get you more funds.

Reverend Sullivan has requested every Federal, State, county, and local official to come see OIC programs in action across the country. He wants them to see first hand what OIC is doing in the depressed areas and to see what is possible to help the poor, unemployed, and underemployed of America. He is hopeful that Vice President FORD's visit to Philadelphia OIC will encourage the "come see" visitation to OIC's all over America.

Mr. President, I welcome this opportunity to extend my sincere best wishes to Dr. Sullivan and opportunities industrialization centers for continued progress in building a better future for America.

APPROPRIATIONS FOR THE SOIL CONSERVATION SERVICE

Mr. CHURCH. Mr. President, I recently submitted testimony to the Subcommittee on Agriculture Appropriations concerning the Soil Conservation Service.

Having released impounded funds and requesting additional funding for this coming fiscal year, the Nixon administration has finally realized the importance of the work done by the Soil Conservation Service and local soil conservation districts. However, the administration still will not lift the ceiling on technical assistance personnel. The call by the administration for all-out agriculture production means that millions of acres of set-aside and idle lands will be pressed back into production. Much of this land is high in erosion hazard and will require the technical assistance of SCS person-

nel to prevent permanent damage to these soils.

I ask unanimous consent that my statement, which describes the accomplishments of soil conservation districts in Idaho as well as future needs of the SCS, be printed in the RECORD.

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

TESTIMONY SUBMITTED BY SENATOR FRANK CHURCH BEFORE THE AGRICULTURE APPROPRIATIONS SUBCOMMITTEE OF THE SENATE APPROPRIATIONS COMMITTEE

Mr. Chairman, last year the Nixon Administration began an assault upon key programs administered by the Soil Conservation Service and local soil conservation districts. The Water Bank program and the Rural Environmental Assistance Program were arbitrarily abolished. Congressionally appropriated funds for the SCS and conservation districts had been impounded and the President's budget cutters placed ceilings on technical assistance, watershed construction and Resource Conservation and Development projects.

In letters to the Office of Management and Budget and the Secretary of Agriculture, I strongly protested these actions by the Administration. In these letters I stressed the importance of work done by the soil conservation districts in my State and urged that impoundments be released and that personnel ceilings for the SCS be lifted. I also forwarded to the Administration letters of appeal I received from many members of Idaho soil conservation districts.

I'm delighted to know that the Administration, after several years of impounding funds for the Soil Conservation Service, has heeded these pleas. The OMB has announced that it will release a large share of impounded funds, and $400 million will be made available for SCS in the current fiscal year. Personnel ceilings have also been slightly increased. Even more encouraging, for the first time in several years this Administration has proposed a budget that does not call for decreases in overall SCS funding. I want to add that while I favor cuts in the budget, especially in areas like foreign aid, I don't believe that the Soil Conservation Service and other agriculture programs should be singled out as victims for the budget cutter's knife.

By these most recent actions it appears to me that the Nixon Administration has come around 180 degrees and now admits that there exists a real need for the work done by the Soil Conservation Service.

In Idaho alone there are 52 soil conservation districts and through these districts the SCS is providing technical assistance to 21,838 district cooperators on approximately 11 million acres.

During fiscal year 1973, detailed soil surveys were completed on over 550,000 acres and reconnaissance soil surveys were completed on about 180,000 acres of privately owned land in Idaho. Roughly one-third of the private land in Idaho has now been surveyed.

Besides providing invaluable assistance to the farmers and ranchers in Idaho, soil conservation districts provided technical assistance to 349 units of state and local government during this past fiscal year.

As Chairman of the Senate Interior Subcommittee on Water and Power Resources, I'm especially pleased to know of the work accomplishments of the SCS in the area of water management planning. In cooperation with Idaho and Wyoming, the Soil Conservation Service is providing leadership in the Snake River Basin Type IV Survey covering approximately 50 million acres. This survey will provide data and information for both the Idaho and Wyoming State Water Plans and the Pacific Northwest River Basin Commission's Coordinated Comprehensive Joint Plan.

Besides this river basin investigation, which is essential to insure that agricultural and other rural and upstream watershed interests are properly considered in the development of Idaho's water and related land resources, the SCS and soil conservation districts are involved in watershed planning, flood plain hazards, and irrigation management assistance.

Finally, counties in Idaho are participating in four Resource Conservation and Development projects. The Idaho-Washington project includes the six northern counties of Idaho. The Bear River project includes a portion of Caribou County and the Wood River Resource Area project includes Blaine, Camus, Gooding and Lincoln counties. Furthermore, I've been informed that an application for a RC&D project is now being prepared which, if accepted, will include Nez Perce, Idaho, Latah, Clearwater and Lewis counties in north central Idaho.

RC&D projects are of great significance in Idaho. These projects utilize the very best aspects of participatory democracy. With wide-scale local citizen participation, projects are planned, resources inventoried and alternatives thoroughly evaluated. Funds for RC&D projects have been used in creating many community benefits including erosion and sediment control, flood prevention, public water based recreation, fish and wildlife development and other types of water management measures.

All in all the SCS in Idaho and the soil conservation districts have had another very productive year. However, much is left to be accomplished.

While the Administration has announced that an increase in manpower will be forthcoming this year, after a seven year decline, the numbers of additional man years to be added are paultry when compared to the job that needs to be done. The SCS in Idaho had approximately 240 permanent full time people in 1966. But by the end of fiscal year 1974 the personnel ceiling imposed by the Nixon Administration has diminished this number to 168 people. This loss of technical expertise to the soil conservation districts at a time when the need for technical expertise is increasing is totally unjustifiable. And, while adequate funding may be available, without adequate personnel these additional monies can't be effectively used.

Two years ago, as a result of conserving and set-aside lands this Nation had 62 million acres of idle cropland. This coming growing season, there will be no set-aside acreage. This means that in Idaho alone an additional 600,000 acres will be available for crop production. These additional acres are the most fragile and most subject to erosion from wind, water and other causes. If erosion is to be kept to a minimum then these croplands will require proper planning, special technical assistance and full consultation with SCS personnel.

Today, I'm merely echoing the message that I've received from soil conservation districts throughout my State. Members of SCD's in Idaho have expressed to me their support for increased funding and their concern that without sufficient technical assistance they cannot properly do the job that needs to be done.

This Administration is extremely shortsighted in its persistence with personnel ceilings while at the same time increasing the funding level for the SCS and also calling for greater expansion of food production. Here is a good example of working at cross purposes. If there is to be a true commitment on the part of the Nixon Administration toward all out food production and, at the same time, preservation of our land and water resources, then a re-appraisal is necessary. Let the OMB budget cutters poll the conservation districts in my State and I'm sure they will find that of any problem facing these districts, the shortage of technical assistance personnel is overriding.

The work of the soil conservation districts is invaluable. I firmly believe that the Idahoans involved in these programs, and they number in the thousands, have done a great service to the future well-being of our State, especially its land and water resources. With full funding and adequate personnel the Soil Conservation Service and the local soil conservation districts will be able to maintain and develop Idaho's land and water resources.

PENSION REFORM

Mr. JAVITS. Mr. President, the Congressional Research Service at the Library of Congress has completed a comparative analysis of the Senate-passed and House-passed versions of H.R. 2, the pension reform bill. In view of the tremendous interest in this legislation I ask unanimous consent that the text of the Congressional Research Service analysis be printed in the RECORD.

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

PRIVATE PENSION REFORM LEGISLATION, 93D CONGRESS, MARCH 1974—COMPARISON OF SENATE-PASSED AND HOUSE-PASSED VERSIONS OF H.R. 2

(By Peter Henle, Senior Specialist, Labor Economics Division; Raymond Schmitt, Analyst in Social Legislation, Education and Public Welfare Division; and Ann M. Marley, Analyst in Taxation and Fiscal Policy, Economics Division)

INTRODUCTION

The following tabulation compares the major provisions of the Senate-passed and the House-passed versions of H.R. 2, private pension reform legislation.

Action on this legislation was taken first in the Senate, culminating with passage of H.R. 4200 on September 19, 1973. This bill was the product of joint effort by the Labor and Public Welfare and Finance Committees. The Labor and Public Welfare Committee had reported out S. 4, on April 18, 1973 while the Finance Committee had reported out S. 1179 on August 21, 1973. A compromise bill worked out by the two committees was introduced on the floor of the Senate September 18 as a substitute for S. 4, the pending measure. Following the adoption of several amendments, the bill was passed 93–0 and its text incorporated in H.R. 4200, a minor House-passed bill to continue certain servicemen's and former servicemen's survivor annuity benefits.

On the House side, the Education and Labor Committee had before it H.R. 2 which was reported out of committee on September 25, 1973. The Ways and Means Committee, to whom the Senate-passed H.R. 4200 was referred, considered pension reform legislation beginning in October and reported out a new bill, H.R. 12481, on February 5, 1974. Subsequently, as the two committees worked to develop conforming bills, the Education and Labor Committee on February 19, 1974 approved the text of a new bill which was introduced the following day as H.R. 12906; similarly, the Ways and Means Committee reported out a new bill (H.R. 12855) on February 21, 1974.

On February 26, 1974 the bills from the two House committees were joined as a substitute for the text of H.R. 2, the pending House business. The Education and Labor Committee bill, H.R. 12906, became Title I and the Ways and Means Committee bill, H.R. 12855, became Title II. Few amendments were adopted, and the House passed H.R. 2 on February 28, 1974 by a vote of 376–4.

Subsequently, on March 4, 1974, the Senate passed H.R. 2, after substituting for its text the language of the previously passed H.R. 4200.

PRIVATE PENSION REFORM LEGISLATION—COMPARSION OF SENATE-PASSED AND HOUSE-PASSED VERSION OF H.R. 2

SENATE	HOUSE: TITLE I	HOUSE: TITLE II
	Short Title	
Retirement Income Security for Employees Act.	Employees Benefit Securtiy Act of 1974.	Employees Benefit Securtiy Act of 1974.
	Administering Agency	
Generally, most of the titles of the Act would be jointly administered by the Labor and Treasury Departments although the roles would vary. The Labor Department would have the principal role in administering reporting, disclosure, and fiduciary standards as well as the plan termination insurance and portability programs. The Treasury Department, on the other hand, would be largely responsible for vesting and funding. The Treasury Department would exclusively administer the tax provisions relating to retirement savings, increases in the present deductions under plans for the self-employed (Keogh plans), and limitations on benefits and contributions.	Primarily the Secretary of Labor, although the Secretary of the Treasury is assigned certain functions under the Act. Secretary of Labor to prescribe rules and regulations necessary to carry out the provisions of Title I (fiduciary responsibility and disclosure, vesting, funding, and plan termination insurance). Vesting and funding regulations, however, must be approved by the Secretary of Treasury.	Primarily the Secretary of the Treasury, although the Secretary of Labor is assigned certain functions under the Act. Secretary of Treasury to prescribe rules and regulations necessary to carry out the provisions of Title II (vesting, funding, contributions of self-employed, retirement savings for individuals not covered by any plan, limitations on benefits and contributions, taxation of certain lump-sum distributions, and salary reduction plans). Vesting and funding regulations must be approved by the Secretary of Labor.
	Participation and vesting	
	Coverage	
All private pension plans regardless of their tax qualification status and size. (sec. 201, 221).	All private pension plans established or maintained by employers or employee organizations affecting or engaged in commerce. However, all government and church plans are exempt. (sec. 201).	All private plans seeking to obtain or retain their tax qualification status. However, all government and church plans are exempt. (sec. 1011).
	Participation Requirement	
Plan may not require as a condition to be eligible to participate, a period of service of more than one year, or the attainment of age 30, whichever occurs later. (sec. 201).	Plan may not require as a condition to be eligible to participate, a period of service of more than three years, or the attainment of age 25 and one year of service, whichever comes first. However, a defined benefit plan may exclude any employee who commences employment at an age within 5 years of the normal retirement age under the plan. (sec. 202).	Same as Title I. (sec. 1011).
	Definition of Year of Service	
Regulations concerning the definition of year of service are to be promulgated by the Secretary of Treasury after consultation with the Secretary of Labor. Beginning with 1982, would include any year in which an employee worked at least 5 months with at least 80 hours of work each month. (sec. 221).	To be defined primarily by regulations developed jointly by Secretaries of Labor and Treasury but subject to guidelines set forth in the bill—including guidelines for seasonal employees. Year of service to take into account the customary working period (such as hours, days, weeks, months, or years) in any industry where, by the nature of the employment, the work period is substantially different from industry generally. (sec. 206).	Essentially the same as Title I. (sec. 1011).
	Vesting Requirement	
Employees must be vested in at least 25 percent of his accumulated benefits, by the end of the fifth year of service. This minimum percentage would then increase 5 percentage points in each of the next five years (at least 50 percent vested by the end of the tenth year of service) and by 10 percentage points in each of the following 5 years (so that the employee must be fully vested not later than the completion of his 15th year of service). Once an employee becomes eligible to participate, up to five years of participation service are to be credited to years of service for vesting eligibility. (sec. 221).	These alternatives are provided: (1) Employee must be vested in at least 25 percent of his accumulated benefits by the end of the fifth year of service; the minimum percentage to increase 5 percentage points in each of the next 5 years (at least 50 percent vested by the end of the tenth year of service) and by 10 percentage points in each of the following 5 years (so that the employee must be fully vested not later than the completion of his 15th year of service). (2) Fully vested (100 percent) by the end of the 10th year of service. (3) Rule of 45—that is, at least 50 percent vested when age plus service equal 45 years (provided that there is at least 5 years of service); the minimum percentage to increase by 10 percentage points in each of the following 5 years. (sec. 203).	Same as Title I. (sec. 1012).
	Application of vesting requirement to service prior to effective date of Act	
With certain exceptions, service prior to effective date is included, both for calculating the years of service required to qualify for vesting and for determining the years of accumulated benefits to be vested. (sec 221).	With certain exceptions, service prior to the effective date is included, both for calculating the years of service required to qualify for vesting and for determining the years of accumulated benefits to be vested. However, service by an employee prior to January 1, 1969, is required to be taken into account only if the employee has served at least 5 years with that employer (or under a multiemployer plan) after December 31, 1968. (sec. 203).	Same as title I. (sec. 1012).

PRIVATE PENSION REFORM LEGISLATION—COMPARISON OF SENATE-PASSED AND HOUSE-PASSED VERSIONS OF H.R. 2—Continued

SENATE	HOUSE: TITLE I	HOUSE: TITLE II
	Treatment of Breaks-in-Service	
In computing years of service to apply the vesting standard, only three of the five years of service need be consecutive. Generally service before and after breaks are to be aggregated for vesting and participation. (sec. 221).	In determining an individual's participation and vesting status after a break in service, a plan may exclude prior service of an employee who has a break in service of 1 or more years until the individual completes up to 1 year of work upon returning. However, where a rehired employee had completed at least 4 consecutive years of service before the break, his prior years of service must be taken into consideration for purposes of computing his years of service unless the break is for 6 years or more. However, if a rehired employee acquired a nonforfeitable right to at least 50 percent of his accrued benefits prior to the break in service, all his prior service must be taken into consideration in computing his years of service, regardless of the duration of the break. (sec. 206).	Same as title I. (sec. 1011).
	Transition Rules for Existing Plans	
No provision.	Plans in effect on January 1, 1974 would be required to provide only 50 percent of the otherwise applicable vesting requirement during the first year that the bill's vesting standards become effective, with this percentage rising by 10 percent annually until the full requirement has to be provided after five years. (sec. 203).	The same as Title I but applies to plans in effect on December 31, 1973. (sec. 1012).
	Vesting of Employer Contributions in Contributory Plans	
Vesting requirement does not apply to benefits arising from employer contributions if employee withdraws his contributions upon termination of employment or active participation in plan. (sec. 221).	No pension plan to which employees contribute shall provide for forfeiture of a participant's accrued benefit derived from employer contributions (whether or not otherwise forfeitable), solely because the employee withdraws his own contributions. (sec. 203).	Same as Title I. (sec. 1021).
	Social Security Offset	
No provision.	Social security offset plans are not prohibited if (1) in the case of individuals currently receiving benefits, the pension benefit is not decreased by any subsequent increase in social security benefits or (2) in the case of a participant terminating with a vested benefit, such benefit is not decreased by subsequent increases in social security benefits. (sec. 204).	Same as Title I. (sec. 1021).
	"Highly Mobile" Employees such as Engineers or Scientists	
Secretary of Labor is to develop modifications of Federal Procurement Regulations to insure that such employees under Federal contracts will be protected against forfeiture of their retirement benefits. In addition, the antidiscrimination provisions of the tax law are modified to allow an employer to establish a separate plan for highly mobile employees with lower benefits but with more liberal vesting than under his plan for other employees. (sec. 282).	No provision.	Essentially the same as Senate-passed bill, except that either House of Congress may disapprove proposed changes in procurement regulations. (sec. 1012, 1024).
	Effective Date	
Upon enactment for new plans; for existing plans, beginning with plan years commencing after December 31, 1975. If, on request, the Secretary of Labor determines that the vesting requirement would impose "substantial economic hardship" on individual plans, the effective date may be postponed up to six years. (sec. 221).	Upon enactment for new plans; for plans in existence on January 1, 1974 beginning with plan years after December 31, 1975. For plans maintained under collective bargaining agreements, the vesting requirements take effect with plan year beginning with termination of existing collective bargaining agreement or December 31, 1980, whichever occurs first (but in no event earlier than December 31, 1976). (sec. 207).	Essentially the same as Title I. (sec. 1017).
	Funding	
	Coverage	
All private pension plans regardless of tax qualification status and size. Excludes all government and church plans. Special rules provide an exemption for certain insured plans, and for profit-sharing, stock bonus, and money purchase plans. (sec. 241).	All private pension plans except governmental or church plans, a plan of a fraternal association, profit-sharing or savings plans, plans funded through insurance contracts, plus certain others. (sec. 301).	All tax-qualified plans with essentially the same exceptions as Title I. However, government and church plans must meet requirements of present law.

PRIVATE PENSION REFORM LEGISLATION—COMPARISON OF SENATE-PASSED AND HOUSE-PASSED VERSIONS OF H.R. 2—Continued

SENATE	HOUSE: TITLE I	HOUSE: TITLE II
	Basic Requirement	
Annual contributions to pension fund must be sufficient to 1) equal each year's "current service costs", and 2) amortize "past service costs" in no less than equal payments over no more than 30 years. The funding requirement does not apply merely to vested benefits, but to all accrued plan benefits. (sec. 241).	Annual contributions to pension fund must be sufficient to equal "current service costs", and to amortize the "past service costs" over no more than 30 years (existing plans given 40 years). The funding requirement applies to all accrued plan benefits (both vested and nonvested unfunded past service liabilities). (sec. 302).	Same as Title 1. (sec. 1013).
	Treatment of Plan Amendments	
Plan amendments which increase past service costs by as much as 5% may be treated as a separate plan for purposes of the funding requirement and amortized within 30 years. Benefits created by other plan amendments must be amortized over 15 years or the average remaining service life of the covered participants, whichever is shorter. (sec. 241).	Plan amendments must be amortized within 30 years. (sec. 302).	Same as Title I. (sec. 1013).
	Treatment of Experience Gains and Losses	
Experience losses or gains resulting from changes in asset valuation or other developments not foreseen in advance must be amortized over 15 years or the average remaining service life of the covered participants, whichever is shorter. (sec. 241).	Experience losses must be amortized within 15 years. (sec. 302).	Same as Title I. (sec. 1013).
	Special Hardship Provisions	
Employer may obtain a waiver for his required annual contribution from the Secretary of the Treasury. Any amounts waived must be amortized over no more than ten years and no more than 5 waivers may be granted in any ten-year period. The plan may not be amended to increase benefits as long as any waived amounts remain unpaid. (sec. 241).	When a plan fails to meet the funding requirements for five consecutive plan years, the administrator shall amend the benefit schedule to reduce the value of the accrued liabilities to such an extent as is necessary to bring the plan's funding schedule into conformity with the funding requirements. (sec. 303).	If an employer is unable to satisfy the minimum funding standard without substantial business hardship and if the application of the funding standard would be adverse to the interests of plan participants, the Secretary may waive the funding requirements. However, the minimum funding standard may not be waived more than five of any 15 consecutive years. (sec. 1013).
	Treatment of Multi-Employer Plans	
Multi-employer plans permitted a longer funding period of forty years. Moreover, with respect to any multi-employer plan for which the Secretary of Labor finds that even this requirement would impose "substantial economic hardship" on the plan, the 40-year period may be extended to as much as 50 years. (sec. 241).	Multi-employer plans permitted a longer funding period of forty years for past service costs and increases caused by plan amendments. Moreover, they may be given an additional 10 years to fund past service liabilities if the plan would experience a "substantial hardship". Further, experience losses may be amortized within 20 years. (sec. 302).	Same as title I. (sec. 1013).
	Effective Date	
For new plans, the funding requirement would take effect on enactment. For existing plans, the requirement would take effect beginning with plan years after December 31, 1975. For plans for which implementation of the funding requirement would impose "substantial economic hardship", as determined by the Secretary of Labor, the effective date may be postponed for a period of up to six additional years. (sec. 241).	For new plans, the funding requirement would take effect on enactment. For plans in existence on January 1, 1974, funding requirements take effect with plan years beginning after December 31, 1975. In the case of a plan maintained pursuant to a collective bargaining agreement, funding requirement takes effect on the earlier of (a) the date on which the collective bargaining agreement terminates or (b) December 31, 1980—but in no event earlier than December 31, 1976. (sec. 305).	Same as Title I. (sec. 1017).
	Plan termination insurance	
	Administering Agency	
A Pension Benefit Guaranty Corporation would be established as a government corporation within the Department of Labor. It would be administered by a three-member board of directors, with the Secretary of Labor as Chairman. Other board members would be the Secretaries of Treasury and Commerce. The Corporation is permitted to borrow up to $100 million from the Treasury. (sec. 402–403)	Essentially the same as Senate-passed bill except that board of directors would be comprised of Secretary of Labor as Chairman and two other officers or employees of the Labor Department. The Corporation is directed to establish two trust funds, a Single Employer Primary Trust Fund and a Multiemployer Trust Fund. The Corporation may also establish an Optional Trust Fund for single employers. The Corporation is permitted to borrow up to $100 million from the Treasury. (sec. 401, 404)	No provision. [Ways and Means Committee Report No. 93–807 on H.R. 12855 states that although the Committee regards the development of an adequate program of plan termination insurance as essential to protect the rights of covered employees, the bill makes no provision for such termination insurance since provision is included in the Education and Labor Committee bill.].
	Coverage	
All qualified plans regardless of size except money-purchase, profit sharing, stock bonus, governmental, fraternal society and church plans. (sec. 421)	Mandatory coverage—all plans subject to the funding requirement with more than 25 participants (of whom at least ten have acquired vested benefits). Voluntary coverage may be obtained by plans subject to the funding requirement, but which are not subject to mandatory coverage. However, they must meet underwriting standards set by the Corporation. (sec. 409)	No provision.

PRIVATE PENSION REFORM LEGISLATION—COMPARISON OF SENATE-PASSED AND HOUSE-PASSED VERSIONS OF H.R. 2—Continued

SENATE	HOUSE: TITLE I	HOUSE: TITLE II
	Basic Protection	
Insurance of all vested benefits, including vested ancillary benefits in the event of plan termination; includes vested benefits acquired both before and after enactment. (sec. 422).	Insurance of benefits which are nonforfeitable according to the minimum vesting schedule in section 203 in effect for such plan termination date; and any contingent rights to ancillary benefits if all contingencies (other than the passage of time) have been satisfied. Includes vested benefits acquired both before and after enactment. (sec. 403).	No provision.
	Limitations on Amount of Insured Benefit	
The monthly benefits guaranteed to any beneficiary could not exceed the lesser of 50 percent of the participant's average monthly earnings during the participant's highest-paid five years, or $750. The $750 is to be adjusted by changes in Social Security Administration wage base and contribution.	Insures only minimum required vested benefits which may not exceed the actuarial value of a monthly benefit in the form of a single life annuity commencing at age 65 equal to $20 a month per year of credited service. This maximum would be raised annually in accordance with changes in the average taxable wage of all employees, as reported to H.E.W. The Corporation is directed to undertake a study to determine under what conditions it can insure losses of plan benefits over and above those provided in the Act. To the extent that the Corporation determines that losses of the plan, or additional benefits are insurable, the Corporation shall prescribe the terms and conditions of insurance and the premiums to be charged.	No provision.
	Other Limitations	
No benefits would be guaranteed for a plan in effect less than three years, nor would benefits resulting from any plan amendment be guaranteed until the amendment had been in effect for three years. If plan loses its tax-qualified status, no benefits accrued after disqualification shall be guaranteed. (sec. 422).	No benefits would be insured unless the plan had been a member of the Corporation more than five years, although the board of directors may authorize payments for plans terminated with less than five years' membership although in such cases the maximum benefit for plans in existence less than five years would be reduced in accordance with a sliding scale based on years of existence. No benefits resulting from a plan amendment would be insured until the amendment had been in effect for five years. If plan loses its tax-qualified status, no benefits accrued after disqualification shall be guaranteed. (sec. 409).	No provision.
	Alternate Insurance	
No provision.	The Corporation may establish a Single Employer Optional Trust Fund. Each single employer plan is required to choose whether insurance of its benefits is to be covered by this fund or the Single Employer Primary Trust Fund. Premiums to the Optional Fund will be set by the Corporation and based on the individual plan's insured benefits and any excess of insured benefits over plan assets; premiums shall be based on actual and projected experience. Employers electing coverage under the Single Employer Optional Trust Fund are not subject to any employer liability. (sec. 404, 405, 414).	No provision.
	Employer Liability	
Employers would have limited liability for any loss of covered benefits resulting from their plan's termination. This liability would also extend to successor employers as a result of reorganizations liquidations, mergers, and consolidations; and would be limited to 30 percent of net worth. However, employers (except those remaining in business) would be able to avoid any liability by paying a higher premium to be set by the Corp. In lieu of such a surcharge, employers could elect to gain protection against such liability through a private insurance carrier. The amount of any unpaid liability owed by an employer shall constitute a lien in favor of the government, but junior to any lien for unpaid taxes owed to the government. (sec. 461, 462).	Where employers in terminated plans are not so insolvent, they or their successors-in-interest may be liable for reimbursement of a portion of insurance benefits paid. The liability of employers is to pay 100% of the present value of employer underfunding of the terminated plan (defined to take into account any expected employer contributions) but not more than 50% of the employer's net worth. The Secretary shall make arrangements with employers on equitable terms for the reimbursement of insurance paid. The amount of any unpaid liability owed by an employer shall constitute a lien in favor of the government, but junior to any lien for unpaid taxes owed to the government. (sec. 405). Employers covered by the Single Employer Optional Trust Fund are not subject to liability. (sec. 414). No employer shall be liable by reason of his contributions to or sponsorship of a multiemployer plan. (sec. 414).	No provision.

PRIVATE PENSION REFORM LEGISLATION—COMPARISON OF SENATE-PASSED AND HOUSE-PASSED VERSIONS OF H.R. 2—Continued

SENATE	HOUSE: TITLE I	HOUSE: TITLE II
	Premium Rates	
The Corp. would be authorized to prescribe insurance premium rates sufficient to fund any guaranteed payments. Separate rate schedules would be maintained for single employer and multi-employer plans. Initially, the premiums (to be collected as a "head tax") would be $1 a year for each individual covered by the plan. For plan years ending after 1976, however, the premium rate would be set by the Corporation according to the cost experience of the program. Congress would have to approve any revised rate schedule. Special provisions are included for multi-employer plans. (sec. 403, 463).	Separate rates to be set by the Corporation for single employer plans and multi-employer plans. Initially, the premium would consist of two parts: 1) a rate of not more than 0.1 percent for single employer (0.025 percent for multi-employer plans) on the excess of insured benefits over plan assets and 2) an additional rate levied (separately for single and multi-employer plans) on all insured benefits to yield an amount equal to the revenue raised by (1). Plans in effect less than six years not required to pay full premium, but in accordance with following schedule: *No. of Years Plan in Effect* — *Percent of Premium To Be Paid* 1 ---------- 50 2 ---------- 60 3 ---------- 70 4 ---------- 80 5 ---------- 90 6 or more---------- 100 Corporation may issue revised premium rate schedule but such schedule can only be effective thirty days after Congressional approval. (sec. 405, 406).	No provision.
	Portability	
The Pension Benefit Guaranty Corporation is directed to administer a program designed to facilitate the voluntary transfer of vested pension benefits between participating plans when an individual changes jobs. A Pension Benefit Portability Fund is established. The program will be entirely voluntary requiring the consent of both the employers who have established the plans to or from which pension monies are to be transferred and the employees who have to request such transfers. Workers who change jobs may have their vested retirement credits transferred to the Portability Fund. The worker may maintain these credits in the Fund or alternatively have the amount in his account transferred to a retirement plan of a new employer. (secs. 301–305.)	No provision (other than to study the existing degree of reciprocity and portability among plans).	No special provision. (However, bill contains a provision which is designed to achieve certain advantages of portability. Under a so-called "rollover" provision, individuals will have the right to roll over into individual retirement accounts—without the payment of current tax—complete distributions of amounts contributed under the plan by his employer.)
	Reporting and disclosure	
	Coverage	
The reporting and disclosure requirements apply to all employee benefit plans (regardless of size) although the Secretary of Labor may grant an exemption or provide a variance in the form or manner of reporting or disclosure. However, exempt plans of tax-exempt religious organizations described in section 501(c) of the Internal Revenue Code and plans outside the U.S. for the benefit of non-citizens. Continues the present Welfare and Pension Plan Disclosure Act exemptions of all governmental plans, and plans required under Workmen's Compensation and unemployment compensation disability insurance laws. (sec. 502, 503).	The reporting and disclosure requirements cover all employee benefit plans except governmental plans; church plans (unless they have elected to be covered), plans required under workmen's compensation and unemployment compensation disability insurance laws; plans outside the U.S. for the benefit of non-citizens. Secretary of Labor may grant an exemption from all or part of reporting, disclosure and publication requirements. (sec. 101, 105).	No provision
	Disclosure to Plan Participants	
The plan administrator shall furnish (or make available) to every participant upon his enrollment in the plan (and after each major amendment), a summary of the plan's important provisions written in a manner calculated to be understood by the average participant; a description of the benefits, and the circumstances which may result in disqualification or ineligibility. A revised up-to-date summary is to be furnished the participants every three years. The plan administrator is also required to furnish each participant or beneficiary requesting in writing, a complete copy of the plan description or a complete copy of the latest annual report, or both. (sec. 503).	The plan administrator shall make copies of the latest annual report available for examination in the principal office of the administrator. Once each year the plan administrator shall furnish each participant and beneficiary with a description of the plan and a statement of assets and liabilities, receipts and disbursements, the ratio of a assets to liabilities, and such other material as is necessary to summarize annual report. Upon written request, the plan administrator must furnish participants with a complete copy of the latest annual report. (sec. 102, 105, 106).	No provision.

PRIVATE PENSION REFORM LEGISLATION—COMPARISON OF SENATE-PASSED AND HOUSE-PASSED VERSIONS OF H.R. 2—Continued

SENATE	HOUSE: TITLE I	HOUSE: TITLE II
The plan administrator is further required to furnish any participant or beneficiary requesting in writing a statement indicating (1) whether or not he has a nonforfeitable right to a pension benefit, (2) the nonforfeitable benefits which have accrued, or the earliest date they will become nonforfeitable, and (3) the total pension benefits accrued. (sec. 503).	The Secretary may by regulation require that the plan administrator furnish each participant or his surviving beneficiary a statement of the rights of participants and beneficiaries under Title I. (sec. 102).	
	Plan Description	
The description of a plan shall be comprehensive and written in a manner calculated to be understood by the average participant. Also calls for plan description to include a description of the provisions providing for vested benefits. (sec. 502).	Same as Senate-passed bill. (sec. 103).	No provision.
	Annual Report to the Department of Labor	
Annual report must include: Statement of assets and liabilities; The aggregate cost and value of each security, by issuer; The aggregate cost and value of all other investments separately identifying each investment which exceeds 3 percent of the value of the fund; and each investment in securities or property of any party in interest; The aggregate amount by type of security, of all purchases, sales, redemptions, and exchanges of securities made during the reporting period including a list showing separately for each security the issuer, type and class of security, quantity, and information on price, gain, or loss (similar information also required for investment assets other than securities); A detailed list of and information on each transaction with any party in interest; A list and specific information on each lease with any party in interest or with an individual in default; The ratio of market value of the reserves and assets to the present value of all liabilities for nonforfeitable benefits; and A copy of the most recent actuarial report together with the assumptions used. (sec. 502, 503).	Annual report must include: Statement of assets and liabilities; A schedule containing specific information on assets held for investment aggregated and identified by issuer, borrower, or lessor; Detailed list and information on each transaction with a party in interest; A list of all leases which are in default or are uncollectible; The ratio of the current value of assets to liabilities allocated to each termination priority category; A statement of the amount, if any, by which the assets exceed or fall below the funding requirement; A copy of the applicable actuarial report together with the assumptions used. (sec. 104).	No provision.
	Annual Audit	
Annual report would include the opinion of an independent certified or licensed public accountant based upon an annual audit. (sec. 502).		No provision.
	Fiduciary standards	
	Coverage	
Fiduciary requirements apply to all employee benefit plans (regardless of size). However, exempts plans of tax-exempt religious organizations described in section 501 (c) of the Internal Revenue Code and plans outside the U.S. for the benefit of noncitizens. Continues the present Welfare and Pension Plans Disclosure Act exemptions of all governmental plans, and plans required under workmen's compensation and unemployment compensation disability insurance laws. (sec. 501, 511).	Fiduciary requirements cover all private plans except governmental plans; church plans (unless they have elected to be covered), plans required under workmen's compensation and unemployment compensation disability insurance laws; plans outside the U.S. for the benefit of noncitizens. (sec. 101).	No provision.
	Standards of Conduct of Fiduciaries	
A fiduciary shall discharge his duties solely in the interest of the plan participants, and for the exclusive purpose of providing benefits and defraying reasonable administrative expenses. (sec. 511).	Same as Senate-passed bill. (sec. 111).	No provision.
	Liability	
Any fiduciary who breaches any of the responsibilities, obligations, or duties imposed by this act is personally liable to the fund for any losses resulting from such breach. (sec. 511).	Same as Senate-passed bill (Trustees and plan administrators not liable for acts of investment advisers). (sec. 111).	No provision.

PRIVATE PENSION REFORM LEGISLATION—COMPARISON OF SENATE-PASSED AND HOUSE-PASSED VERSIONS OF H.R. 2—Continued

SENATE	HOUSE: TITLE I	HOUSE: TITLE II
	Prohibited Transactions	
Under the amendments to the Internal Revenue Code and the Welfare and Pension Plans Disclosure Act, a fiduciary would be prohibited from dealing in his own interest, or engaging in a transaction with a party in interest which constitutes a (1) sale or exchange, or leasing, of any property, (2) lending of money or other extension of credit, (3) furnishing of goods, services, or facilities, or (4) transfer to or use of any assets of the trust. (sec. 511). The prohibitions would not apply to any loan to parties in interest who are participants or beneficiaries of the plan if such loans (1) are available to all participants on a nondiscriminatory basis, (2) are not made available to highly compensated employees in an amount greater than that made available to other employees, (3) bear a reasonable rate of interest, and (4) are adequately secured. Similarly, a fiduciary would not be prohibited from receiving any reasonable compensation for services rendered. Several other exemptions would be provided from the list of prohibited transactions. For instance, loans and the leasing of property to a party-in-interest under a binding contract in effect on August 21, 1973 would be permitted for ten years if it remains at least as favorable to the trust as an arms-length transaction. The sale, disposition, or acquisition of this property during the ten year period must be for fair market value. (Secretaries of Labor and Treasury given joint rulemaking authority regarding exemptions and administration of certain prohibited transaction provisions, sec. 511, 521, 522).	A fiduciary would be prohibited from dealing with the assets for his own account, acting in the adverse interests of the plan participants, or receiving any consideration for his own personal account. The transfer or use of any property by a party in interest (except for no less than adequate consideration) would be prohibited. The acquisition of any property from a party in interest for no more than adequate consideration also would be prohibited. (sec. 111). The prohibitions would not apply to (1) receiving any benefit to which he may be entitled as a participant or beneficiary, (2) receiving any reasonable compensation for services rendered, or for the reimbursement of expenses properly incurred, or (3) serving as a fiduciary in addition to being an officer, employee, or other representative of a party in interest. (sec. 111).	No provision.
	Prudent Man Rule	
Fiduciaries must act as a prudent man would in a like capacity and familiar with such matters. (sec. 511).	Fiduciary must use the same care, skill and prudence as a prudent man acting in a like capacity and familiar with such matters. (sec. 111).	No provision.
	Limitation on Investments in Employer Securities	
No more than 7 percent of a pension fund could be invested in employer securities. Plans would have to divest themselves of any excess within ten years. This limitation, however, generally would not apply to profit-sharing and stock bonus plans. (sec. 511).	Fiduciaries must diversify the investments so as to minimize the risk of large losses, unless under the circumstances it is prudent not to do so. This generally does not apply to profit-sharing, stock bonus, or thrift and savings plans. In order to provide for an orderly disposition of investments, a fiduciary may in his discretion effect the disposition of such investments within three years of enactment. (sec. 111 and 115).	No provision.
	Enforcement	
The Secretary of Labor would have primary responsibility for enforcing rules with respect to fiduciaries. Where fiduciaries breach these standards of conduct, the Secretary of Labor (and participants and beneficiaries of the plan) may bring civil actions to impose liability on the fiduciaries for losses incurred by the plan or profits which they have gained as a result of the breach. Civil actions would also be available to enjoin fiduciaries or otherwise remedy a breach of conduct. (sec. 692).	Civil actions to enforce the fiduciary responsibility provisions may be brought by the Secretary of Labor, or by a participant, beneficiary, or fiduciary for appropriate relief. (sec. 503).	No provision.
	Excise Tax	
The Internal Revenue Service would have primary responsibility for enforcing prohibited transactions with respect to parties-in-interest through an excise tax. The excise tax is at two levels. Initially, parties in interest who participate in a prohibited transaction would be subject to a tax of 5 percent of the amount involved in the transaction per year. A second tax of 100 percent would be imposed if the transaction was not corrected after notice from the Internal Revenue Service that the 5 percent tax was due. (sec. 522).	No provision.	No provision.

PRIVATE PENSION REFORM LEGISLATION—COMPARISON OF SENATE-PASSED AND HOUSE-PASSED VERSIONS OF H.R. 2—Continued

SENATE	HOUSE: TITLE I	HOUSE: TITLE II
	Prohibition Against Certain Individuals Holding Office	
Persons convicted of certain crimes could not serve as an administrator, trustee, or officer of the plan. (sec. 511).	Same as Senate-passed bill. (sec. 113).	No provision.
	Effective Date	
All rules governing fiduciary standards except prohibited transactions would be effective on January 1, 1974. The prohibited transaction rules would be effective one year later on January 1, 1975 (sec. 521).	Six months after enactment. (sec. 115).	No provision.
	b. Subchapter S, Corporation Plans	
Repeals present tax treatment of qualified pension plans for shareholder-employees of subchapter S corporations. Shareholder-employees of subchapter S corporations are subject to the same limitations as corporate employees. (sec. 702.)	No provision.	Limitations on contributions or benefits applicable to self-employed individuals also apply to a shareholder employee (an employee who owns more than 5 percent of the outstanding stock of the corporation) of a Subchapter S corporation. (sec. 2001.)
	c. Corporate Plans	
Imposes limitations on contributions which may be made or the benefits which may be paid under qualified corporate plans for all employees.	No provision.	Imposes limitations on contributions or benefits for all employees. Permits annual adjustments for cost-of-living increases.
	(1) Defined Benefit Plans	
No deduction is allowable for contributions in excess of those necessary to fund a basic benefit in the form of a straight life annuity commencing at age 65 in excess of 75 percent of the participant's average high-three year compensation from the employer, not in excess of the first $100,000 a year. (sec. 702, 706.)	No provision.	The annual benefit under defined benefit plans cannot exceed 100 percent of the participant's average compensation for his highest 3 years of earnings (regardless of the age at which the benefits start) or $75,000 beginning at age 55 or later, whichever is less. The limitation does not apply to retirement benefits which do not exceed $10,000 for the plan year or for any prior plan year (if the employer has not maintained a defined contribution plan in which the participant was covered.)
	Retirement Savings, Limits on Contributions and Benefits, and Other Tax Provisions	
	Individual retirement savings plans	
Employees who are not covered under a qualified plan (including an H.R. 10 plan), a government plan, or a tax exempt organization annuity plan are allowed to establish their own qualified retirement accounts and take an annual income tax deduction for contributions for an amount up to the greater of $1,000 (not in excess of earned income), or 15 percent of earned income, up to $1,500 (sec. 701).	No provision.	Employees who are not covered under a qualified plan (including an H.R. 10 plan), a government plan, or a tax exempt organization annuity plan are allowed to establish their own qualified retirement accounts and take an annual income tax deduction for contributions up to $1,500 or 20 percent of earned income, whichever is the lesser. (sec. 2002).
	Limits on contributions and benefits	
	a. Self-employed plans	
Allows a self-employed individual to take an annual income tax deduction on his own behalf for contributions to a qualified retirement plan (H.R. 10 plan) equal to an amount which is the greater of $750 (but not in excess of earned income) or 15 percent of earned income up to $7,500. A $100,000 limitation is provided for the portion of earned income which may be taken into account in determining contributions or benefits. Also, a formula is provided which would allow the self-employed, in effect, to translate the 15 percent—$7,500 limitation on contributions into limitations on benefits which they could receive under a defined benefit plan. (sec. 704).	No provision.	Same as Senate-passed bill (sec. 2001).
	(2) Defined contribution plan	
The corporation is permitted to make deductible contributions sufficient to fund a pension for the employee on this same 75 percent of average high-three year compensation basis. Procedures to be followed in this situation take into account contributions accumulated in prior years, and provide that contributions made in current and subsequent years can provide any additional amounts necessary (together with earnings on those amounts at a standard 6 percent interest rate) to bring the pension benefits up to the level referred to above. (sec. 702, 706).	No provision.	The sum of the employer's contributions for the employee, a specified portion of the employee's own contributions, and any forfeiture allocated to the employee cannot exceed 25 percent of the employee's compensation or $25,000 annually, whichever is less. (sec. 2003).

PRIVATE PENSION REFORM LEGISLATION—COMPARISON OF SENATE-PASSED AND HOUSE-PASSED VERSIONS OF H.R. 2—Continued

SENATE	HOUSE: TITLE I	HOUSE: TITLE II
	(3) Coverage under both plans	
The maximum benefit payable under the defined benefit plan would have to be reduced in proportion to the amount of the benefit which was funded through the defined contribution plan. (sec. 702).	No provision.	Provides an overall limit to coordinate the two limits outlined above for an individual covered by both a defined benefit plan and a defined contribution plan established by his employer. The sum of (1) the percentage utilization of the maximum limit under the defined benefit plan and (2) the percentage utilization of the maximum limit under the defined contribution plan cannot exceed 140 percent. (sec. 2003).
	Lump Sum Distributions	
The portion of a lump-sum distribution representing pre-1974 value is to be taxed as capital gain. The post-1973 portion of a distribution is to be taxed as ordinary income but with 15-year forward averaging. The ordinary income portion will be taxed under a separate tax rate schedule—the schedule applicable to single persons. A special minimum distribution allowance is provided under the separate tax rate schedule for lower income individuals. (sec. 703).	No provision.	Same as Senate-passed bill, except that 10 year averaging is provided for the portion of the lump-sum distribution which is taxed as ordinary income under the separate tax rate schedule (sec. 2004).
	Salary Reduction Plans	
Amounts contributed under a salary reduction plan prior to January 1, 1974 are considered to be employer contributions. Thereafter, such contributions will be treated as employee contributions and will be included in the employee's income. (sec. 706)	No provision.	Directs the Secretary of Treasury to withdraw the proposed salary reduction regulations issued December 6, 1972. No other regulations may be issued in proposed form before January 1, 1975, or in final form before March 16, 1976. Until issuance of final regulations, such plans are to be administered as they were before January 1, 1972. (sec. 2005)
	General	
	Joint and Survivor Option	
All plans would be required to offer a joint and survivor option of at least half the amount payable to the participant during the joint lives of the participant and his spouse. The option could not be waived unless the participant affirmatively waived it, after receiving a written explanation concerning the terms of the annuity. (sec. 261)	Essentially the same as Senate-passed bill, but requirement for joint and survivor annuity applies only when participant and spouse have been married throughout the five years prior to annuity starting date. (sec. 204)	Same as Title I.
	Recordkeeping for Vested Benefits	
To assist employees in keeping track of any vested retirement credits, each plan (including Federal, state and local government plans) is required to report annually to the Secretary of Treasury the names of individuals who leave the plan with vested benefits and the amount of such vested benefits. (A statement setting forth this information would also have to be furnished to the individual.) This information would then be transmitted to and maintained by the Social Security Administration. Upon an individual's application for social security retirement benefits, the Social Security Administration is to furnish him with information regarding any vested pension benefits that he may have accumulated over his working career. (sec. 151, 152)	Essentially the same as Senate-passed bill excent that 1) government and church plans are covered only on a voluntary basis, 2) information is to be furnished to Secretary of Labor and then transmitted to the Social Security Administration, and 3) regulations to carry out this provision may be prescribed by the Secretary of Labor with approval of Secretary of Treasury. (sec. 106)	Essentially the same as Senate-passed bill except that 1) government and church plans are covered only on a voluntary basis, and 2) regulations to carry out this provision may be prescribed by the Secretary of Treasury with approval of Secretary of Labor. (sec. 1031, 1032)
	Preemption of State Law	
The provisions of this Act or the WPPDA supersede all state law as they relate to the subject matters covered by these two acts (i.e., vesting, funding, termination insurance, portability, reporting and fiduciary standards). (sec. 699)	The Act supersedes all state and local laws relating to fiduciary standards, reporting, disclosure, vesting, and funding (except for civil action by a participant or beneficiary to recover benefits due or to clarify rights to future benefits). No employee benefit plan subject to Title I (except plans primarily providing death benefits) can be considered an insurance company for purposes of State regulation. (sec. 514)	No provision.
	Enforcement	
Departments of Treasury and Labor both given responsibility for enforcement. Responsibility varies with different titles of the bill. Treasury Department enforcement authority includes the power to compel payment of taxes, already contained in the Tax Code, as well as new authority for an excise tax on any employer failing to fund the plan at minimum required amounts.	Department of Labor given responsibility for enforcement authority. Enforcement authority is exercised through the certification of a registration statement which each plan subject to the vesting and funding provisions must file. If the Secretary determines that a plan is not qualified (or no longer qualified), he is required to notify the administrator of the deficiency. If not correct-	Department of Treasury given responsibility for enforcement. Enforcement authority includes power to compel payment of taxes, already contained in the Tax Code, as well as new authority for an excise tax on any employer failing to fund the plan at minimum required amounts. (sec. 1013)

PRIVATE PENSION REFORM LEGISLATION—COMPARISON OF SENATE-PASSED AND HOUSE-PASSED VERSIONS OF H.R. 2—Continued

SENATE	HOUSE: TITLE I	HOUSE: TITLE II
Secretary of Labor is given authority to petition appropriate U.S. District Court for an order requiring corrective action whenever he believes an employee benefit fund is being administered in violation of this Act. (sec. 692)	ed, the Secretary of Labor may cancel (or deny) the certificate of registration and may petition the appropriate U.S. District Court for an order requiring the plan to comply. (sec. 503, 512)	
Civil actions for appropriate relief (legal or equitable) may also be brought by a participant or beneficiary to redress or restrain violations of fiduciary duty. (sec. 693)	Civil actions may be brought by a participant or beneficiary for appropriate relief, to recover benefits, or to clarify rights. (sec. 503)	
	Variances From Requirements Under the Act	
No provision.	For any type of plan, Secretary of Labor may prescribe an alternate method of meeting participation, vesting, funding, or plan termination insurance requirements if compliance with Act would cause substantial risk of plan termination or substantial reduction in benefits. (sec. 501)	For any multi-employer plan, Secretary of Labor may, for a limited period of time, prescribe an alternate method of meeting certain requirements of Title II (vesting of employer contributions, benefit accruals, charges and credits to funding standard account and charges in funding method or in plan year) if compliance with Act would cause substantial risk of plan termination or substantial reduction in benefits. (sec. 1015)
	Investigations	
The Secretary of Labor may make appropriate investigations when he believes it necessary to determine whether any person has violated the provisions of this act or the Welfare and Pension Plans Disclosure Act. He may enter such places, inspect such records and accounts, and question such persons as he may deem necessary to enable him to determine the facts relative to such investigation. (The Secretary of Labor is to make arrangements with the Secretary of Treasury so as to preclude a duplication of effort with regard to investigation of violations relating to fiduciaries.)	The Secretary of Labor is authorized to make an investigation in order to determine if any person has violated any of the provisions of Title I and may, where he has reasonable cause, enter such places, inspect such records and accounts, and question such persons as he may deem necessary to enable him to determine the facts relative to such investigation. (sec. 503)	No provision.
	Interference with Rights	
It shall be unlawful for any person to discharge, fine, suspend, expel, discipline, or discriminate against any participant or beneficiary for exercising any right under the pension plan. It shall also be unlawful to use fraud, force, intimidation, etc. for the purpose of interfering with the exercise of any right under the plan, this act, or the Welfare and Pension Plans Disclosure Act. (sec. 699)	Same as Senate-passed bill. (sec. 510–511)	A plan will not be considered to meet the vesting requirements if there has been a pattern of abuse under the plan such as a firing of employees before their accrued benefits vest. (sec. 1012)
	Arbitration	
Each plan shall provide a procedure for the fair and just review of any disputes between the administrator of the plan and any participant or beneficiary and an opportunity after such review and a decision by the administrator for the arbitration of such disputes. A participant or beneficiary may bring a civil action in lieu of submitting the dispute to arbitration under the plan. The cost of arbitration shall be paid by the plan unless the arbitrator determines that the allegations are frivolous. The Secretary of Labor shall inform participants of their rights and is authorized to furnish assistance in obtaining such rights. (sec. 691)	No provision.	No provision.
	Studies	
Secretary of Labor given broad authority for studies relating to the effect of new law, the role of private pensions in meeting retirement, security needs of the Nation, alternative methods of providing additional retirement security, and the operation of private pension plans. Secretary also directed to undertake special study of the sufficiency of provisions of the new law for high mobility employees.	The Secretary of Labor is directed to undertake research studies relating to pension plans, including but not limited to (1) the effects of Title I upon the provisions and costs of pension plans, (2) the role of private pensions in meeting the economic security needs of the Nation, and (3) the operation of private pension plans including types and levels of benefits, degree of reciprocity or portability, and financial characteristics and practices, and methods of encouraging the growth of the private pension system (sec. 502)	No provision.

PRIVATE PENSION REFORM LEGISLATION—COMPARISON OF SENATE-PASSED AND HOUSE-PASSED VERSIONS OF H.R. 2—Continued

SENATE	HOUSE: TITLE I	HOUSE: TITLE II
The Secretary of Treasury is directed to study the extent to which Federal and State pension plans are adequately funded, and determine whether it would be appropriate to require such plans to comply with the same minimum standards applicable to private plans. (sec. 281)	The Committee on Education and Labor and the Committee on Ways and Means of the House of Representatives shall study retirement plans established by Federal, State, and local governments including the (1) adequacy of existing levels of participation, vesting, and financial arrangements, (2) existing fiduciary standards, (3) the unique circumstances affecting mobility of government employees and individuals employed under Federal procurement, construction, or research contracts or grants, and (4) the necessity for Federal legislation and standards with respect to such plans. (sec. 502)	Same as Title I. (sec. 1023)
	Advisory Council	
A broadly-representative Advisory Council on Employee Welfare and Pension Benefit Plans consisting of 21 members appointed by the Secretary of Labor would be established, and would include 3 persons representing those receiving benefits from a private pension plan. (sec. 506)	A broadly-representative Advisory Council on Employee Welfare and Pension Benefit Plans consisting of 15 members appointed by the Secretary of Labor would be established. (sec. 114)	No provision.

JOBS, TRAINING, AND EDUCATION PROGRAMS FOR VETERANS

Mr. RIBICOFF. Mr. President, today, 1 year after the last U.S. combat soldier left Vietnam, we commemorate "Vietnam Veterans Day." Although we are thankful for the return of our troops and our disengagement from a long and painful conflict, the day is marred by the sad reality that over 288,000 Vietnam era veterans are jobless. Many of these men and women are unemployed as a result of hard luck and a lack of opportunities. Many are unfamiliar with the agencies and programs that can offer them occupational and educational assistance.

Jobs for Veterans, a national organization dedicated to linking veterans with a vast selection of occupational and educational opportunities, has published "A Digest of Veteran-Related Programs for Jobs, Training, and Education." This digest catalogs the responsibilities, services, and addresses of the many agencies and programs set up to aid veterans, including financial assistance plans.

Jobs for Veterans should be commended for its efforts in compiling the educational and occupational information contained in the digest.

I ask unanimous consent that excerpts from "A Digest of Veteran-Related Programs for Jobs, Training, and Education" be printed in the RECORD.

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

SUMMARY OF AGENCY RESPONSIBILITY

THE PRESIDENT'S VETERANS PROGRAM

In June 1971, the President announced a six-point program to help reduce the high unemployment being experienced by Vietnam era veterans. The President instructed the Secretary of Labor to ensure that it received the "highest priority in Federal Manpower and Training Programs." The President's six-point program involves both business and government in a joint effort to reduce Vietnam era unemployment and includes the following:

1. The National Alliance of Businessmen increase the participation of American business in providing employment for Vietnam era veterans.

2. The Department of Defense will continue active cooperation in projects designed to increase opportunities for improving job counseling, job training and job placement services.

3. The number of job training and educational opportunities for returning veterans with appropriate emphasis on college, technical and high school education to be augmented.

4. Most all agencies and contractors funded by the Federal Government be required to list job openings with the U.S. Employment Service (this provision was enacted into law with the signing of PL 92-540 of October 24, 1972)

5. Increase the effectiveness of the U.S. Employment Service in placing of Vietnam era veterans, in jobs.

6. Vietnam era veterans who have been drawing unemployment compensation (UCX) for more than three months to be afforded special services.

COMPREHENSIVE EMPLOYMENT AND TRAINING ACT OF 1973 (CETA)

Purpose: To provide a new and up-to-date charter for manpower programs. It decentralizes and decategorizes numerous programs authorized under the Manpower Development and Training Act and under Title 1 of the Economic Opportunity Act. This is the first legislation to incorporate the essential principles of special revenue sharing.

Source of more information: Manpower Administration, U.S. Department of Labor, Washington, D.C. 20210.

FEDERAL CIVIL SERVICE PREFERENCE

Administered by: U.S. Civil Service Commission.

Purpose: To give preference in federal employment throughout the country to qualifying veterans in areas such as the following:

1. Competitive Civil Service Commission exams (10 point preference to veterans with a service connected disability, 5 point preference to other veterans).

2. Waiver of age, height, and weight requirements in most instances.

3. Restriction of examination for jobs as guard, elevator operator, messenger, and custodian to veterans as long as veteran applicants are available.

4. Re-employment rights and crediting of time spent in active military service toward experience required for eligibility in position of kind held before service (or on the basis of actual experience gained in the Armed Forces).

5. Precedence on Civil Service registers (list of eligible applicants).

6. Review by Civil Service Commission of agency's reason for passing over veterans and selecting nonveteran.

7. Exemption from law prohibiting federal employment to more than two members of a family residing in the same household and exemption from the "quota" of persons from each state who can be appointed in Washington, D.C.

8. Preference for retention when a reduction in force takes place.

9. Right under certain conditions to file application after closing date of examination.

10. Special appointments for recently discharged veterans.

Source of more information: Federal Job Information Centers, Regional Offices of the CSC, United States Veterans Assistance Centers or United States Civil Service Commission, Washington, D.C. 20415.

JOB PLACEMENT SERVICES (STATE EMPLOYMENT SERVICE)

Administered by: State Employment Service in cooperation with U.S. Department of Labor.

Purpose: To provide job referral and counseling services, with priority given to veterans and preferential treatment to disabled veterans. Each of the 2,400 state employment service offices maintains a system of current job listings; tied in with computerized job banks. Every office is staffed with at least one veterans employment representative (VER) to give special assistance to veterans.

Source of more information: Your local State Employment Service Office.

VETERANS PROGRAM (OMBE)

Administered by: Office of Minority Business Enterprise.

Purpose: President Nixon established the Office of Minority Business Enterprise (OMBE) in March 1969 and placed it under the responsibility of the Secretary of Commerce. OMBE was charged with fostering and promoting minority business enterprise by coordinating and focusing federal government programs and by enlisting the full range of the nation's resources by involving the private business community in the minority business effort.

The OMBE mission is to provide centralized leadership for a national program to enhance minority ownership of business. It coordinates existing federal, state, local and private sector programs and resources. It developes new business opportunities, new initiatives in existing programs, and new institutions when necessary. OMBE identifies sources of capital, expertise and information, and makes them available to minor-

ity businessmen. And it acts as the repository and disseminator of all information useful in stimulating minority business development.

Together with veterans of the Korean Conflict whose specified business loan benefits will not expire until January 31, 1975, there is a formidable veteran constituency who deserve the best that OMBE can provide under the mandate given by the President.

The key point of contact between the returning veteran is the local business development organization (LBDO). LBDOs assist their socially or economically disadvantaged clients in preparing and marketing successful business packages and provide management and technical assistance after the business starts. LBDO services include preparation or review of business plans; feasibility studies; liaison between the enterpreneur and sources of financing; counselling and management assistance.

Source of more information: Director, Office of Minority Business Enterprise, U.S. Department of Commerce, Washington, D.C. 20230.

ON-THE-JOB AND APPRENTICESHIP TRAINING ASSISTANCE (GI BILL)

Administered by: Veterans Administration.

Purpose: To provide veterans enrolled in approved programs of on-the-job or apprenticeship training with a monthly allowance to supplement their starting wage. The allowance is paid directly to the veteran and can continue as long as two years for approved on-the-job training, and longer for apprenticeship training. The amount of each monthly payment is determined by the number of veterans' dependents and the length of time he has been in training. Monthly payments are reduced with each succeeding 6-months period of training from the initial payment.

Source of more information: Your local VA Office or Veterans Administration, 810 Vermont Avenue, N.W., Washington, D.C. 20420.

OPPORTUNITIES INDUSTRIALIZATION CENTERS (OIC'S)

Administered by: Cooperative arrangement in more than 100 towns and cities between Department of Labor, Department of Health, Education and Welfare, and the OIC's which are either self-supporting or receive financial support from other manpower programs.

Purpose: The OIC is a privately organized and directed training program, emphasizing minority group leadership and enrollment, extensive use of volunteers, and assistance and participation by industry. It recruits and trains unemployed and underemployed workers who ordinarily have not been attracted to public agency programs, providing motivational and basic work orientation in a "feeder" center, and occupational training in skill development centers. A key feature of the program is the involvement of employers in the training and subsequent placement of participants. Most of these training programs, particularly those in major cities, are approved by the Veterans Administration so that veterans can draw GI Bill benefits while enrolled.

Source of more information: Your State Employment Service Office, The OIC in your city or OIC's of America, Incorproated, 18 West Chelten Avenue, Philadelphia, Pennsylvania 19144.

POLICE MANPOWER

Administered by: International Association of Chiefs of Police.

Purpose: State and local law enforcement agencies are in yearly need of thousands of qualified, entry-level personnel. The returning serviceman with his maturity and disciplined background offers a prime manpower source for the law enforcement profession.

Source of more information: Your local police department or Professional Standards Division, Intrenational Association of Chiefs of Police, 11 Firstfield Road, Gaithersburg, Maryland 20760.

REEMPLOYMENT RIGHTS FOR VETERANS

Administered by: Department of Labor (or U.S. Civil Service Commission, for Federal employment).

Purpose: To enable an honorably discharged veteran to return to the position he would have attained (or another position of comparable seniority, status and pay) had he not served on military duty. His entitlement includes all benefits he would have received had he not been absent, such as pay increases. He must be qualified to do the job to which he returns; if disabled in service, the veteran is entitled to another job of comparable seniority, status and pay. The job the veteran left must have been nontemporary, and he may not have served more than 5 years (all service over 4 years at the request of the Government). He generally must apply to his employer within 90 days after separation from active duty or release from hospitalization. Reservists and National Guardsmen returning from initial active duty for training of 3 or more months have 31 days in which to apply; otherwise they must report back for the next regularly scheduled work period after their return home. Veterans returning from active duty have protection against discharge without cause for one year.

Source of more information: Veterans Reemployment Rights representative at your Department of Labor Regional Office or Office of Veterans Reemployment Rights, U.S. Department of Labor, Washington, D.C. 20210.

SMALL BUSINESS LOANS AND ASSISTANCE

Administered by: Small Business Administration.

Purpose: Several programs are available to provide loans, loan guarantees, lease guarantees, and management and technical assistance to persons needing this assistance for the purchase, construction, expansion, operation, etc., of small business. Disadvantaged (include Vietnam Era veterans), and minority applicants are given special consideration under certain programs. A leaflet, "Economic Opportunity Assistance for Veterans," is available upon request.

Source of more information: Your Local SBA Office or Small Business Administration, 1441 "L" Street, Northwest, Washington D.C. 20416.

URBAN LEAGUE MILITARY AND VETERANS AFFAIRS PROGRAM

Administered by: National Urban League.

Purpose: To increase opportunities and justice for servicemen in the military; (2) to assist servicemen when they become veterans in obtaining employment, education, housing, welfare benefits. Requests for assistance from servicemen are submitted in accordance with regulations of the individual armed services to the National Urban League 90 to 120 days prior to the serviceman's date of discharge. These are forwarded to Urban League affiliates or the National American Red Cross. Service is available to veterans at any time.

The Program was founded in 1967 by the late Executive Director, Whitney M. Young, Jr. It operates in 10 cities: Atlanta, Chicago, Cleveland, Jacksonville, Florida, New Orleans, New York, Pittsburgh, Richmond, and Tacoma. Additionally, through an agreement with the National American Red Cross, services are available in cities where there is no Urban League Affiliate. The Program works with industry, institutions, governmental agencies and organizations to develop employment and educational opportunities in response to servicemen's and veterans' needs, abilities and desires.

Source of more information: Local Urban League Office or Mr. Henry A. Talbert, Jr., Acting Director, Military and Veterans Affairs, National Urban League, 55 East 52nd Street, New York, New York 10022.

JOBS FOR VETERANS PROGRAM

Administered by: National Alliance of Businessmen (NAB) in cooperation with the Department of Labor.

Purpose: To find employment in the private sector for Vietnam-era veterans. Started at the request of the President of the United States in 1968, the Alliance has concentrated on finding jobs in the business sector for disadvantaged persons and needy youths. Asked by President Nixon in 1971 to take on the extra tasks of hiring Vietnam-era veterans, the National Alliance of Businessmen found private sector jobs for more than 648,000 veterans in the first 2½ years. In the Jobs for Veterans program, businessmen are asked to set aside "for veterans only" a share of positions an employer would normally fill during a year with special emphasis on hiring disabled veterans. Pledges for jobs are generally referred to the local state Employment Office, which locates veterans to fill the jobs, and to the Veterans Administration when disabled veteran jobs are received.

In 1974, at the request of the White House, the National Alliance of Businessmen again expanded its Jobs for Veterans program. The Alliance's responsibilities now also include publication of the JFV Report, basic advertising publicity programs and services, and the promotion of Job Opportunity Fairs within the United States. NAB also co-sponsors overseas Job Information Fairs with the Department of Defense for soon-to-be released servicemen and women.

The National Alliance of Businessmen is headquartered in Washington and its more than 130 branch offices throughout the United States are staffed by some 5,000 persons, the majority of whom are business executives on loan and paid by their companies for periods ranging from 3 months to 2 years.

Source of more information: The National Alliance of Businessmen, Metro Office in your city or Vice President, Veterans Affairs, National Alliance of Businessmen, 1730 "K" Street, NW., Washington, D.C. 20006.

VETERANS' READJUSTMENT APPOINTMENTS

Administered by: U.S. Civil Service Commission.

Purpose: To provide special federal civilian jobs to returning veterans with no more than 2 years of education beyond high school who agree to participate in a training or educational program. These positions are at grades GS–1 to 5, or the equivalent; eligibility extends for one year after separation for honorably discharged veterans with at least 180 days of active duty, or less if there is a service-connected disability. ("Active duty for training" does not qualify.) A veteran can hold the appointment only as long as he shows satisfactory progress in his education or training program, as well as on the job. After two years of satisfactory service, the appointment automatically becomes a regular civil service appointment. Provision has recently been made for promotion above the GS–5 level under certain circumstances. A pamphlet, "Veterans Readjustment Appointments" is available upon request.

Source of more information: Federal Job Information Centers, Regional Civil Service Commission Offices or U.S. Civil Service Commission, Washington, D.C. 20415.

VETERANS CONSTRUCTION JOB CLEARINGHOUSE

The Veterans Construction Job Clearinghouse was established in 1971 as a non-profit cooperative effort between the National Association of Home Builders, The Associated General Contractors of America and the United States Departments of Labor and Defense. The Clearinghouse office is located in Washington, D.C.

The objective of the Clearinghouse program is to provide servicemen and veterans

with information and job referrals for finding high paying, responsible, life-time career opportunities in the construction industry.

To fulfill the construction needs of our growing population, many vacancies exist for civil, structural, sanitary, mechanical, electrical, soils, and industrial engineers in addition to the thousands of skilled craftsmen needed annually. There is currently a shortage of craftsmen such as carpenters, bricklayers, plumbers, electricians, cement masons, and heavy equipment operators to name a few.

The Department of Defense has integrated the job referral services of the Clearinghouse into its program. Servicemen interested and qualified in construction register with the Clearinghouse 30 to 60 days prior to their discharge or release from military service. The Clearinghouse then provides each serviceman with a list of builders and contractors who need employees with a particular skill in a particular area. The National Alliance of Businessmen, United States Veterans Assistance Centers and the Department of Labor employment offices nationwide are providing information and application procedures for this popular and worthwhile program.

The National Association of Home Builders—totaling over 75,000 members, and The Associated General Contractors of America totaling over 9,000 members—represent many opportunities in the light and heavy contruction industry.

Source of more information: Thomas L. Brown, Director-VCJC, National Assoc. of Home Builders, Box 19368, Washington, D.C. 20036. (800) 424–8533 toll-free.

Gregory Matosky, Director-VCJC, Associated General Contractors, Box 19368, Washington, D.C. 20036.

EDUCATION PROGRAMS

COLLEGE WORK-STUDY PROGRAM

Administered by: U.S. Office of Education (Department of Health, Education and Welfare)

Purpose: To furnish federal funds to subsidize work programs providing jobs for needy undergraduate and graduate students. Federal fund amount to 80%; the remaining 20% is provided by the participating college or business. Students may work an average of up to 40 hours a week while attending classes on at least a half-time basis and during summer or other vacations. Jobs may be on or off-campus with a public or other non-profit agency. Veterans may draw VA education benefits while participating in the program, but participation of any individual is based upon need as determined by the college financial assistance officer.

Source of more information: Financial aid officer at the appropriate college or Division of Student Assistance, Bureau of Higher Education, Office of Education, Washington, D.C. 20202.

SUPPLEMENTAL EDUCATION OPPORTUNITY GRANT

Administered by: U.S. Office of Education (Department of Health, Education and Welfare)

Purpose: To provide grants of up to $1,500 per year, up to a maximum of $4,000 for 4 years or $5,000 if 5 years are required, for undergraduate students enrolled on at least a half-time basis who are in such exceptional financial need that they could not otherwise attend college. These grants do not have to be repaid. Veterans may be eligible for Educational Opportunity Grants while drawing VA education benefits; grants are made on the basis of need as determined by the college financial assistance officer.

Source of more information: Financial aid officer at the appropriate college or Division of Student Assistance, Bureau of Higher Education, Office of Education, Washington, D.C. 20202.

"GI BILL" EDUCATION ASSISTANCE

Administered by: Veterans Administration.

Purpose: To provide monetary assistance for veterans enrolled in an approved course of education or training, usually for a period of up to 36 months. Payments are made directly to the veteran to help offset the costs of tuition and other expenses, according to the number of his dependents and the type of training, which can include the following:

1. Institutional (full or part-time); pre-high school, high school, trade school, college or university.
2. On-the-job or apprenticeship training.
3. Farm cooperative training.
4. Correspondence courses.
5. Flight school.
6. Remedial or tutorial services.
7. Prediscbarge education program leading to high school diploma (PREP).
8. Other institutional programs for active duty servicemen.

Source of more information: Local VA Office or Veterans Administration, 810 Vermont Avenue, NW., Washington, D.C. 20420.

(See Appendix A.)

VOCATIONAL EDUCATION

Administered by: U.S. Office of Education (Department of Health, Education and Welfare) through grants to state school systems.

Purpose: To provide comprehensive occupational training, primarily in a classroom setting (full or part-time), for youths or adults. Training can be conducted in or out of regular public schools; new emphasis has been placed on the poor and disadvantaged. Generally, one dollar of Federal funds is provided for every dollar of state funds.

Source of more information: Division of Vocational and Technical Education, Office of Education, Washington, D.C. 20202.

Pamphlet: "Learning for Earning," Superintendent of Documents, Government Printing Office, Washington, D.C. 20402 ($.25).

LOANS, SCHOLARSHIPS AND OTHER FINANCIAL ASSISTANCE

A number of loans, grants, fellowships, and scholarships are available to students in any field of study through the U.S. Office of Education. Two of these are listed below.

NATIONAL DIRECT STUDENT LOANS

Administered by: U.S. Office of Education (Department of Health, Education and Welfare).

Purpose: To establish loan funds at accredited higher education institutions to permit needy undergraduate and graduate students who are enrolled at least halftime to complete their education. A student may borrow up to $10,000 at the graduate or professional level; for students who have successfully completed two years of a program leading to a bachelor's degree, up to $5,000, and for other students, up to $2,500. No interest will be paid until payment of the loan begins, and the rate is only 3%. Partial or specified military duty after receipt of students who enter certain fields of teaching or specified military duty after receipt of the loan.

Source of more information: Financial aid officer at the appropriate school or Division of Student Assistance, Bureau of Higher Education, Office of Education, Washington, D.C. 20202.

HIGHER EDUCATION ACT INSURED LOANS—GUARANTEED STUDENT LOAN PROGRAM

Administered by: U.S. Office of Education (Department of Health, Education and Welfare).

Purpose: To authorize loans from private lenders to be federally guaranteed and insured for undergraduate and gradute students at accredited institutions (including vocational and technical). Payment of the loan may be deferred during years while the student is attending school and during this period interest charges of up to 7% will be paid by the Federal Government.

Source of more information: A local private lender of Division of Insured Loans, Office of Student Assistance, Office of Education, Washington, D.C. 20202.

Free pamphlet: "Federally Insured Student Loans."

VIETNAM VETERANS DAY

Mr. ROTH. Mr. President, since today is Vietnam Veterans Day, we will be hearing a lot of rhetoric about how grateful we are to these young veterans for protecting America's freedom. This is well and good for it focuses attention on the problems they face which cry out for correction. It will be very sad, however, if we do no more than talk and fail to take positive action.

As a veteran of World War II, I feel an especially strong alliance with these men. I can appreciate their struggle to obtain a decent education, a good job, and a good life for themselves and their families. But we veterans of World War II had many advantages over these men today. We were not scorned for having served our country, our tuition costs were paid by the Government, and our monthly supplement checks were not eroded by inflation.

The war in Vietnam may be over, but the needs of our veterans are still very much with us. Let us not forget them when we turn our calendar tomorrow and it is no longer an official Vietnam Veterans Day.

THOUSANDS EVICTED BY PUBLIC WORKS

Mr. BIDEN. Mr. President, in 1970, the Uniform Relocation Assistance Act was adopted to alleviate abuses occurring when families were displaced from their homes as a result of Federal or federally assisted programs. The aim of that legislation was to insure that a few individuals did not suffer disproportionate injuries as a result of programs designed for the benefit of the public as a whole. Recently, Housing and Urban Development submitted a report to the General Services Administration on the administration of the Uniform Relocation Assistance Act which included remarks indicating that the programs were effective.

However, Thomas Lippman, in an article which was printed in the Washington Post on March 14, 1974, pointed out that a study prepared by the Metropolitan Washington Council of Governments concludes that better coordination between relocation and availability of low-income housing is lacking for a really effective relocation program in the Washington area. Assistance programs, especially for low-income families displaced by projects in every State, should provide decent replacement housing, or our renewal projects will have the effect of moving families from one deteriorated environment to another.

Mr. President, I ask unanimous consent that the text of that article be printed following my remarks.

There being no objection, the article

was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 14, 1974]

THOUSANDS EVICTED BY PUBLIC WORKS

(By Thomas W. Lippman)

More than 2,000 Washington-area families are being forced from their homes this budget year by public works projects, a regional study has concluded.

Most of the displacements will be caused by public school and subway construction and urban renewal, according to the report.

Aside from the hardship for the people who are forced to move, the analysts' report suggests, this displacement exacerbates the area's already-critical shortage of housing for low- and moderate-income families; and that shortage makes it more difficult for local governments to carry out necessary construction projects that require residential displacement because there is so little housing available for those who would have to be relocated.

The report, prepared by Metropolitan Washington Council of Governments staff analysts, was submitted to the COG board of directors by Montgomery County Council member Elizabeth Scull, who heads COG's human resources policy committee. It was approved by the board without dissent.

The total family displacement for the one year, July, 1973, to June 30, 1974, could be lower than the 2,015 total envisioned in the report. This is because that total includes 122 households scheduled to be displaced by the Eisenhower convention center, which has not yet received congressional approval. Even so the figure will be considerably higher than the areawide total of displacements for the year that ended June 30, 1973, which was 1,547.

The power of governments to take private property for a public purpose dates back through centuries of legal history, though its use often arouses community opposition.

The Fifth Amendment to the U.S. Constitution requires that "just compensation" be paid to the property owner, but it is left to Congress and the state legislatures to decide what that means.

The compensation requirement does little to benefit most of the persons being displaced in this area because more than 80 per cent of them are renters, not owners, of their dwellings, the COG report says.

Many of them, however, are entitled to financial assistance under the Federal Uniform Relocation Assistance Act of 1970, which also provides that no one may be displaced by a project in which federal funds are used until adequate relocation housing is made available. Similar laws apply to locally financed projects in Virginia and the District.

The COG report gives this statistical profile of the 3,562 families displaced in the two years covered by the survey, the 1973 and 1974 fiscal years:

About 70 per cent, or 2,555, lived in the District of Columbia, 391 in the Virginia suburbs, and 616 in the Maryland suburbs.

Over 80 per cent were described as "low-income," and "the great majority qualified for low rent public housing, based on family size and income eligibility criteria."

About one-third of the displaced households require dwellings of one bedroom or smaller, such as efficiency apartments, but 11 per cent require four or more bedrooms.

What these figures mean, the report says, is that "the need for replacement housing resources is largely confined to households of limited financial capabilities. A considerable number of low-income and moderate-cost housing units are being removed from the housing inventory. The result is a further diminution of the already inadequate supply of moderately priced housing."

The report also concluded that the myriad federal agencies dealing with or causing relocation has "vague, incomplete and inconsistent" policies for doing so, and that the individual jurisdictions within the metropolitan area have no coordinated relocation program. "As a result, local, state and federal displacement programs continue to operate independently, each without full knowledge of the other's action."

Over the two years covered in the survey, the public works projects that have caused the most dislocation in the District are the urban renewal of 14th Street NW and Shaw, a city code enforcement program, which requires property owners to upgrade their buildings, Metro, and the renovation of the Brentwood Village apartments on Rhode Island Avenue N.E.

In Maryland, the report cites code enforcement in Prince George's and urban renewal in Colmar Manor; and in Virginia, Alexandria's Temple Trailer Park and "Dip" projects.

The report does not suggest that local agencies halt their taking of residential properties for public works and urban renewal projects. Instead, it urges accelerated construction of replacement housing and the adoption of uniform relocation policies.

It also makes no mention of the large-scale displacement of the poor that is occuring in the District because of the pressures of the private housing market, rather than by public agencies. Uncounted numbers of families, mostly low-income tenants, are being moved from the city's Adams-Morgan, Mount Pleasant and Capitol Hill areas by rising rents and soaring real estate prices.

Since there are more families on public-housing waiting lists in this area than there are public housing units, and since very little low-priced rental housing is being built by private developers, the housing squeeze is acute for the kinds of persons most affected by the programs analyzed in the COG report.

AN INDEPENDENT, NONPOLITICAL SOCIAL SECURITY ADMINISTRATION

Mr. CHURCH. Mr. President, on March 11, Senators RIBICOFF, CLARK, HUMPHREY, and WILLIAMS joined me in cosponsoring the Social Security Administration Act, S. 3143.

This bill has three principal provisions.

First, it would create a three-member governing board—appointed by the President with the consent of the Senate—to administer the social security programs. To insure against undue political influence, the three members would be appointed for staggered terms of 5 years each.

Secondly, S. 3143 would prohibit the mailing of announcements—such as notices of increased benefits—with social security or supplemental security income checks which make any reference whatsoever to any public official. This provision is designed to immunize the social security and SSI programs from being used for narrow, partisan purposes.

Finally, this bill provides for the separation of the financial transactions of the social security trust funds from the operations of the unified budget. As a result, proposed changes in the social security program could be assessed on their own merits and in relation to financing for the program, instead of solely in terms of their immediate impact upon the overall Federal budget.

Companion legislation—H.R. 13411—was introduced in the House on March 12 by Congressman WILBUR MILLS, the chairman of the House Ways and Means Committee.

A few days ago, Mr. Robert Ball—a former Commissioner of the Social Security Administration and one of the premier administrators in all of Government—wrote a powerful article in the Washington Star-News which provides compelling arguments for such legislation.

Mr. Ball's views on this subject, it seems to me, should be "must" reading for Members of the Senate. Additionally, his counsel on proposals to change the contributory nature of the social security system merit very close and careful attention.

For these reasons, I ask unanimous consent that the article entitled "Against 'Progressive' Social Security Taxes" in the March 10 issue of the Washington Star-News be printed in the RECORD.

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

AGAINST "PROGRESSIVE" SOCIAL SECURITY TAXES

(By Robert M. Ball)

In the name of "tax reform" there is a movement afoot which would seriously undermine the contributory nature of the social security system.

One current proposal is to finance social security by a progressive tax, with complete exemption for low-wage earners. Under this proposal the present flat-rate social security deductions from earnings would be dropped, and the loss of income arising from the failure of low-wage earners to make contributions would be made up by higher payments from middle-level and higher-paid wage earners. As a consequence such earners would be called on to pay more for social security than their protection is worth to them.

Proposals to finance all or the major part of social security out of the general revenues of the United States are also being advanced.

I believe that such changes would be dangerous to the stability of the system and would threaten contributors' rights to future benefits.

A good argument can be made for direct government assistance to low-income workers, but this can be accomplished without making radical changes in the nature of our popular and successful social security system. Social security is a social insurance system similar to those found in major industrial countries throughout the world and is based on a long tradition of self-help. The fact that those who get protection for themselves and their families pay specifically toward the support of the system, together with the absence of a means test, are the main features of social insurance which sharply distinguish it from "welfare."

The proper financing principles for such a program—really a government-operated, contributory, retirement and group insurance plan—are by no means the same as the financing principles one would want to follow in raising money for the support of general government expenditures. Social security financing should not be considered separately from social security benefits or approached solely as a tax issue.

If the financing principles of social security are changed so that large numbers of people are paid benefits without contributing, while large numbers of other people are charged much more than they would have to pay for obtaining the protection elsewhere, fundamental changes in the benefit side of the program are almost bound to follow. Without a tie between benefit rights and

previous contributions, questions would undoubtedly arise about the basis for paying benefits to those who can support themselves without the benefits. If financing were related to ability to pay, it is very likely that benefits would be related to need. Thus as a result of a change in financing, we could find that social security had been turned into a welfare or negative income tax program designed to help only the very poor and that it no longer was a self-help program serving as a base for all Americans to use in building family security.

The analysis of social security financing separately from social security benefits and solely in terms of taxation principles seems to me to be based on a misunderstanding of the nature of social security—a misunderstanding that grows in part out of the fact that social security today is lumped in with other government programs, both organizationally and in the presentation of the budget. I believe it would help make the nature of social security clear if it were operated by a separate government corporation or instrumentality and if social security transactions were kept separate from the rest of the federal budget.

Before considering this proposal, however, it would be well for the reader to have in mind the scope and nature of our social security system as it is today.

During 1974 the social security programs—cash benefits and Medicare—will pay out $75 billion in benefits.

Approximately 100 million working people will make social security contributions during 1974 and in return will receive credits toward benefits for themselves and their families designed to partly make up for the loss of earned income during retirement, during periods of extended and total disability before retirement age, or because of death. They also will receive credits toward paid-up hospital insurance during periods of extended and total disability and after age 65. Nearly 30 million people—one out of seven Americans—now receive a social security check each month, and practically all Americans are heavily dependent upon the system for future retirement, disability, survivors', and health insurance protection.

The social security system is a compact between the federal government and those who work in employment covered by the system. In return for paying social security contributions while earning, the worker and his family receive certain benefits under defined conditions when those earnings have ceased or may be presumed to have been reduced. As in all insurance, the covered individual exchanges the uncertainty of a relatively large potential loss for the certainty of a relatively small payment.

Social security involves very long-term commitments; not only are beneficiaries paid on the average over many years once they come on the rolls, but contributors today are being promised benefits which may not begin for 40 or more years in the future.

The system is almost entirely compulsory, and the employee contributions which are similar to employee contributions to private pension plans and group insurance are legally a tax—a benefit tax paid by the persons, who together with their families, are protected by the program. By law the income of the system can be used only for social security benefits and the administrative expenses of the social security system.

Unlike individual annuities under private insurance, social security does not, and indeed should not, build up reserves held to each worker's account sufficient to pay off accumulated rights. Social security is financed on a current-cost basis, with nearly all contributions in a given year ordinarily being used in that year to meet benefit payments and administrative expenses. The social security trust funds that do exist are contingency reserves designed to avoid the need for sudden and disruptive contribution rate increases that might otherwise be required by a sudden dislocation in the nation's economy which brought a cut in payrolls and consequently in social security income.

Precisely because the honoring of expectations now being built up is dependent on future contribution income, it is essential to establish the inviolability of benefit rights and to guard the financing source from other uses or erosion. To a very considerable extent this has been done. To help make certain that the obligations now being created are honored in the distant future, the management of the system by the Executive Branch and the Congress has been conservative. All costs have been carefully estimated over the long run (for 75 years in the case of cash benefits and for 25 years in the case of hospital insurance) and earmarked financing designed to meet the estimated cost has been provided for by law.

But the security of future benefit payments not only derives strength from there being some kind of long-range plan to fully meet cost, but is also greatly reinforced by the concept of a social security tax or contribution paid by the people who will benefit under the system. Putting it another way, the moral obligation of the government to honor future social security claims is made much stronger by the fact that the covered workers and their families who will benefit from the program made a specific sacrifice in anticipation of social security benefits in that they and their employers contributed to the cost of the social security system and thus they have a right to expect a return in the way of social security protection.

This is true in social security, railroad retirement, civil service, and state and local retirement systems, even though there is not ordinarily in any of these programs—nor, for that matter, in private group insurance—an exact relationship between the amount of protection provided and the contributions made by the individual. Very importantly, the contributory nature of the system helps to make clear that it would be unfair to introduce eligibility conditions that would deny benefits to people who paid toward their protection.

I believe it would add significantly to public understanding of the trustee character of social security as a retirement and group insurance plan if the program were administered by a separate government corporation or instrumentality and if its financial transactions were kept separate from other government income and expenditures.

Social Security now, with 70,000 employees and some 1,300 district offices across the country, is one of the very largest direct-line operations of the federal government. It accounts for nearly 60 percent of the personnel of the Department of Health, Education, and Welfare and pays out $1 for every $3 spent by all the rest of the federal government.

It does not make sense administratively to have this huge program, which intimately touches the lives of just about every American family, operated as a subordinate part of another government agency. The management of social security could be made more responsive to the needs of its beneficaries and contributors if it were freed from the frequent changes in the levels of service to the public which grow out of short-term decisions about employment ceilings and the varying management value systems which follow the frequent changes in HEW secretaries and their immediate staffs.

Until the fiscal year 1969 budget, the financial transactions of the social security system were kept entirely separate from general revenue income and expenditures, except for purposes of economic analysis. Today they are a part of a unified budget, which lumps together general revenue income and expenditures and the separately financed social security system. This is leading to confusion on just how separate from other government programs social security really is. In the interest of protecting social security's long-term commitments, the separateness of social security financing should be made unmistakably clear.

The purpose of the annual budget is, on the one hand, to make choices among expenditures, giving preference in the budget period to one expenditure over another and, on the other hand, to determine who pays what and how much for the expenses. Social security promises—stretching into the distant future, resting on past earnings and contributions, and with separate financing—are not a proper part of this essentially competitive process.

The inclusion of social security transactions in a unified budget is bad for other reasons as well. It leads to a distortion of the decision-making process on non-social security programs. Occasional excesses of income over outgo in social security operations in the short run tend to be used as an excuse for financing additional general revenue expenditures since social security income, though legally reserved for social security expenditures, is treated in the budget in the same way as general revenue income and shows up as if it were available money.

Just about every American has a major stake in protecting the long-term commitments of the social security program from fluctuations in politics and policy. The administration of social security by a separate government corporation or instrumentality and the separation of social security financial transactions from other government income and expenditures would strengthen public confidence in the security of the long-run commitments of the program and in the freedom of the administrative operations from short-run political influence. It would give emphasis to the fact that in this program the government is acting as trustee for those who have built up rights under the system. Such changes would not only help to preserve social security as our most effective anti-poverty program—keeping some 12 million people out of poverty and doing so under conditions that protect their dignity and self-respect—but would also help to preserve social security as a universal retirement and group insurance plan on which *all* Americans can rely.

SOLAR ENERGY

Mr. DOMINICK. Mr. President, yesterday, during hearings before the Special Subcommittee on the National Science Foundation, Dr. Alfred J. Eggers, Jr., Assistant Director for Research Application of NSF, testified on the Solar Heating and Cooling Demonstration Act of 1974.

I found his testimony most enlightening on a subject which has certainly concerned all of us more and more during the past several months—namely the proposed uses of solar energy and it reveals dramatically the big surge in research funding and experimental programs spearheaded by the National Science Foundation.

Mr. President, I would like to ask unanimous consent that Dr. Eggers' testimony be printed in the RECORD.

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

STATEMENT OF DR. ALFRED J. EGGERS, JR.

[Charts mentioned in article not printed in Record]

Mr. Chairman and Members of the Committee:

I greatly appreciate the opportunity to pre-

sent today the views of the National Science Foundation on H.R. 11864, the "Solar Heating and Cooling Demonstration Act of 1974," and to outline the research program supported by the Foundation to achieve early applications of solar energy.

This Subcommittee has long recognized the importance of energy research. In recent years, through the authorization process, the Subcommittee has supported and directed NSF to accelerate its basic and applied research activities, throughout proof-of-concept experiments, under the Program of Research Applied to National Needs (RANN). The Foundation has developed and implemented a major energy research program, a large part of which is devoted to solar energy. Later in my statement, I will describe some of the significant results of this research which have potential for widespread application in the civilian economy.

The Foundation is the lead Federal agency for Solar Energy Research. This research is a broad and aggressive effort which focuses on advancing the technology for solar thermal conversion, wind energy conversion, bioconversion to fuels, and ocean thermal and photovoltaic conversion, as well as the heating and cooling of buildings. Through these technologies, solar energy can be used to generate electric power, to provide space heating and cooling, and to produce renewable supplies of clean hydrocarbon fuels. It is estimated that, with widespread application of these technologies, solar energy could meet some 30 percent of the Nation's energy needs as we move into the next century.

It is generally accepted that solar energy is essentially inexhaustible and that it can be employed in a relatively non-polluting fashion. The great challenge which must be met to achieve its widespread application is to find ways of utilizing it that are socially and economically acceptable. This challenge encompasses not only the surmounting of technical problems, but also overcoming legal, regulatory and institutional barriers which may exist. In addition, it may be necessary to provide incentives which could encourage early implementation of solar energy technologies. These incentives might include (1) subsidies on capital investment, (2) subsidies on initial operating costs, (3) guaranteed or low-interest rate loans, and (4) guaranteed minimum sales on equipment development.

It is clear from these considerations that an effective, overall solar energy research program must deal with all these major issues, ranging from the technical to the socio-economic and the environmental. This requires a team effort involving the best experts on these issues from government, industry, and universities. It also requires involving, from the outset, the key users of the results of the research, including the Federal mission agencies and manufacturers. This principal has guided the development of the NSF solar energy research program from its initiation.

I would now like to give a few selected examples which highlight our program and give further emphasis to the points that I have just made.

First, significant emphasis is being placed on photovoltaic conversion—that is, the use of solar cells like those used to generate electricity in space. This is a formidable challenge, since there is a need to reduce manufacturing costs by a factor of 100–1,000.

A dramatic improvement in the quality of continuous single crystal ribbon has been obtained in a joint Harvard University/Tyco Laboratories project which is being sponsored by NSF/RANN in cooperation with the Jet Propulsion Laboratory of NASA. These silicon ribbons are a significant first step in achieving the objective of producing lower-cost solar cells. The next chart shows that the performance of these ribbons is approaching close to that of silicon produced at much higher cost through present wafer technology.

Another major area of the program is solar thermal conversion. By this we mean the use of solar energy to bring a liquid to boil and thus drive a turbine to generate electricity. Space heating is a potential by-product of the process. A ⅜-scale parabolic trough concentrator-collector has been designed and fabricated for solar thermal experiments under a joint University of Minnesota/Honeywell Corporation project.

A major solar-thermal project planned for Fiscal Year 1975 is the design of a central receiver that will heat the working fluid to 1,000° Fahrenheit to produce electrical power. This project includes the design, fabrication, and test of heliostat reflectors, bench model central receivers and thermal storage subsystems. We are closely coordinating this research with complementary work on solar powered community systems at Los Alamos Scientific Laboratory of the AEC.

Another very promising subprogram area is wind energy. As you know, we are working with the NASA Lewis Research Center in Cleveland, Ohio on this matter. The design of an experimental machine with a rotor 125 feet in diameter is nearing completion. This machine will generate 100 kilowatts of electrical power in a wind velocity of 18 miles an hour. It will be constructed for proof-of-concept experiments in Fiscal Year 1975 at the Plum Brook Station. This is a drawing of the pitch-change mechanism, gear train, brakes, and generators to be installed at the top of the tower in that machine. The problems here are chiefly concerned with the gearing and automatic control system. The initial experiments will test variable pitch rotor blades to achieve constant rotor spin. The rotor is connected to a synchronous generator by means of a step-up gearbox. A control system senses wind velocity, spin, and load and adjusts the rotor pitch automatically. The challenge will be to minimize the cost and complexity of the gearing and control systems, the rotor, and the tower structure. This 100 kw windmill is a step toward projected future windmills capable of producing 1–2 megawatts each—that is, systems generating millions of watts of electricity.

Now I would like to turn to solar heating and cooling of buildings. In the past two months, four schools have been outfitted with experimental solar heating augmentation systems:

The North View Junior High School in Osseo, Minnesota;

The Fauquier County Public High School in Warrenton, Virginia;

The Timonium Elementary School outside Baltimore, Maryland; and

The Grover Cleveland Junior High School in Dorchester, Massachusetts.

Each of the school heating augmentation experiments has been designed to test advanced equipment, with special attention to solar collector design and the role of thermal storage in different climatic regions.

The experiment at the Warrenton School employs selective coatings. With these coatings, the collectors capture a larger fraction of the sun's incident energy. This system also includes a thermal storage unit which has a capacity of 20,000 gallons of water. It is currently in operation and is helping to heat temporary classrooms.

The experiment at the Minnesota school is similar to the Warrenton project except that it is located in a more northerly latitude and it involves a larger collector array, measuring some 5,000 square feet in surface area.

The Boston school experiment is testing a solar energy collector system which employs Lexan Plastic glazing. This collector utilizes a nonselective coating that is somewhat less efficient than one with a selective coating but it has the advantages of being lightweight and relatively vandal-proof. This experiment and the one at the Baltimore school have been in operation the longest, and the experimental solar heating augmentation system have performed well thus far.

These four school heating augmentation experiments will provide important initial information on systems performance and on their acceptability to the public. They will also provide the basis for obtaining valuable information on the retrofit application of solar heating systems to a variety of schools and other buildings at various locations in the Nation. Data on these solar heating systems will be collected and evaluated through June 1975.

Honeywell, Inc.; General Electric; Inter-Technology Corporation; and Aircraft Armaments Incorporated are the principal firms involved in these projects, and considering that they started work in mid-January, it seems fair to say that they have done a remarkable job.

The Foundation is also arranging for a completely independent evaluation of the four school heating augmentation experiments, which will be conducted in parallel with these experiments. This evaluation will assess the technical strengths and weaknesses of the different systems, and it will examine the economic, social, and environmental aspects of their applications.

Now I would like to turn to the research program under way at Colorado State University for testing advanced components for solar heating and cooling of a single family residential house.

This will lead to the first tests of a complete solar heating and cooling system under actual operating conditions. An additional experimental project is being undertaken at the University of Delaware, using a solar heating system coupled with a photovoltaic electrical generator.

A transportable solar heating and cooling research laboratory, jointly supported by NSF and the Honeywell Corp., has begun field operations. This laboratory will test advanced subsystems and components and collect data on solar energy flux under a variety of weather and environmental conditions at various locations in the United States. It will complement the research I have already mentioned, on a solar heated and cooled house in Colorado, on which data collection is scheduled to begin this Spring.

Major studies of the potential of solar heating and cooling are coming to a conclusion under contracts with three companies teamed with university scientists—General Electric, teamed with the University of Pennsylvania; Westinghouse, teamed with Colorado State and Carnegie-Mellon Universities; and TRW, Inc., teamed with Arizona State University. These studies are aimed at establishing operational requirements for solar heating and cooling, identifying cost-effective approaches, assessing the social and environmental impacts, analyzing potential proof-of-concept experiments, and developing strategies for achieving acceptance by financial and architectural organizations, builders, and owners. Preliminary results of these studies indicate that solar energy systems will be most cost-effective in the northern area of the United States for heating, in the middle region for both heating and cooling, and in the southern region for cooling.

These results will be tested with a variety of buildings in various locations in cooperation with the Department of Housing and Urban Development, the Public Buildings Service of the General Services Administration, and other interested agencies, including the Atomic Energy Commission, the National Aeronautics and Space Administration, and the Department of Commerce. With this accelerated research program we expect to make rapid progress in achieving heating

and cooling systems that will be cost-effective in the marketplace in the earliest practicable time.

In addition to the solar energy projects that I have already described, the Foundation is supporting advanced research at the University of Pennsylvania on collectors and storage subsystems; at the University of Wisconsin on simulation on heating and cooling; and at the Universities of Florida and Maryland on solar absorption air conditioning. We have provided support to the American Society of Heating, Refrigeration, and Air Conditioning for the preparation of a guide on solar heating and heating, and to Hittman Associates for Rankine cycle engines for home cooling and electricity. We are also supporting research by the American Cyanimid Company on cadmium stannate films for solar energy conversion. In short, we are moving aggressively on this work, and I would strongly urge that any action proposed by the Congress not interrupt or fragment these important ongoing NSF research efforts.

Mr. Chairman, we believe that, when programs reach the stage of large scale development and demonstration, their management is most properly carried out by the appropriate mission agency or user group, such as private industry.

The goal of our research program in the heating and cooling of buildings, is to be able to turn over reliably researched technological systems as rapidly as we can to user groups in the public or private sector that are in a position to implement these systems on a broad scale. We would, consequently, expect to work very closely with any agencies involved in a demonstration program, whether undertaken by the Federal Government or any other sponsor. However, it is the Administration's view—as you know—that the appropriate agency for channeling federal support to such commercial demonstration programs would be the Energy Research and Development Administration. We believe that the ERDA legislation offers the promise of a carefully coordinated overall energy R&D effort, which is the direction in which the Nation should move.

In the meantime, we have brought a small program of solar energy research that totalled about $300,000 in Fiscal Year 1970 to $1.0 million in Fiscal Year 1971 and to $13.2 million in Fiscal Year 1974, and we propose a $50.0 million program in Fiscal Year 1975. This is a coordinated effort involving major mission agencies of the Federal government, National Laboratories, industrial firms, and universities, with NSF in the lead agency role. We believe that H.R. 11864 should be considered in the context of this intensive and coordinated National Solar Energy Program. The partnership arrangements have been established; they are in place; and they are working.

Finally, Mr. Chairman, we would urge that, at appropriate places in the Bill where not now provided, changes be made requiring that Federal solar heating and cooling demonstration efforts be conducted in close cooperation and consultation with NSF. This would ensure that NSF's expertise in this area would be utilized. For example, in Sec. 5(b), it would seem appropriate for the Secretary of HUD to consult with the NSF Director, as well as with the National Bureau of Standards and the NASA Administrator in determining and prescribing performance criteria for solar systems to be used in residential dwellings. The NSF staff will be happy to work with the staff of this committee in making these changes.

Gentlemen, I appreciate this opportunity to express the view of the National Science Foundation on H.R. 11864.

THE 93D CONGRESS HAS A GOOD RECORD

Mr. ROBERT C. BYRD. Mr. President, yesterday, I addressed a breakfast meeting of the National Newspaper Association. In my speech, I referred to the good record of the 93d Congress and the responsibility that is ours to keep the people informed of the good work Congress has done.

I ask unanimous consent that my speech be printed in the RECORD.

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

SPEECH AT BREAKFAST MEETING OF THE NATIONAL NEWSPAPER ASSOCIATION

(By Senator ROBERT C. BYRD of West Virginia)

It is a pleasure for me to be here this morning.

As members of the National Newspaper Association—as editors and publishers of the country's leading community newspapers—you are among the most influential communicators in America. You are right to take pride in the fact that you are closer to your audience than are any other journalists in the United States. Yours is, indeed, the people's medium—just as Congress is the people's branch of government.

And just as Mr. Serrill assures me that the people's medium is functioning in a positive, responsible manner, I am here this morning to assure you that Congress—the people's branch of government—is doing likewise.

Over these past several weeks, you have heard the President lash out at Congress. You have heard him accuse the Legislative Branch of foot dragging and inaction, on the energy crisis.

I believe that these attacks have been unjustified, and have had the effect of misleading the people. Therefore, I would like to take the opportunity afforded me this morning to speak up for Congress.

The Senate has already compiled a remarkable record during this 93rd Congress. Consider, for example, the Alaska Pipeline Bill; the Strip Mining Bill; the Petroleum Allocations Bill; the Energy Emergency Act; Social Security Pay Increases; Minimum Wage—vetoed once by the President and passed a second time by the Senate; legislation on Health Maintenance Organizations, Emergency Medical Services and Sudden Infant Syndrome; Job Training legislation; the War Powers Bill, enacted over the President's veto; legislation dealing with the freight car shortage, the death penalty, housing, D.C. Home Rule, public works and economic development, and veterans' care; the Federal Highway Bill; Voter Registration; Pension Reform; Election Reform; Wage and Price Control legislation, the Budget Reform Bill, and legislation terminating the bombing in Indochina which, by the way, was what really got us out of Vietnam.

The complete list of legislative accomplishment is too long to further repeat here. I shall not go into the oversight function of Congress which the Senate has been performing well. It is enough merely to recall the confirmation hearings on the nomination of L. Patrick Gray, Elliot Richardson, William Saxbe, William Ruckelshaus, and Gerald Ford; and the Senate Judiciary Committee hearings on the guidelines covering the investigations by Special Prosecutors Cox and Jaworski.

The record of the Senate is commendable. And it has been compiled not by Democrats alone, but also with the active participation of Republicans. So, when I speak of the accomplishments of Congress, I am being non-partisan in the truest sense of the term, fully realizing that it takes cooperation by both sides of the aisle to record a year of achievement such as the one recorded by the first session of the 93d Congress. I am confident that the cooperation will continue, and will result in this second session being just as productive as the first.

But the question that troubles me as a Senator is this: Is the full story of Congress getting over to the American people?

I'm afraid it is not.

Look long and hard at the record of this Congress. Then look at the recent Lou Harris Survey which showed that only 21 percent of the American people have a favorable impression of Congress.

The only logical explanation is that the people, who form a captive audience when the President goes on TV to unfairly criticize Congress, are not hearing enough about the actual workings of Congress.

On the energy crisis, for instance, Congress had already developed its own proposals to deal with energy matters, many of which were well on the way to enactment before the Administration could even make up its mind that an energy problem really existed. Yet, the most comprehensive piece of legislation passed by Congress—the National Energy Emergency Act—was vetoed by the President—vetoed despite the fact that it contained a good many of the 17 measures which the President now says he has been wanting for so long.

Do the people know about Congress' efforts to solve the energy crisis? Or do they simply know what the President told them during the most recent of his televised appearances? Judging from the media attention given the President's criticism versus that given Congress' performance, I am forced to believe that the people have only a limited knowledge of the true situation.

There are other examples, of course. And they all prove the same thing—namely, that the people of the United States are not well enough informed about the people's branch of their government.

No wonder. The President of the United States can speak with one voice, and can command exclusive air time to tell his side of the story.

Congress speaks with 535 voices. It cannot, with a collective snap of its members' fingers, order the radio and television networks to interrupt their regular programing for a message from one or all members of the Legislative Branch.

Still, there are certain steps that can be taken—both by members of Congress and by the media—to close the information gap between the news the American people are receiving about what the President says and does and what they are receiving about actions of Congress.

For its part, Congress can begin by allowing its sessions to be televised. I have introduced a resolution that could lead to televised sessions of the Senate. And individual members of Congress ought to make a more conscious effort to answer criticisms of the legislative branch—not of particular, partisan actions, but rather of Congress as an institution.

The media can contribute simply by fulfilling its obligation of seeing to it that their readers, viewers, or listeners are as fully informed as possible about the actual workings of Congress. Not every action of Congress is worth reporting—I am as aware of that as you are. But when a Harris poll shows that only 21 percent of the people approve of their way that Congress—their branch of government—is functioning; when pollster Burns Roper finds, as he did recently, that well over 50 percent of the people don't understand the true role of Congress in impeachment pro-

ceedings—then it is obvious that considerable and significant information is not getting through to the citizenry.

I am reminded of Woodrow Wilson's statement that, "The informing function of Congress should be preferred even to its legislative function." I repeat my belief that this Congress is doing an excellent job in its legislative function. And, while I appreciate your efforts in communicating the story of the Legislative Branch to the people, we can all do a better job of informing the people. We in Congress especially should work harder at our informing function.

Now, keeping in mind that Napoleon once said that "Three hostile newspapers are more to be feared than a thousand bayonets," I would like to open this meeting to questions.

THE FIRE ANT

Mr. NUNN. Mr. President, in the past year, I have received numerous letters from constituents concerned with the fire ant problem in the State of Georgia. Fire ant infestation has proliferated to such a degree in recent months that the situation is now bordering on critical.

Pasture land and crops have been severely damaged. In addition, many cases have been reported where persons stung by fire ants have had to seek medical attention.

I would like to call my colleagues' attention to a copy of a letter which I recently received from Tommy Irvin, the Commissioner of Agriculture of the State of Georgia, in which he so ably describes the situation in Georgia and a resolution of the Georgia House of Representatives which calls upon the Environmental Protection Agency to authorize some means of adequate eradication.

I ask unanimous consent that the letter and resolution be printed in the RECORD.

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

STATE OF GEORGIA,
DEPARTMENT OF AGRICULTURE,
Atlanta, Ga., March 20, 1974.

Mr. RUSSELL TRAIN,
Administrator of the Environmental Protection Agency, Washington, D.C.

DEAR MR. TRAIN: While the Environmental Protection Agency proceeds with hearings on the use of Mirex for Fire Ant Control, which hearings have not conclusively shown any imminent hazard or irreversible adverse effects on the environment, the people of Georgia are extremely frustrated in their efforts to combat this pest.

Georgia being a predominantly agricultural state, most of her legislators are involved in some type of farming operations and, therefore, know first hand the damage, inconvenience and the human pain which the Fire Ant causes. They also know that every day that a decision is delayed to permit an eradication program to proceed, just intensifies our problems and makes the eventual task bigger and more expensive.

If you are truly interested in protecting our environment, including our lands, water and their encompassed biota, I would remind you that further delays in permitting an eradication program, could result in requiring at a later time several times the amount of material which would be required to eradicate them now.

As evidence of our grave concern, I am pleased to transmit to you, on their request, a Resolution from the Georgia House of Representatives, deploring the delays in allowing us to effectively handle one of our most serious problems.

With warmest personal regards, I am,
Sincerely,

THOMAS T. IRVIN.

[State of Georgia]

HOUSE OF REPRESENTATIVES—A RESOLUTION

Condemning the actions of the United States Environmental Protection Agency and other groups opposing the use of Mirex for the eradication of fire ants; and for other purposes.

Whereas, Mirex has been proven to be an effective pesticide in the elimination of fire ants; and

Whereas, fire ants are detrimental to human life, livestock, field crops, pastures and wildlife, and have been known to kill newborn animals and birds which nest on the ground; and

Whereas, in those sections of the State of Georgia in which Mirex has been used there is no evidence which indicates that wildlife has been damaged by the use of this pesticide; and

Whereas, this Nation cannot grow adequate food and fiber for our Nation's needs without the use of pesticides; and

Whereas, the United States Environmental Protection Agency and various clubs and other organizations have taken actions to hinder the use of Mirex without an adequate understanding of the serious nature of the fire ant problem in the State of Georgia; and

Whereas, the State of Georgia can eradicate fire ants from the State if the State is allowed to pursue its Mirex spraying program without interruption.

Now, therefore, be it resolved by the House of Representatives that the members of this body hereby call upon the United States Environmental Protection Agency and other interested clubs, groups and organizations to cease their opposition to the use of Mirex in the eradication of fire ants in Georgia without adequate evidence that man or wildlife is harmed by such use.

Be it further resolved that the Clerk of the House of Representatives is hereby authorized and directed to transmit appropriate copies of this resolution to the United States Environmental Protection Agency and to other interested clubs, groups and organizations concerned.

Read and Adopted, February 26, 1974.

GLENN W. ELLARD, *Clerk.*

RESPONSE TO SOVIET ENERGY STATEMENT

Mr. SCHWEIKER. Mr. President, I would like to call the attention to my colleagues to the fact that the Soviet Union has now issued its first threat to the United States directly linked to Siberian gas.

Fortunately, the threat comes before billions of dollars of cut-rate Eximbank loans and other American capital have been invested in the Siberian energy projects. Indeed, the threat comes even before the Siberian oil and gas fields are in production, but it is nevertheless a clear threat, and a threat which should tell us a great deal about the dangers of investing massive amounts of American capital in Siberian energy development in the hope of securing a long-run energy source.

As quoted in the New York Times, Dzherman M. Gvishiani, deputy chairman of the Soviet State Committee for Science and Technology, indicated that the Soviet Union would not sell its Siberian natural gas to the United States unless the United States puts up the $6 billion required for the project. Responding to congressional criticism of U.S. Eximbank investment in the Siberian energy deal, Mr. Gvishiani reportedly said the project is "not so vividly interesting for us," and left the clear implication that Siberian gas might never be turned on for the United States if this congressional criticism continues.

There is the pattern, Mr. President. Today, the Soviet Union tells us that if we do not make a taxpayer subsidized investment of $6 billion in Siberian gas we are not going to get any of that gas. If we should be so foolish as to make this investment, despite this threat, I predict that next year or the year after or the year after that, we are going to hear from the Soviet Union again, and there is going to be some new condition put on our receipt of Siberian gas. I hope we have learned something from the Arab oil embargo, and from the fact that the Soviet Union urged continuation of the embargo even after the Arabs were ready to drop it. There may be transactions with the Soviet Union which are in our national interest. But I am convinced U.S. Government-subsidized investment in Siberian energy development is not in our national interest, and I am going to continue my efforts to prohibit such investments.

I am pleased the distinguished Senator from Connecticut (Mr. RIBICOFF) has now joined in cosponsoring the Soviet Energy Investment Prohibition Act, S. 3229, which I introduced last Friday, and my colleague and good friend in the other body, Congressman JOHN DENT, has now introduced a similar measure in the House.

In closing, Mr. President, the Soviet message to the U.S. Congress is that if we do not stop criticizing the Siberian gas deal, they are going to take their gas and go home. I hope our bankers at the Eximbank got this message, because this is one U.S. Senator who is going to continue criticizing this energy deal against our national interest, and I hope the Eximbank will respond by insuring that U.S. energy investment capital also stays home, here in the United States.

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

Mr. CHURCH. Mr. President, over the years the Senate Committee on Aging has been deeply concerned about income tax overpayments by the elderly.

Hearings conducted by the committee have made it abundantly clear that large numbers pay more taxes than the law requires.

Perhaps the most important reason is that elderly taxpayers are all too often unaware of helpful and legitimate deductions, credits, and exemptions.

In addition, the tax return is like a jigsaw puzzle for many. And the end result is that the preparation of form 1040

is a night marish experience—especially for the untrained or unsuspecting.

Moreover, upon becoming 65 the aged taxpayer is frequently confronted with a new set of tax rules, usually far more complicated than during his working years. For example, he may have to compute the taxable gain on the sale of his personal residence. He may have to determine the taxable portion of his pension. Or, he may have to figure out his retirement income credit.

To help protect older Americans from overpaying their income taxes, the Committee on Aging has taken a number of steps. First, we have published a checklist of itemized deductions and other important tax relief measures for older Americans. This checklist—I want to emphasize—can also be helpful for younger taxpayers, since most of the deductions in the Internal Revenue Code apply with equal force to the young as well as the old.

Second, I have introduced an older Americans tax counseling assistance tax, which is designed to make tax counseling programs more readily available for the elderly. This bill has already attracted strong bipartisan support, and I am hopeful that the Senate will soon have an opportunity to act on this legislation.

My proposal, I am pleased to say, is also enthusiastically endorsed by Sylvia Porter, the nationally known columnist who writes on personal finances and other issues. In a recent article, she describes in a very thoughtful and compelling manner the reasons that this legislation should be enacted promptly.

Mr. President, I commend Sylvia Porter's article—entitled "Elderly Overpay Taxes"—to my colleagues, and ask unanimous consent that it be printed in the RECORD.

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

ELDERLY OVERPAY TAXES

(By Sylvia Porter)

As many as half of the over-65 taxpayers in the United States are probably overpaying their income taxes. That would include at least 4.5 million—and the odds are that among these taxpayers is someone close to you.

The most troubled of these taxpayers is the elderly widow who typically has a low or moderate income and very little experience in paying taxes. For her, the tax law is a maze of baffiegab and the tax form's pitfalls are terrible.

In far too many cases, these individuals are unaware of legitimate deductions, credits and exemptions which can save them precious dollars.

In other cases, they are utterly baffled by Form 1080 with its accompanying schedules, supplementary statements, and required deductions. In still others, they are just overwhelmed by the task, don't know where to turn for help and therefore needlessly overpay their taxes.

What's more, the elderly often tend to lean over backward to be sure they meet their tax obligations and year after year, go on shouldering a disproportionate share of the tax burden.

It long has been acknowledged that no group in America has been more responsive to citizenship duties than persons past 65.

To help meet this problem, Sen. Frank Church, D-Idaho, chairman of the Senate Committee on Aging, has just published a "Checklist of Itemized Deductions" in large type to provide guidance on what form the elderly taxpayer should choose and what deductions are available but not well-known to them.

The checklist can be obtained by sending 35 cents to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402 (Stock number 5270-02228). At the very least, this inexpensive document should be made available at all places where the elderly congregate.

In addition, Church—with 44 cosponsors, including both the majority and minority leaders of the Senate—has introduced the Older Americans Tax Counseling Assistance Act, to expand and improve the extraordinarily successful Tax-Aide for the elderly program, administered by the Institute of Lifetime Learning of the National Retired Teachers Assn.-American Assn. of Retired Persons.

Companion legislation in the House also has strong bipartisan support.

Last year, the IRS trained 2,500 elderly counselors as part of the volunteer income tax assistance program (VITA). This bill would broaden the training and technical assistance among the volunteer consultants—most of whom would be elderly persons themselves and who, as Church says, "not only have ability but time, the desire to use their time in good causes, and who are able to obtain the confidence of other older people."

The bill would permit the volunteers to be reimbursed for out-of-pocket expenses incurred in training or providing assistance under the VITA program.

Also, and most important, the bill would authorize the IRS to conduct a retirement income alert to help assure that all persons eligible for this provision take advantage of this tax relief measure—a particularly compelling need.

Leading organizations in the field of aging have estimated that perhaps half of all elderly persons eligible to use the retirement income credit to save money do not claim it on their tax return. This is a dreadful commentary on our tax laws and on the way we allow our elderly to be victimized.

With the sponsorship that this legislation has attracted in both Houses, it seems inconceivable that it won't become law—and the sooner the better.

Meanwhile, the more circulation that checklist gets, also the better. And the more the IRS steps up its efforts to bring the Tax-Aide for the elderly program to the attention of elderly taxpayers everywhere, the better. A genuine national commitment to this should be the minimum as April 15 nears.

BETTER CHILD HEALTH CARE THROUGH PEDIATRIC NURSE PRACTITIONERS

Mr. HUMPHREY. Mr. President, on March 4, I introduced the Child and Maternal Health Care Extension Act, S. 3106, a bill to amend the Social Security Act to provide for improvements in the program relating to diagnosis, screening, and referral of child health and maternal conditions, established by title V of such act.

There is an urgent need for the establishment of this nationwide program. There has been a substantial decrease over the past decade in the number of primary child health care providers, at the same time that our child population has increased by 6 percent. Moreover, these pediatricians and general practitioners are concentrated in metropolitan areas, leaving a great number of counties across America with only a few doctors, while scores of rural counties do not have a single resident physician.

According to statistics published by the American Medical Association, there are currently 133 counties, having a total population of nearly one-half million persons, which do not have a single active physician. More than 1,600 counties, with a total population of at least 23 million persons, do not have an active, resident pediatrician. These conditions capriciously deny children of all races, rich and poor alike, a basic equality of access to the elementary health care services available to children fortunate enough to reside elsewhere.

As I outlined in my earlier statement, one step in alleviating the shortage and maldistribution of primary child health care providers is to expand opportunities for education and service as pediatric nurse practitioners. The effective utilization of pediatric nurse practitioners is stressed in a recent article published in the Washington Post of March 24, 1974. This article, by Daniel Zwerdling, and entitled "Is There a Nurse Practitioner in the House?", notes that pediatric nurse practitioners, in several clinics across the United States, have assumed child health care responsibilities formerly performed by pediatricians. These pediatric nurse practitioners diagnose and treat upper respiratory ailments and diagnose any other illness the child may have and then, if necessary, refer the child to a pediatrician for further treatment. Some doctors, in fact, believe that a pediatric nurse practitioner will devote more effort than a physician to routine cases and provide better care. The article concludes by stressing that the use of pediatric nurse practitioners does "suggest a strategy which could help the medical industry go a long way toward improving the quality of health care and making it more efficient and more personal."

Although most pediatricians are willing to employ pediatric nurse practitioners, a recent survey by the American Academy of Pediatrics revealed that the major obstacle to the greater use of allied health workers in pediatric practice was the lack of such trained workers. To place more emphasis upon the obvious need to educate more pediatric nurse practitioners, section 4 of my bill would amend title V, section 511, of the Social Security Act to authorize the Secretary of Health, Education, and Welfare to make grants to institutions of higher learning specifically for the training of these specialized allied health workers.

In addition, my bill encourages the expanded use of pediatric nurse practitioners by adding a new part B to title V of the Social Security Act, under which the Secretary would make grants to States which submit approved plans for the establishment and operation of mobile health care facilities to diagnose child and maternal health problems. Under this section funds would be provided so that each mobile health care unit could employ at least one pediatric

nurse practitioner in the diagnosis and treatment of child health care problems.

A further provision in S. 3106 would include medical care provided by a pediatric nurse practitioner as medical assistance qualifying for reimbursement under title XIX of the Social Security Act.

Mr. President, this article describes the exact type of care pediatric nurse practitioners are currently providing in certain areas of our Nation and which my bill would establish on a nationwide basis. I ask unanimous consent to have printed in the RECORD the text of the Washington Post article.

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

IS THERE A NURSE PRACTITIONER IN THE HOUSE?

(By Daniel Zwerdling)

CAMBRIDGE, MASS.—The examining and waiting rooms in the Putnam Avenue pediatric clinic have been busy all day. The patients include an 18-month-old baby getting a routine physical, three children with strep and three others with runny colds and sore throats.

But no doctors hold office hours in this clinic in the Martin Luther King Jr. grade school. For these patients, and indeed for one-third of all children in Cambridge, a visit to the family "doctor" usually means a visit to the neighborhood nurse—a specially trained pediatric "nurse practitioner."

The Cambridge program is part of a growing trend in American medicine: relying on non-physicians like nurse practitioners to provide primary health care—physical checkups, basic tests, inoculations, in some cases treatment with prescription drugs—and thus freeing scarce physicians to concentrate on patients with serious illnesses.

The practice stems from the assumption that a major share of many physicians' traditional work, once considered sacrosanct, doesn't require all those years of medical school and internship. One time-motion study published in the New England Journal of Medicine, for example, discovered that pediatricians typically devote half their time to examining essentially healthy children: weighing and measuring, evaluating physical and mental growth, giving routine checkups and treating common ailments. A fifth of the pediatrician's time with sick patients, the study also found, is consumed by minor upper respiratory infections like bronchitis and strep, which call for standard treatments.

"You don't have to go through four years of college and four years of medical school and three years of internship and residency to do that," says a pediatrician at Cambridge Hospital. "Any intelligent person with a high school education and some special training could do just as well." In fact, some doctors feel a nurse practitioner will devote more effort than a physician to routine cases and provide better care. "When we have to do all this routine work ourselves," the Cambridge pediatrician says, "we get sloppy with the patients and miss things just because we get so bored seeing so many of them."

CONTINUED RESISTANCE

Such sentiments, combined with the general drive to improve health care and fight crippling medical costs, are contributing to the rise of the non-physician healer.

Nurse practitioners function virtually as family doctors in rural Indian communities in New Mexico, in the small logging town of Darrington, Wash.—where the closest physician is 30 miles away—and among the 15,000 mostly impoverished people living in the hollows of Leslie County, Ky. They are also helping to improve health care systems in a number of urban areas. In Denver, where the University of Colorado founded the nation's first pediatric nurse practitioner program seven years ago, practitioners serve in 12 health stations, mostly in low-income housing. In Seattle, nurse practioners are giving primary medical care to elderly residents of low-income apartment complexes and to the poor in the inner city.

In a number of health maintenance organizations, or HMOs, such as Boston's Harvard Community Health Plan and another in Washington's George Washington University medical center, nurse practitioners team up with physicians and share much of their routine caseload. And in one of the most notable developments in HMOs, the Washington area's Group Health Association designed a new suburban clinic in Rockville, Md., around the nurse practitioner concept. General nurse practitioners there examine every patient first and provide most of the primary medical care. They call a pediatrician, gynecologist or internist near the end of each medical exam for consultation and specialty work.

The health care industry's response so far to the concept of relying more on non-physicians has been mixed. Many have been lending support, if only gradually. A special Health, Education and Welfare Department task force recommended in November, 1971, that nurse practitioners move into primary health care, and HEW has been funding nurse practitioner training programs at a number of universities. The American Medical Association has even cosponsored several conferences with the American Nurses' Association to promote the idea of the "health care team" of physicians, nurse practitioners and other health aides.

But resistance remains strong, and it will likely take many years before nurse practitioners and other non-physicians are allowed to assume any significant share of primary health care in America.

Dr. Sanford A. Marcus, president of the fledgling and conservative Union of American Physicians, wrote recently in American Medical News: "It is time to serve notice that the 'health care team' consists only of the physician and his patient. While others may serve as water boy or perform other support functions, it is high time that we disabuse them of the notion that they have any more than an advisory capacity in the determination of what our patients need."

PRESCRIBING DRUGS

The Cambridge pediatric program, however, makes clear that nurse practitioners can be anything but "water boys." Although three backup pediatricians examine children with serious or complicated illnesses and consult with patients periodically, the 12 nurse practitioners at the seven clinics in this six-year-old program provide virtually all primary medical care. "The nurses," says Dr. Philip Porter, director of the program, "give the children everything you'd get if you were going to a private pediatrician."

This is evident when watching Lil Chenell, one of three practitioners at a Cambridge clinic, taking care of a little boy whom she's tentatively diagnosed as having a strep infection. "He's been sick for four days now and the lab results won't come back for three," she says, "and I don't want to wait to treat." So, in one of the most significant developments in the Cambridge clinics and others, Mrs. Chenell decides to treat the child on her own—there's no doctor at the clinic—with a prescription dose of penicillin.

The nurses' power to diagnose and treat patients on their own, using prescription blanks signed in advance by a physician, suggests how much some doctors are delegating once sacred physicians' work. Every clinic that relies on nurse practitioners delegates power differently; in the Denver health stations and at Washington's Group Health Association, for example, the nurses must refer every sick patient to a doctor. This time, nurse practitioner Chenell has to check with a doctor by phone before giving the boy penicillin, because without the lab results she can't diagnose a strep for sure. But for the majority of sick children at the Cambridge clinics, the diagnosis and prescribed treatment seldom go beyond the nurse practitioner's door.

"DELICATE" AND "TOUCHY"

Some doctors have been letting nurses dispense pre-signed prescriptions for years, though patients have not been aware of this, and Washington State has a new law permitting nurses to prescribe certain drugs on their own. But today's open independence among many nurse practitioners is still quite new—and, doctors hasten to add, "delicate" and "touchy." Dr. Porter stresses that Cambridge practitioners may treat only minor upper respiratory infections and skin problems with prescription drugs, and then only according to a rigidly defined protocol.

When doctors sign their names to prescription blanks and hand them to the practitioner, they clearly are putting their medical careers on the line. "I'm willing to do that," says Dr. Rudolph Leibel, assistant director of pediatrics at Cambridge Hospital. "I know they'll do a good job. These nurses are absolutely as good as any pediatrician in terms of diagnosing respiratory tract and skin disorders; as good as any pediatrician in picking up orthopedic disorders. Some of the nurses in my clinic have picked up abnormalities that I'm sure I could not have picked up, simply because I was so bored seeing so many of them [patients]. One nurse picked up such a small deviation—so minor that even the orthopedic specialist had to look twice—and of course the nurse was right: The kid had early scoliosis, curvature of the back."

Nurse practitioners usually can't diagnose complicated disorders, of course, but, as Leibel says, "They aren't paid and trained to tell us *what* is wrong; they're trained and paid to tell us that *something* is wrong." That's when the physicians take over, and that's why the nurse practitioner system is helping make health care delivery more efficient.

A FRIEND, A COUNSELOR

The Cambridge system certainly wasn't so efficient when Dr. Porter became chief of pediatrics at Cambridge Hospital in 1965. He discovered, for example, that low-income families were bringing kids with bad colds and sore throats to the emergency room because they had no place else to go, a familiar pital, up to 35 per cent of emergency room (At Washington's George Washington Hospital, up to 35 per cent of emeregency room patients reportedly come for minor ailments.)

Cambridge families didn't lack adequate pediatric care because the city couldn't afford it. "There was plently of funding for health care in the public sector," Dr. Porter says, "but it was poorly allocated."

So the city centralized all child care programs under Dr. Porter's department, and Porter blueprinted health care suites into three schools under construction in low-income neighborhoods, dusted off an old nurse's suite gone to storage in a fourth, and rented a neighborhood apartment. But his most important decision was to base the clinics on nurse practitioners, not doctors.

The city, it was clear, would never come up with funds to pay the going doctors' rates, and it would never find good doctors willing to work fulltime for less. But beyond economic constrictions, Dr. Porter insists, nurse practitioners weren't a second-rate compromise.

"So much of the quality of pediatric care depends on the relationship between the patient and parents and physician," he says. "We needed a familiar face who knew the so-

cial and economic climate of the family, who had a strong relationship with the mother and father—someone who could visit the home, be a friend, a counselor, a supporter of the mother."

This crucial component of medicine is often neglected in modern health care. As Barbara Bates of the University of Rochester Medical School reports, studies have shown that physicians are usually more comfortable providing diagnoses and drugs than trust and understanding. But trust and understanding are much of what the traditional nurse's role has been about.

"THE OLD FAMILY DOCTOR"

"We function like the old family doctor who knew the whole family and its problems," says Peggy Barnes, a nurse practitioner at Cambridge's Putman Avenue clinic. The nurses say they visit the home of virtually every newborn baby of Cambridge residents and make home visits when serious problems arise. They get to know parents and brothers and sisters as they grow through the school system and learn from teachers about problems children may be having in school.

"The parents know us, they'll talk to us, bring out problems that perhaps they'd be reluctant to discuss with a doctor," says Mrs. Barnes. "You know that old mystique of 'Oh, the doctor is so busy I don't want to bother him with this little thing'? They're not afraid with us. They feel we have time to talk."

Cambridge nurses sometimes encourage a woman to vent her feelings about her husband, help another sort out ambivalent feelings about abortion, visit the homes and support parents whose babies succumbed to sudden infant death.

"We have five families who come to this clinic who we're really close to," says nurse practitioner Nancy Compton," and we help them cope. One woman's mother is dying of cancer. She comes in and we talk about it, how she feels, her thoughts. Nothing dramatic like you see on TV. It's just support."

Today, six years since the first clinic opened, the Cambridge system handles at least 25,000 patient visits a year. More than 6,000 children—mostly from low-income families but others from graduate students' and professors' families, too—use the nurse practioners as they would a family doctor. The city pays the 12 nurse practitioners, RNs who are graduated from a special four-month course at Northeastern University, out of the same budget with which it paid 12 old-style school nurses who retired. It's a model of comprehensive health care provided free to the public, at no extra cost to the city.

Clinics in Boston, or Cambridge, or Washington, or Denver or Seattle haven't found a panacea for health care delivery problems. But they do suggest a strategy which could help the medical industry go a long way toward improving the quality of health care and making it more efficient and more personal.

"There's no reason in the world," Dr. Porter says, "why every city in the country couldn't do what we're doing here."

FRANCE

Mr. HARTKE. Mr. President, I received a letter from His Excellency, the Ambassador of France, Jacques Kosciusko-Morizet, concerning rumors circulating around "distorting France's image."

Enclosed with the letter was a copy of the letter of the Ambassador sent to the Editor of the Washington Post. I would like to bring both letters to the attention of my colleagues, and ask unanimous consent that they be printed in the RECORD.

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

AMBASSADOR DE FRANCE,
AUX ETATS-UNIS,
Washington, March 26, 1974.

Hon. VANCE HARTKE

DEAR MR. SENATOR: I am sending you herewith the text of the letter which I wrote to the editor of the Washington Post and which was published in the editorial section of this morning's issue.

Totally unfounded rumors have been spread in the press and on radio and television, seriously distorting France's image and tending to undermine our longstanding friendship.

Some of these rumors unfortunately originated in official circles. I have made a formal protest about this to the State Department.

We have important problems to resolve. You will surely agree with me that it is high time to broach them in the spirit of frankness, honesty and goodwill which, despite passing disagreements, befits the relationship between old friends and allies.

Sincerely yours,

JACQUES KOSCIUSKO-MORIZET.

AMBASSADE DE FRANCE,
SERVICE DE PRESSE ET D'INFORMATION,
New York, N.Y.

FORMAL PROTEST BY THE FRENCH AMBASSADOR FRANCE HAS NEVER ADVISED ARAB COUNTRIES NOT TO LIFT THE OIL EMBARGO

Text of a letter addressed by H. E. Jacques Kosciusko-Morizet to the Washington Post March 24, 1974.

DEAR SIR: It was with surprise and, indeed, indignation that I read the caption under Mr. Jobert's photo published in the issue of Saturday, March 23, of the Washington Post. Moreover, the article entitled "Mr Nixon's Challenge to Europe" questions the French policy in terms which are regrettable, and it contains appraisals which call for an answer.

Actually, some of the accusations are so outlandish that they would be laughable if it were not such a serious matter for all of us.

(1) The French Foreign Minister never advised the Syrian government, or any other Arab country, "Don't lift the oil boycott." This is pure fabrication and at the very limits of slander. If you discover any statement or declaration by the French government implying a hostile policy on the part of France vis-a-vis the United States in the Middle East, please let me know.

Furthermore, why would Mr. Jobert have advised precisely Syria about lifting the oil embargo? Syria is one of the few countries in the Middle East that has no oil.

We were never in favor of any embargo, for it is not in the interest of France or anyone else, it makes the prices of crude oil rise by creating a shortage on the international market, and we are far more affected by the increase in prices than the United States. Remember that France is dependent on Middle East oil for almost 80% of its needs. Moreover, an embargo sets a very dangerous example for everybody.

What some people seem to consider an intolerable criticism of American policy in the Middle East is no more than the expression of a French policy which has constantly affirmed its goal for the past seven years, and many in your country have now recognized that this policy is well founded.

(2) Far from being opposed in whatever manner to the efforts currently being made to restore peace in the Middle East, it is the French government that in recent years has continually drawn the attention of governments and of world public opinion to the major threat to peace caused by the maintenance of the situation that has existed in the Middle East since the 1967 war. On many occasions, the French government had expressed its preoccupations to all the governments concerned and had seized the highest international organizations of this problem, well before it was at the crux of the American government's preoccupations. It was not because of us that the American government deliberately kept France, and the Europe of which it is a part, outside the current attempts to reach a settlement. There is here a regrettable "splitism" affecting the efforts that could have been made jointly by all those who were directly involved in the restoration of peace.

(3) It is absurd to imagine that the Euro-Arab project of cooperation and the conference proposed by the Nine for next fall could jeopardize the present American efforts. In fact, European influence in the Middle East is in the very interest of the Western world, of the United States and of peace in general. The cooperation of the Nine—as a community—will be a factor of balance and stability in the area: this is in the interest both of the Arabs and of the Israelis.

President Nixon himself said, "It is in the interest of Israel itself that the United States be the friend of Israel's neighbors." Why could what is true for the United States not be true for the Europeans?

(4) I believe in fact that the present difficulties stem not from the different ways of evaluating the need to restore peace in the Middle East, but quite obviously from the United States of the nature of the relations that should exist between the United States and Europe while Europe is being organized, albeit as American diplomacy had long hoped it would be. The public statements made in recent weeks on this subject of capital importance, both by Washington and by the Nine, leave no doubt about this, and as a European, I cannot help deploring the efforts at division, which are becoming apparent, aimed at keeping, in one way or another, a European determination from taking shape that would however be a very important factor of stability in the difficulties of international relations we are experiencing today.

Let me tell you in conclusion that the comparison between the recent toughness of the American authorities towards France and the bombing of Hanoi just before the 1972 summit meeting is not only shocking for the oldest friend and ally of the American people, but is the expression of a psychological escalation as regrettable as it is incomprehensible.

We have important problems to solve. It requires above all fairness, self-restraint and an objective assessment of the true facts.

Sincerely,

JACQUES KOSCIUSKO-MORIZET,
French Ambassador to the United States.

CYRUS EATON ON CUBA

Mr. CRANSTON. Mr. President, the remarkable Cyrus Eaton has returned from another visit to Cuba, bringing with him another interesting series of perspectives. Specifically, he believes that the time has come to end the U.S. boycott and to change American policy toward Cuba. He reports that the Government of Cuba is prepared to act "at once" if we take the first step.

Mr. Eaton's uncle, the late Charles A. Eaton, was one of the five Americans who took part in the founding of the United Nations at the San Francisco Conference of 1945. Perhaps this background helps to explain Mr. Eaton's extraordinary devotion to peace in general and to the United Nations in particular. He writes:

I think the Cuban problem, from the beginning, should have been referred to the world body. Our Government should make more use of the United Nations in all international questions.

Mr. President, I ask unanimous consent that the article in the Los Angeles Times in which Mr. Eaton's remarks appeared be printed in the RECORD.

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

SAYS CASTRO IS READY TO MEET: CYRUS EATON CALLS ON UNITED STATES TO END ITS BOYCOTT OF CUBA

(By Cyrus Eaton)

Starting 150 years ago, my ancestors in Nova Scotia were engaged in the shipping industry between Halifax and Havana. Personally, I had substantial investments in Cuba before the revolution, and have been going there for more than 50 years.

I have just returned from another visit to Cuba. Prime Minister Fidel Castro and I have met on a number of occasions, and during this most recent trip to Havana I found him in excellent spirits, confident of his own and his country's future and considerably encouraged by the additional extension of credit arranged by Soviet Communist Party chief Leonid I. Brezhnev on Brezhnev's visit to Cuba a few days prior to mine.

In addition to meeting with Prime Minister Castro, I also had important discussions with Dr. Carlos Rafael Rodriguez, vice prime minister and minister of foreign affairs, with President Osvaldo Dorticos and with Jose Fernandez, minister of education. Ramon Castro, the prime minister's brother, spent a day with me inspecting various agricultural facilities in the Cuban countryside about 75 miles from Havana. Every detail of my visit was handled efficiently by competent and well-trained individuals—despite my being an American.

Over the years, the U.S. government has not been sympathetic to the revolutionary government and has believed all along that it could overthrow Castro and bring Cuba to its knees through economic pressure. This not only closed American markets to Cuba, but also halted the flow of American products into Cuba. The embargo meant, among other hardships, the virtual overnight cutoff of Cuba's entire supply of fuel, including coal and oil from the United States.

As a result of the embargo, Cuba has had support from the entire Communist world, with a continuing supply of necessary goods and products. Cuba's allies have also lent her vast amounts of money at low interest rates.

Cuba has been fortunate to develop a worldwide market for all the products of her land. The world demand for sugar has driven the price from 1½ cents per pound at the time of the embargo up to current price of about 20 cents.

In my talks with Cuba's leaders, I learned some of their plans for the future.

There is an immediate program to expand and develop its electric power generating facilities by 50%. They want to increase their nickel production and bring about the mechanization of sugar-cane harvesting to expand their sugar refining industry, to increase their port facilities and to reconstruct and modernize their railroads (Seventy diesel locomotives have just been purchased from the Soviet Union.)

Plans are also under way to construct more roads and improve telephone and radio communications. Educational facilities from the elementary level to the university, are being expanded greatly, and low-cost housing is being constructed on a mammoth scale. The Cubans plan, in addition, to construct more airfields and to improve computer technology.

In agriculture, Cuba has made great strides and has wisely improved the quality and quantity of both dairy and beef herds of cattle, through the importation of foundation stock from Canada and Europe.

The boycott—quite clearly—is not working, and the United States should put an immediate end to it. Our government should allow American companies to supply the raw materials and technology now being obtained from the Soviet Union, China, Germany, England and Canada.

In addition to this economic step, the United States should change its political approach to Cuba.

My uncle, the late congressman Charles A. Eaton (R-N.J.), was one of the five Americans who participated in the conference which set up the United Nations in 1945. I think the Cuban problem, from the beginning, should have been referred to the world body. Our government should make more use of the United Nations in all international questions.

The embargo could be terminated swiftly, handled directly either by President Nixon or Secretary of State Henry A. Kissinger. A couple of days spent by the President or Kissinger with Fidel Castro at some neutral spot such as Nassau or Jamaica should produce an immediate and satisfactory solution and lay the groundwork for friendship and understanding with the little nation whose progress, since its discovery by Columbus in 1492, has been affected by outside countries, including Spain, England, France and the United States.

As far as the government of Cuba is concerned, it appears prepared to act at once. The ball is now in our court.

DID CONSUMER ADVOCATES TALK THE PRICE OF FOOD UP?

Mr. BARTLETT. Mr. President, I ask unanimous consent that the article "Did Consumer Advocates Talk the Price of Food Up?" by J. Ross Nichols of Grove, Okla., be printed in the RECORD.

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

DID CONSUMER ADVOCATES TALK THE PRICE OF FOOD UP?

"Imagine that you own a farm . . . You have room to keep between 10 and 100 sows this winter. You hear that consumers plan to boycott meat, and that there may be price freezes or rollbacks. You decide to keep 10 sows—not 100."

America is faced with food shortages. And strangely enough, those who have expressed the greatest concern over rising food prices have been those most responsible for the shortages and the even greater price increases that followed.

Let me try to explain what I mean.

Trying to solve food shortaegs with a food-price freeze is like trying to solve a teacher shortage by placing a ceiling on teachers' salaries. Instead of easing the shortage, you would create additional shortages. Problems of shortages are solved by programs that encourage production, not by those that discourage it.

Unfortunately, many politicians in both the Congress and the Administration took the easy way out. They yielded to pressure from would-be consumer advocates by supporting programs that appeared to help the consumer. But, in fact, those programs did just the opposite. Congressmen who opposed the price freeze were labeled unsympathetic to the consumer. The fact is, they were the ones who were being honest with the consumers.

Last February, food prices responded to increased food demand; they began to move upward. Farmers, anticipating better pork, poultry, beef and grain prices, were increasing their breeding herds, buying better machinery and preparing to produce a record volume of food.

Then, In April, along came the boycotts and threatened freezes or price rollbacks. While these moves were well-intended, they accomplished only one thing. Farmers who were increasing their breeding herd in February—in anticipation of better prices—started decreasing them in April.

So, the louder the cries for boycotts and freezes, the more the farmers reduced their breeding-herd numbers. They weren't reducing the herd numbers or drowning baby chicks to hurt the consumer. Like everyone else, they are in business to make a profit. Their income is substantially below that of non-farmers. They did these things only to lessen the losses they anticipated if boycotts or freezes took place.

On March 29, 1973, President Nixon announced a food-price freeze. But in fairness to my Republican friends, I must admit many Democratic members of Congress favored price rollbacks—which would have been even worse.

The freeze meant farmers were caught in a squeeze between the freeze and increasing costs of production. Instead of being encouraged to increase their production, they were discouraged. Tens of thousands of farmers across the country took this occasion to cull their herds of all but their very best breeding animals. Many farmers decided to quit altogether.

Pork and poultry prices were the first to go up because of all the pregnant sows that went to market and all the eggs that weren't hatched. Then came pork and poultry shortages, so that the prices for these items skyrocketed when the freeze was lifted. Consumers shifted to beef, thus creating a similar situation in beef.

Imagine that you own a farm. Farm debt has increased 400 percent since 1960, so the chances are you own it with the bank. You have room on your farm to keep between 10 and 100 sows this winter. You hear that consumers plan to boycott meat, and that there may be price freezes or rollbacks. You decide to keep 10 sows—not 100.

The 90 sows you didn't keep could have produced 10 pigs each—every six months. The 900 pigs you didn't produce because of the 90 sows you didn't keep represent 180,000 pounds (200 pounds per market hog) of pork the consumer will never see. Multiply this times thousands of hog farmers and you begin to see why pork production went down. Consumers bid against each other for a limited amount of pork—and they simply bid up the price.

So consumers in effect talked the farmers into raising less food and then bid up the price of that food. If they had a better understanding of what encourages farmers to produce, there would have been no food crisis in America last year. And by now, food production would have begun responding to higher prices, and food supplies would have been more in line with demand.

The price freeze hurt everyone. It hurt the consumer by raising food costs. It hurt the producer by denying him profits from higher production—and in many cases, by forcing him to take losses. It hurt the economy by reducing the production of goods we needed to help offset our balance-of-trade deficit.

There were other things that brought on the price increases:

Social Security and Medicare were increased by $10 billion annually in September, 1972. Much of this increase was spent by retired people on food, making food demand greater.

The food-stamp program was increased 17% last year. All of this went for food, also increasing demand.

Russia and China changed their food and trade policies with the U.S., and experienced a bad crop year, decreasing supply.

The standard of living went up around the world, increasing demand.

We, too, had unfavorable weather, also decreasing supply.

We devalued the dollar twice in 14 months, making American-produced food a much better bargain abroad; foreign buyers bought more.

We experienced a period of high inflation.

Since increases in food prices are not offset by corresponding decreases in purchases, we have food shortages and fast-rising prices. But the truth is, food prices have not increased nearly as much as the price of other goods or wages in the past 20 years. If food prices had gone up as much as wages during that time, round steak that sold at $1.75 per pound in April would have sold at $2.67, eggs would have increased from 68c a dozen to $1.61, and a frying chicken from 89c to $1.46 a pound. The retail price of food from 1952 to 1972 went up 38 percent—wages went up 140 percent.

Americans spend less than 16 percent of their average after-tax income on food. In England, the same figure is 25 percent; in Japan it is 35 percent; in Russia it is 58 percent; and in Asia it is 80 percent. But the farmer who supplies all this food is himself not well paid. Once you gave him a seven percent return on his assets (he can get this by selling out and drawing interest); he received 74 cents and 81 cents an hour for his labor in 1971 and 1972. But his costs are going up too, and he can't be expected to continue at those wages.

Now many voices are joined in asking the government to shut off exports of grain and other farm products. Is their advice sound advice? Again, imagine you are a farmer. Grain prices have gone up sharply in the past few months. Because of this you are considering making long-range investments in machinery and land improvements. Now you hear that the government is considering stopping the export of American grains. What do you do?

Chances are you won't make the big investments, and the consumer, eventually, will be hit by shortages and higher prices.

How can it be said that food is too high in America if it is the one thing we produce cheaply enough to sell on the world market at a surplus? What else do we have to sell to stabilize the American dollar, balance our trade deficit and make it possible for us to import energy-producing products that keep the country running?

VIETNAM VETERANS' DAY

Mr. EAGLETON. Mr. President, today by resolution of the Congress and proclamation by the President is Vietnam Veterans' Day.

We have set aside this day to honor the 6½ million veterans of the Vietnam era and, in particular, the 2½ million brave men who served in Vietnam.

A year ago today, the last combat troops left Vietnam, bringing to an end that phase of the longest and least popular war in our history.

Largely as a result of the nature of that conflict—and with the exception of the POW's—the veterans of Vietnam did not come home to the warm welcome and gratitude that greeted returning veterans of earlier wars.

These men came home quietly, virtually unnoticed except by family and friends.

They came home to the indifference and sometimes even the hostility of their fellow citizens.

They came home to unemployment lines and inadequate educational assistance.

More than 340,000 came home disabled only to hear proposals from the highest levels of their Government that compensation payments be slashed.

They came home to a Veterans' Administration that often seemed to be insensitive to their needs. Who can forget the man with no face who was able to receive VA assistance only through the personal intervention of the President of the United States.

Mr. President, the debate over our policy in Vietnam will continue for decades to come. But this debate should be immaterial where the brave veterans of that war are concerned.

They answered the call to serve their country. They faced the same dangers and made the same sacrifices as veterans of previous wars. They deserve the same gratitude and all the assistance we can give them in their readjustment to civilian life.

So it is fitting that we pause today to pay tribute to the veterans of Vietnam. But we can honor them more fully by determining to do what is necessary next week and next month and next year to see to it that these men who served their country will now receive in return the educational assistance, job opportunities, and medical care they need and deserve.

THE FBI OVERSIGHT SUBCOMMITTEE BEGINS ITS WORK

Mr. HRUSKA. Mr. President, last year the Senate established a special subcommittee of the Judiciary Committee. The Federal Bureau of Investigation Oversight Subcommittee has recently begun its work on bills that would provide tenure for FBI Directors.

As the ranking Republican member of this subcommittee, I should like to call to the attention of my colleagues an interview that appeared in the Omaha World Herald. Mr. Darwin Olofson, chief of the Washington bureau of the World Herald, interviewed the current Director of the FBI, Clarence Kelley. Director Kelley gave his views on the work of the subcommittee as well as other matters crucial to the work of the FBI.

I am sure my colleagues will appreciate reading what Director Kelley has to say. I, therefore, ask unanimous consent to have the World Herald article printed in the RECORD.

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

FBI CHIEF: NO TOPICS OFF LIMITS

(By Darwin Olofson)

Federal Bureau of Investigation Director Clarence Kelley says he knows of no aspect of FBI operations that he would be unwilling to discuss with a new Senate subcommittee created to ride herd on his bureau.

"I construe this as a forum for practically limitless areas of discussion," he said in an interview.

He said he had no fear of information "leaks" from the nine-member subcommittee, on which Nebraska Sen. Roman Hruska is the ranking Republican.

Kelley also said he did not think there was any danger that the subcommittee, or its members, would try to exert "political influence" on the FBI.

"It's up to us, if anything does come up, to control it so it doesn't become a threat," he added.

MONDAY MEETING

The subcommittee, established last year, is scheduled to hold its first meeting Monday and will consider bills providing tenure for FBI directors.

Until now, the FBI never has been under the jurisdiction of a congressional "oversight" panel.

Kelley agreed to an interview with the understanding it would deal primarily with his views on the subcommittee and related issues.

On other matters, however, he had these comments:

He favors the death penalty for certain crimes, but not because he subscribes "to the idea of an eye for an eye or a tooth for a tooth."

It is an effective crime deterrent, in his view, and no one has yet come up with anything as effective.

DIFFICULT KIDNAPINGS

The kidnaping of Patricia Hearst in California involves a "difficult situation" of an unusual nature because, to his recollection, "it is the first political kidnaping" in this country.

Asked whether the FBI was exercising more than customary restraint in the Hearst case, Kelley said no new policy was being followed.

"We've always said we followed the idea that the safety of the victim is paramount," he said.

The FBI traditionally has not tried to rescue persons while they were in the hands of their abductors, he added.

With respect to the Senate oversight committee, Kelley said he had talked to officials of the Central Intelligence Agency, which for many years has had to answer to the special congressional committee.

He said the CIA has found the arrangement "very helpful."

Kelley, 61, said he did not care whether he had tenure or not, that he was satisfied to serve at the pleasure of the president.

But the appointment of FBI directors for a period of, say, nine years would be a good idea, he said, because it would assure continuity and free them from "political hassling."

He opposed proposals that the FBI be made an independent agency.

"My feeling . . . is that the FBI can work very comfortably under the Department of Justice as a bureau," he said.

He also disagreed with those who have proposed that the FBI be restricted to the anti-crime field and be stripped of its national security responsibilities.

"COMPLEMENTARY FIELDS"

The two investigative fields, Kelley said, "are mutually complementary."

The confidentiality of FBI records is one matter he is likely to discuss with the Senate subcommittee, he indicated.

The records presently are protected by a Justice Department order, rather than by statute.

Earlier in the week, Hruska told The World-Herald he felt the subcommittee should be a "consultative group" and should "not try to operate the FBI."

He said he was opposed to taking national security investigations away from the FBI.

LUKEWARM

Hruska was lukewarm on the idea of tenure for the FBI director, but said he would support tenure legislation.

But he stressed his belief that, regardless of any tenure law, the FBI director should be

subject to dismissal by the president, who is in charge of the Executive Branch.

"I do not believe in complete independence," he said.

"There should be political accountability of every agency of government," he added.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, I am speaking again today to urge Senators to give their advice and consent to the United Nations Convention on Genocide. The Convention defines the crime of genocide and provides for its punishment as an international offense.

Now there are those in the Chamber who criticize the treaty because it includes in its definition of punishable offenses the inciting of others to commit genocide. Mr. President, I urge those who take this as a direct violation of our first amendment right to free speech, to consider the reasoning behind this provision. Genocide in its most fundamental terms is murder. It is the clear decision of the courts in this land that to incite murder is against the law. It follows, therefore, that inciting genocide should also be illegal since genocide is murder.

I have examined the treaty several times, Mr. President, and I have not been able to find one single clause that in any way opposes our Nation's Constitution.

After decades of waiting, the treaty has finally been reported to the full Senate. It was reported favorably, I might add. We have failed once already this decade to ratify the treaty. We must not delay any more.

THE WHEAT DEBATE

Mr. HUMPHREY. Mr. President, the March 4 issue of the Minneapolis Tribune included a very thoughtful editorial on this spring's great wheat debate.

The point that the Tribune makes is that the U.S. Department of Agriculture has been irresponsible in allowing wheat reserves to dip to the lowest point in over two decades. A further indication of our plight is the fact that the USDA has been led to claim that some of the wheat, listed for export in its own reports, will likely remain in the United States.

In plain words, this means that we may be able to count on having the 178 million bushels as a carryover rather than having at least some of it sold out from under us. I do not find this very reassuring at all.

I am a firm believer in developing and maintaining our export markets, but at the same time that we provide for the needs of our own people.

I am in full agreement with the comment in this editorial that:

Recent experience combined with the uncertainty of current estimates should inspire caution rather than confidence. In such a key commodity as wheat, a policy of no government-sponsored reserves seems to us unwise at best.

Mr. President, I commend this editorial to the attention of this body, and I ask unanimous consent that it be printed in the RECORD.

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

THE WHEAT DEBATE

All is well in wheat, says the Department of Agriculture. Hubert Humphrey, probably the best-informed senator on such matters, accuses Agriculture Secretary Butz of complacency and worse. Because both Humphrey and Butz are talking about production, demand and prices in the coming months, neither can be proved right except in retrospect. But there is enough information at hand to suggest that Humphrey is nearer the mark than Butz. In this instance the senator takes a conservative view, arguing that it is better to err by being cautious. We agree.

The focus of the debate is the carryover, the amount of wheat on hand at the end of the marketing year on June 30. Humphrey says the carryover will be lower than the official estimate of 178 million bushels, but even that amount is the lowest in two decades. The Agriculture Department's chief economist describes the situation as tight but not disastrous. Butz and his colleagues say not to worry, because more than 200 million bushels will be on the way by then from South and Southwest spring harvest. Also, there's a possibility that some of the wheat now marked for export was bought in panic and may be resold in the United States. That would increase the domestic carryover.

These assumptions are not entirely reassuring. Although the United States is no longer a source of nearly unlimited food reserves for the world, it remains by far the most important producer for export. The predicted wheat carryover of 178 million bushels compares with nearly double that figure in 1973. It was typically a billion bushels in the 1960s. The world carryover, in all grains—which means, essentially, the United States—is only enough to meet a few weeks' needs. Severe weather in any major growing area, such as India, could deplete reserves quickly.

Similarly, adverse spring weather in the early harvest areas of the United States could cut back the expected inflow of 200 million and more bushels of wheat. In any case, the attempt to minimize the seriousness of the low carryover by pointing to new crops coming in strikes us as dubious. The carryover at the end of June is less significant as a raw figure than as a comparison with the situation on the same date in past years and with wheat stocks elsewhere.

And it may turn out to be true that not as much will be exported as is currently scheduled. But to base agricultural policy on that kind of guess would hardly be prudent.

Still, one asks what room for policy differences there can be be when emphasis is on production, and most cultivatable land is in use. The difference is this: Humphrey believes in the need for building up world food reserves with America necessarily in the lead. That is a view shared by the head of the U.N. Food and Agriculture Organization and by Secretary of State Kissinger. A Cargill executive last month spoke of the need to "develop a conscious reserve program to provide adequate carryovers . . . in time of short supply."

Butz, despite underestimating grain demand the past two years, sees no such needs. He thinks carryovers are adequate. Recent experience combined with the uncertainty of current estimates should inspire caution rather than confidence. In such a key commodity as wheat, a policy of no govenment-sponsored reserves seems to us unwise at best.

SENATOR WILLIAMS URGES EQUAL RIGHTS FOR VIETNAM VETERANS

Mr. WILLIAMS. Mr. President, it has been more than a year since the last of our prisoners of war have returned home from Vietnam. It is especially appropriate that today on the 1-year anniversary of the complete return of our combat personnel from that war, we officially observe "Vietnam Veterans Day." I believe that this observance is a fitting tribute to so many citizens who sacrificed so much.

The controversy surrounding our involvement in that war will be with us for a long time to come. But that controversy can in no way detract from our duty to aid the veterans of Vietnam. We must not turn our backs on the men and women who have served their country and served it well. It is paramount that we remind ourselves of their efforts and that we fufill our obligations to them as we have historically done for our veterans of other wars.

In fact, because that war was not a popular one, our Vietnam veterans face problems which may be greater than for those of other wars. It is a primary national duty to do all that we can to help solve those problems.

On March 24, the nationally syndicated Sunday supplement, Parade magazine, caried an excellent, but nevertheless distressing, article entitled "Vietnam Veterans: They Need Help—Now." The article discusses in detail the various hardships of William Taliaferro of Elizabeth, N.J., a disabled combat veteran and former POW. These hardships are very real and are, unfortunately, too typical for so many of our veterans who have served so unselfishly.

The article also discusses legislation which I have joined in sponsoring, S. 2789, the Vietnam Era Veterans Educational Benefits Act. This is only one of many proposals presently before Congress designed to provide adequate and extended benefits to our veterans and is a significant step in bettering their situations. I am hopeful that the Senate will favorably consider this proposal as well as other appropriate veterans' legislation.

At this time, on the occasion of "Vietnam Veterans Day," I ask unanimous consent to have the article, "Vietnam Veterans: They Need Help—Now," printed in the RECORD.

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

VIETNAM VETERANS: THEY NEED HELP—NOW

(By Jonathan Braun)

For seven days in 1968 William Taliaferro was a prisoner of war. Today, more than five years after that nightmarish ordeal, he is once again a prisoner—of peace.

He is one of thousands who have been locked into lives of hardship, disappointment and despair after serving in Vietnam.

"Everyone's glad the war is over," says Taliaferro, a 24-year-old ex-Marine corporal, "but no one gives a damn about the veterans who are still fighting to survive."

Now they fight on welfare and unemployment lines, in government hospitals and psychiatric wards—these Americans who faced death in the jungles and rice paddies of Indochina. Some fight for jobs, decent housing, education and training, others just to be accepted as good citizens, and still others to be free of terrifying memories and the chains of drug addiction. Says one vet: "We're up against a whole system."

It's a system of arbitrary justice, insensitive bureaucracy and endless red tape, and for those who see themselves as its victims,

feelings of bitterness and betrayal can be doubly intense. "Many of us volunteered to go to Vietnam," says Taliaferro. "Now we can't help but wonder if we should have gone to Canada instead."

ENLISTED AT 17

But Taliaferro knows that for him Canada was never really in the cards. The son of an Army officer, he enlisted in the Marine Corps at 17.

He turned 18 in "Nam," became a combat radio operator, was wounded in the chest and taken prisoner in August, 1968, during a bloodbath known as the "Tet Offensive."

Because he refused to reveal his "call signs" and "thrush points"—radio codes used to direct air and artillery strikes and coordinate troop movements—his captors cut off the middle finger of his left hand.

"They wrapped my hand in a bandage," he says, "but didn't do a thing for the hole in my chest, so I covered it with a plastic cigaret wrapper and some tape . . . On my seventh day as a prisoner the village we were in came under attack and in the confusion I managed to escape."

In Danang doctors pulled 11 pieces of shrapnel from his chest—and one year and two hospitals later, he was a 19-year-old vet with some medals and a monthly disability check.

"I wanted to be a cop before I went into the service," he says, "but the police didn't want someone with a disability on his record. The only job I could get was running a Xerox machine. Finally, I decided to go to school—I figured it was better than going nuts."

He commutes now from a small, sparsely furnished garden apartment in Elizabeth, N.J., which he shares with another vet, to the neighboring campus of Kean College, where he is a junior majoring in psychology.

INADEQUATE GI BILL

Ironically, Bill Taliaferro is one of the "lucky" vets who can afford an education. "Since I'm officially 100 percent disabled," he explains, "I'm entitled to $495 a month, money for books and tuition and a monthly stipend of $170. If all I had to count on was the GI Bill I could never make it."

Because the present GI Bill does not meet today's soaring living and education costs, only 21 percent of the eligible Vietnam vets are enrolled in college programs as compared to around 50 percent of eligible World War Vets

"The Vietnam vet has been shortchanged," says Jim Mayer, president of the National Association of Concerned Veterans. "All you have to do is look at the benefits his father received after World War II."

World War II vets received sufficient education allowances—up to $500 a year for books, tuition and fees—plus $75 a month for subsistence. Vietnam vets, on the other hand, get $220 a month—or $1980 per school year—to cover everything, obviously far from the amount needed in these inflationary times.

A CHANCE FOR ALL VETS

Recognizing the need to achieve some kind of father-and-son parity, over a third of the Senate—including Minority Leader Hugh Scott (R., Pa.) and Majority Leader Mike Mansfield (D., Mont.) has co-sponsored the comprehensive Vietnam Era Veterans Educational Benefits Act (S. 2789), a five-bill education and job training package that would provide vets with annual tuition subsidies of up to $600. The act also carries an accelerated payments provision that would provide vets with annual tuition subsidies of up to $600. The act also carries an accelerated payments provision that would provide greater monthly subsistence payments spread over a shorter period. Thus, a vet who is now restricted to $220 a month for 36 months could receive $440 a month for 18 months.

"Acceleration would enable vets to attend law, medical and graduate schools," says Rusty Lindley, an ex-Special Forces Captain who runs the Vietnam Veterans Center in Washington, D.C. "More importantly, it would allow educationally disadvantaged vets—who are either unprepared or unable to complete four-year college programs—to enter productive careers through two-year technical and vocational programs.

"The comprehensive act is really the only chance we have to get an equal opportunity to all Vietnam era veterans."

Although roughly 2½ million men actually served in Vietnam, there are over 3 million veterans of the entire Southeast Asian theater. A total of nearly 7 million men are veterans of what is known as the Vietnam era—including more than 340,000 who are disabled.

"I'm just happy to be alive," says Tom Bratten of Silver Spring, Md., who lost his left leg and right arm when he stepped on a land mine, and spent 3½ years in Walter Reed Hospital. "Because I was an officer I was well taken care of. It's the enlisted men who need more attention."

"I'd have to agree," said a Veterans Administration spokesman, "that officers usually do a little better while they're in the military—but that's not true in VA hospitals."

The Veterans Administration, however, has been the target of criticism. Delays in sending out checks are common, and some vets angrily say they've had to wait for six months or more. A special Ralph Nader report has accused the federal agency of operating with a fundamental orientation toward older vets. Written by a Harvard University graduate student, the report concludes that "many of the basic services the nation has committed itself, at least rhetorically, to providing Vietnam vets, are simply not reaching them."

Some critics have even questioned whether the present bureaucratic setup is capable of meeting the needs of Vietnam vets. Rep. Mario Biaggi (D., N.Y.), for example, has proposed the creation of a new office of assistant administrator for Vietnam veterans affairs. According to Biaggi, "The assistant administrator would serve as an ombudsman where Vietnam veterans could go and know they'd receive help."

UNEMPLOYMENT AND WELFARE

But all this is only part of the story. "Hard-core unemployment is the most acute of all the problems facing today's vet," says Carl McCarden, Commissioner of New York City's Mayor's Office for Veteran Action.

Nearly 10 percent of vets in the labor force are unemployed, and in the low-income areas of the country—rural and urban—more than 20 percent.

On certain days set aside each month, increasing numbers of Vietnam vets join special early morning lineups to get on the nation's welfare rolls. Most come from the poorest levels of society; few acquired any useful skills while serving in the military.

Even for skilled vets, however, landing a job can be a futile task—mainly because vets, like other minorities, are victims of prejudice and stereotyping. "I looked for work with about 15 different concerns," reports one vet, "and every one of them asked if I had taken part in an atrocity."

Uneasiness and discomfort felt by civilians in the presence of the men they have sent to war is nothing new; but never before, it seems, have so many Americans been so scared and so suspicious of their vets. Says Bill Taliaferro: "I get the feeling people are afraid a vet might do something wrong or crazy at any moment."

TIME-BOMB IMAGE

The time-bomb image of the Vietnam vet has been reinformed by the unpopularity and controversial nature of the war in which he fought—"a war with no friends and no fronts," as one vet put it.

"In Vietnam," says Yale psychiatry professor Robert Jay Lifton, "where atrocity and combat were almost indistinguishable, the GI was made into both victim and executioner. . . . Whatever his struggles upon his return, many Americans continue to see him in terms of those roles . . . rather than as the lovable GI who came back from the wars."

'When I came home a lot of people criticized me for going to Vietnam," says Tom Aiken of New York, who is now blind in one eye because of wounds suffered during an artillery blast. "They told me they thought the war wasn't just."

"I had the feeling that nobody knew or cared why I was over there—that it was all a big waste of time," says Terry Campbell, coordinator of veterans affairs for Southern Illinois University at Edwardsville, Ill. "The whole attitude of the country is really the biggest problem vets have."

COMING TO TERMS

"The country simply hasn't come to terms with Vietnam," adds Max Cleland, who lost both his legs and an arm in a grenade explosion and is now the only Vietnam vet in the Georgia State Senate. "How then can it come to terms with its veterans?"

And Joe Garcia, an Air Force vet who is now administrative assistant to the City Manager of San Jose, Calif., asks: "How do you get a nation to accept people they hold responsible—or at least partially—for a war that no one wants to remember?"

Even the veterans organizations, which lobbied successfully for the rights of World War II vets, seem to have difficulty accepting the boys from Vietnam. In a study commissioned by the VA, the prestigious Educational Testing Service concludes that both the American Legion and the Veterans of Foreign Wars have not demonstrated enough concern over the plight of today's vets.

"I'd go to one of the veterans organizations," says Taliaferro, "and all I'd get would be talk about the big war, the great war, World War II. Nobody even wanted to hear about Vietnam—after all, we didn't win that war."

Public rejection combined with the haunting, personal memories of combat have led to the problem of "Post Vietnam Syndrome." It's a loose term, coined by psychologists to cover the feelings of rage, persecution, alienation and apathy shared by many vets.

"I felt people wanted to sweep us under the rug when I got back," says former combat medic Jack McCloskey of San Francisco. "Especially in college—a lot of my classmates hadn't been in the service, didn't know what it was like and didn't care."

SHAME AND GUILT

Dr. Chaim F. Shatan of New York University emphasizes the guilt that plagues many vets. "The shame and guilt of being alive," he writes, "how few of us know what that *feels* like, how it makes a man feel less than whole unless he can feel an identity with the dead."

A confidential memo from the VA's department of medicine and surgery estimates that "serious and prolonged readjustment problems exist in one out of evey five new veterans, but, to a lesser degree, were experienced by all."

"A friend of mine hasn't been out of his house in two years," says one vet. "He just can't seem to move—not even to the corner."

But perhaps the darkest cloud hanging over the Vietnam vet is the drug problem, since a great many Americans wrongly assume that all vets have abused drugs. "Some of my oldest friends accused me of being a dope addict when I came home," says Randy Taylor, who opened a restaurant in his small Virginia hometown after serving four years as a combat medic in Vietnam. "They even

spread rumors that I wore long sleeves to cover needle marks on my arms . . . It finally got so bad that I had to close up my business."

Although the drug problem has been grossly exaggerated, there is no denying that many vets came to depend on drugs in Vietnam, some to relieve the pain of wounds, others to escape the cruel realities of war.

OTHER THAN HONORABLE

A government study states that many of the vets using drugs require immediate help if they are to avoid becoming hard-core addicts. Among them are those who received "Other Than Honorable" discharges for drug abuse—and are now denied treatment because of VA regulations!

But the more than 22,000 vets who were given "bad paper" for drug abuse represent only a small fraction of the vets who—often for the most petty reasons—have been branded with a range of Other Than Honorable discharges. Effectively shut out of most employment and education opportunities, they have been deprived of veterans benefits; instead of getting them automatically, Other Than Honorable vets must have their benefits granted by a special VA review board. Favorable decisions are rare.

"CATCH-22"

Many vets with "Undesirable" discharges did not originally contest them because they were told by the military that the designations could easily be changed in civilian life. In the best *Catch-22* tradition, they were later informed that one of the requirements for upgrading an Undesirable discharge is holding a job for at least one year. The "catch," however, is that Undesirable vets have little or no chance of being hired by anybody.

"Vietnam vets bought a dream," says Carl McCarden, who saw action as a Green Beret and served as an adviser to Ambassador Ellsworth Bunker. "They largely bought the star-spangled dream of serving one's country and trusting the judgment of those in power to do the right thing. Tragically and inexcusably, that dream has disintegrated into a nightmare, and is now dissolving into a red, white and blue struggle for survival—a struggle by forgotten Americans."

VIETNAM VETERANS

Mr. BIDEN. Mr. President, this is Vietnam Veterans Week. No matter what our opinions were regarding the war, there is nearly universal belief that the young men who devoted so much of their lives—and sometimes their limbs—to their country do not deserve to be the present-day victims of that war. There have been numerous cases where Vietnam veterans—both in VA hospitals and out—have not been treated equitably.

In this regard, a recent article in the March 24, 1974, issue of Parade magazine notes difficulties in inadequate educational benefits, delayed checks, unemployment, drugs and even discrimination.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

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

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(By Jonathan Braun)

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Many vets with "Undesirable" discharges did not originally contest them because they were told by the military that the designations could easily be changed in civilian life. In the best *Catch-22* tradition, they were later informed that one of the requirements for upgrading an Undesirable discharge is holding a job for at least one year. The "catch," however, is that Undesirable vets have little or no chance of being hired by anybody.

"Vietnam vets bought a dream," says Carl McCarden, who saw action as a Green Beret and served as an adviser to Ambassador Ellsworth Bunker. "They largely bought the star-spangled dream of serving one's country and trusting the judgment of those in power to do the right thing. Tragically and inexcusably, that dream has disintegrated into a nightmare, and is now dissolving into a red, white and blue struggle for survival—a struggle by forgotten Americans."

THE CLOSING OF COAL MINES—ECONOMIC DISASTER

Mr. COOK. Mr. President, in 1969 it was my privilege to serve as a member of the Small Business Committee of the Senate. At that time, Senator ALAN BIBLE, chairman of the committee, introduced a bill proposing to give Small Business Administration authority to make loans to enable small firms to comply with mandatory Federal standards imposed under relatively short-term deadlines. This provision was ingrafted into the Federal Coal Mine Health and Safety Act of 1969 with specific reference to assisting "any small business concern operating a coal mine in effecting additions to or alterations in the equipment, facilities or method of operation of such mine" to meet the requirements of the act.

Subsequently, this authority underwent a series of refinements as a result of hearings in the Senate and the House, and on January 2, 1974, the President signed into law a proposal which had been forwarded to him by this Congress and which in essence would consolidate the various economic disaster loan subsections of the Small Business Act into a new subsection.

Our action has given the SBA the authority to classify the closure of mines as an economic disaster. The operator, therefore, is entitled to the provisions of economic disaster loans in the same manner as if his business had been affected by a hurricane or a flood.

I have been informed that as of February 1974, the SBA has unobligated disaster loan fund authority of $179 million and it receives about $14 million per week in disaster loan repayments for its disaster loan portfolio.

My purpose in making this statement is to clarify the position of the individual who is attempting to purchase equipment necessary to comply with the Coal Mine Health and Safety Act. For those who qualify, there are ample funds available by the SBA for terms of up to 30 years with interest rates of one quarter of 1 percent more than the cost of the money to the Federal Government, which I understand would now be 6⅛ percent.

Mr. President, I have today been notified by Mr. James Day, the Administrator of the Mining Enforcement and Safety Administration, that his office takes the following position concerning this situation and will take the following action with regard to each of the situations listed below:

First. Mines with permits of noncompliance will be allowed to operate without penalty for the duration of the permit.

Second. Mines whose applications of appeals are still pending will not be subject to MESA action in this matter until a decision is handed down by the panel.

Third. Mines whose applications or appeals have been finally rejected by the panel, but who have ordered the necessary equipment by March 30 or within 2 weeks following the decision, whichever is later, will be given a notice of violation allowing a reasonable time to abate the violation—by obtaining delivery of the equipment.

Fourth. Mines that have not applied to the panel but who order permissible equipment prior to January 31, 1974, will be issued a notice of violation with a reasonable time to abate, taking into account the delivery date.

Fifth. Mines whose applications or appeals have been finally rejected but have not taken any action to obtain permissible equipment will be issued a notice of violation and ordered to abate the violation by removing all nonpermissible equipment out by the last open crosscut.

Sixth. All other mines except those

which have already obtained and are using permissible equipment will be issued a notice of violation and ordered to remove all nonpermissible equipment beyond the last open crosscut.

It was noted that bona fide equipment orders will be evidenced by valid purchase orders accompanied by the manufacturer's acknowledgment and estimated delivery date.

MESA is cooperating with the Small Business Administration which has a program to assist those mines unable to afford the equipment but otherwise acting in good faith to obtain it.

I repeat what I have said many times—the safety of the miner takes priority over all else. However, close on the heels of safety is the welfare of this same miner. I intend to continue my efforts to see that both are provided.

Mr. President, the safety record in Kentucky is good. During the first 2 months of 1974, there were zero fatalities in my State. This is a significant improvement over the first 2 months of previous years:

	Deaths
1970	7
1971	12
1972	4
1973	5

At the same time, we have increased our production with the pendulum swinging back to underground tonnage as compared to surface mine tonnage:

TONNAGE PER FATALITY—UNDERGROUND AND SURFACE MINES

Year	Underground tonnage	Underground mine fatalities	Tons per underground mine fatality	Surface mine tonnage	Surface mine fatalities	Tons per surface mine fatality	Total tonnage	Total tons per fatality
1970	63,499,027	83	765,048	61,809,368	6	10,301,561	125,308,395	1,407,959
1971	52,697,787	35	1,534,222	66,469,795	6	11,078,299	119,167,582	2,906,526
1972	56,531,862	26	2,174,302	63,739,385	3	21,246,461	120,271,247	4,147,284
1973[1]	67,244,989	25	2,689,799	59,869,011	3	19,956,337	127,514,000	4,554,071

[1] Tonnage subject to slight revision.

Note: Surface mines include auger and strip operations.

There is no doubt that on March 30 there will be operators who cannot or will not provide the safety required by law. These mines should be closed.

Several hundred miners will be without jobs, and, if jobs cannot be found, welfare may be the only answer. To many Americans who want to work and earn a living for themselves and their families, this is a poor answer.

I am encouraged by the attitude of the United Mine Workers of America concerning the problem. I have been informed that the union does not feel that this situation poses a major question. According to a UMWA representative, the demand for coal coupled with the expansion of organized mines and increased production has created a corresponding demand for miners. While it is true that individuals must pass physical examinations before they can be hired, this again was not believed to be a major roadblock.

THE PEOPLE RESPOND TO THE ADVOCATES

Mr. HRUSKA. Mr. President, on January 24, 1974, the popular educational television program, "The Advocates," debated the question, "Should the Congress create a Federal Oil and Gas Corporation to compete with private industry?" Because I considered this discussion of such merit particularly in view of the energy crisis, I had the complete transcript printed in the CONGRESSIONAL RECORD of January 28.

Just recently I secured a copy of the viewers' response to this question. Since it is the Senate as well as the House which would consider any measure creating such an office, I believe the viewers' responses are of interest.

A substantial majority of those who responded opposed creation of such a Federal agency. A total of 75 percent, or 5,785 out of 7,722 responses, were in the negative. Such statistics deserve the close scrutiny of Members of Congress, especially those who might be quick to resort to the creation of another Federal agency.

I have also secured a State-by-State breakdown of the viewers' reactions. In order that my colleagues might have the benefit of this information, I ask unanimous consent to have this information printed in the RECORD.

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

"THE ADVOCATES" VIEWERS VOTE ON THE QUESTION: "SHOULD CONGRESS CREATE A FEDERAL OIL AND GAS CORPORATION TO COMPETE WITH PRIVATE INDUSTRY?"

[State breakdown]

State	Favor	Opposed
Alabama	11	25
Alaska	1	3
Arizona	57	88
Arkansas	7	5
California	314	455
Colorado	35	162
Connecticut	33	61
Delaware	8	12
District of Columbia	19	25
Florida	75	128
Georgia	6	46
Hawaii	4	9
Idaho	2	7
Illinois	128	1,163
Indiana	18	131
Iowa	14	31
Kansas	18	62
Kentucky	5	15
Louisiana	3	121
Maine	3	15
Maryland	22	34
Massachusetts	131	183
Michigan	36	47
Minnesota	29	41
Mississippi	7	17
Missouri	7	44
Montana	12	12
Nebraska	4	18
Nevada	7	8
New Hampshire	17	41
New Jersey	67	103
New Mexico	21	33
New York	213	270
North Carolina	15	29
North Dakota	0	2
Ohio	46	82
Oklahoma	28	135
Oregon	38	44
Pennsylvania	77	124
Rhode Island	5	16
South Carolina	3	10
South Dakota	2	10
Tennessee	10	39
Texas	72	1,412
Utah	17	29
Vermont	10	18
Virginia	35	56
Washington	105	134
West Virginia	6	9
Wisconsin	52	105
Wyoming	3	13
Unknown	78	101
Foreign	1	7

	Number	Percent
Overall total:		
In favor	1,937	25
Opposed	5,785	75

HONORING LYNDON B. JOHNSON

Mr. HUMPHREY. Mr. President, I am deeply gratified by the action of the Senate yesterday in passing legislation which I had introduced, S. 2835, 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.

Senator ERVIN and Senator HELMS joined in cosponsoring this measure.

This bill is a fitting tribute to a man who had a constant interest in the enhancement and development of people as our Nation's basic resource and in the conservation of our natural resources as basic to our people reaching their aspirations.

Naming these two areas for Lyndon Johnson is an honor befitting his efforts over the years to advance both the cause of conservation and the opportunity for personal development.

Lyndon Johnson knew from his experience as a high school teacher and from his experience as Director of the National Youth Administration in Texas in the depth of the depression, how vital it was that we give every young person an opportunity to secure an education that would enable that person to utilize fully his or her capabilities.

In the late 1950's, when I urged that we reestablish the Youth Conservation Corps, the first person I turned to for advice and counsel as a young Senator was Lyndon B. Johnson. As majority leader, the program had his full support, and he made a significant effort to get a bill adopted by the Senate in 1959. That was as far as he got, and we did not get a program adopted in the early 1960's, despite the support that President John F. Kennedy gave the program.

Shortly after Lyndon Johnson became

President, he told me of his plans to do something for youth and conservation by getting a youth conservation program into action. He intended to do more than the program of the 1930's. And he did.

The 1964 Economic Opportunity Act was a broad assault on poverty and ignorance and a key part of that program were the Youth Conservation Camps established as part of the Job Corps.

The first camp was set up near Franklin, N.C.

In 1964 President Johnson signed into law the National Wilderness Act and the Land and Water Conservation Fund Act.

He spurred action on devising a national awareness of the vital importance of our resources. In 1967 he embarked on a program to establish natural beauty and conservation as national goals, and he convened a Citizens Advisory Committee on Recreation and Natural Beauty.

A National Grassland is located in Wise and Montague Counties, Tex. These are lands that were worn out and run down until, under national programs, they were purchased and the process of their rehabilitation began. This area shows not only what can be done, but it also demonstrates the opportunity that exists to do more in the way of conservation of our natural resources. But most of all this sea of restored and renewed grassland represents the faith that Lyndon Johnson had in the land.

Mr. President, we can draw strength today from the dedication and resolve of this one towering man who was devoted to the cause of developing our human resources and conserving our natural resources.

Mr. President, I have been proud to have known and worked with this great man. In approving this bill we not only honor Lyndon Johnson, but we also rededicate ourselves to these same time-honored principles. This bill will be an appropriate vehicle to remind all Americans of the regenerating impact of the rural countryside as well as the need to conserve our resources.

VIETNAM VETERANS DAY: THE NEED FOR A RESURGENCE OF NATIONAL CONSCIENCE AND COMPASSION

Mr. CRANSTON. Mr. President, this morning I was pleased to join Chairman HARTKE and other members of the Committee on Veterans' Affairs at hearings on S. 2784, the proposed Vietnam-Era Veterans' Readjustment Assistance Act of 1973.

The scheduling of this hearing for today—March 29, 1974—was most appropriate, for this is the day, designated by Congress to honor our Vietnam-era veterans. Throughout the Nation, activities have been planned for today, "Vietnam Veterans Day."

Mr. President, I have urged the mayors of California's cities to pay special tribute next week to Vietnam-era veterans. I ask unanimous consent that my telegram to the mayors of Berkeley, San Francisco, Oakland, San Jose, Sacramento, Fresno, Bakersfield, Richmond, Oxnard, Los Angeles, Long Beach, Pasadena, Burbank, Torrance, Santa Ana, San Diego, and Santa Barbara be printed in the RECORD at the end of my remarks.

Mr. President, honoring these veterans with speeches and parades, however, is simply too little and too late. In fact, these men and women have been hearing far too many speeches and too many idle promises. It is fitting, therefore, that we met this morning to take concrete steps to provide further readjustment assistance to Vietnam-era veterans. They need adequate GI bill benefits, and they need jobs, now.

NIXON ADMINISTRATION LONG ON RHETORIC

On February 26, 1974, President Nixon made a statement regarding "Vietnam Veterans Day," saying:

> . . . when I refer to peace with honor achieved by over two and one-half millions who served in Vietnam, I think of what would have happened had they not served and had we failed in our objective.

The President has shown his appreciation for their service in strange ways.

On January 28, President Nixon announced the 1 year anniversary of the ceasefire in Vietnam and took that occasion to boast of administration accomplishments on behalf of the Vietnam veteran. As the premier of Mr. Nixon's Attorneys General, John Mitchell, so wisely admonished, the public must "watch what we do, not what we say." The gap between Presidential rhetoric and his administration's performance stretches almost from here to Vietnam.

ADMINISTRATION NEGATIVISM AND BANKRUPT POLICIES

During the 5 years in which I have been deeply involved in matters affecting our Nation's veterans, particularly Vietnam-era veterans, I have learned to expect, as a matter of course, threats of Presidential vetoes of legislation providing for badly needed increases in benefits to veterans, or administrative recommendations for pitifully small budgetary increases in veterans benefit programs. In fact, on the rare occasions when this administration has endorsed a congressional measure—as they have just endorsed my bill S. 2363—or recommends adequate increases in benefits, I find myself wondering whether or not the entire Office of Management and Budget has gone on vacation.

The President's recommendation, in his January veterans message to Congress, for an 8-percent increase in the rates of GI bill assistance payments was much more typical of the kind of proposal we have come to expect from this administration. Just last week, the Department of Labor announced that living costs have gone up 10 percent over the past 12 months, the highest annual rise since 1948.

The cost of living sped ahead another 1.3 percent last month while the purchasing power of an average hour's labor—for those fortunate enough to have jobs—continued to decline. This February rise was the second largest in any one month since 1951, with the largest 1 month's increase occurring last August. Food prices alone have soared 22.2 percent in the last year.

And yet this administration has the audacity to recommend a measly 8-percent cost-of-living increase in the already inadequate level of GI bill assistance which was last increased on September 1, 1972.

I would like to see the President and officials in the Office of Management and Budget survive with the standard of living they have so callously relegated to our veterans.

Clearly, Mr. President, one of the first responsibilities of a democratic society is the maintenance of a stable economy—an economy which will provide all citizens with a fair opportunity to find work and earn a decent living.

The present administration has not begun to fulfill that responsibility, and, in fact, has for the most part ignored it.

When this administration took office in January 1969, the rate of national unemployment stood at only 3.4 percent. By December 1970, however—after a futile 2-year attempt to control inflation by deliberately sacrificing jobs—unemployment stood at 6.2 percent with 5.1 million Americans out of work.

Mr. Nixon's January 28 veterans' message took credit for reducing veterans' unemployment from 9.9 percent in 1971 to 4.4 percent this year. But his message neglected to state that during the year President Nixon took office, 1969, the rate was down to 4.5 percent. Under the administration's totally unsuccessful game plan, designed to curb inflation by raising interest rates and provoking high unemployment, the veteran was asked to bear far more than his share of the burden for a bad job market, which saw veterans' unemployment soar from 4.5 percent in 1969 to 11 percent during 1972.

In November 1970, as chairman of the Veterans' Affairs Subcommittee of the Labor and Public Welfare Committee, I chaired hearings on unemployment and the readjustment problems among young veterans. I stated then that there was great irony, as well as tragedy, in the economic recession and high unemployment. The Vietnam war had been a major cause of our runaway inflation, and the Nixon administration instituted a number of fiscal and monetary policies to stop that inflation. All those policies succeeded in doing was depressing the economy and increasing unemployment. Most paradoxically, among the principal victims of unemployment were the young servicemen returning from the very war that brought about the inflation—and the administration's recessionist policies—in the first place.

DOUBLE AND TRIPLE SACRIFICES DEMANDED AGAIN

Mr. President, I find it hard to believe that though I spoke those words way back in 1970, they so accurately describe the very situation that exists once again today.

Once again our young veterans are being asked to make double and triple sacrifices. They have already given up 2 years or more to military service, often risking their lives and limbs. Yet, in the name of combating inflation, the administration has steadily resisted congressional efforts to get additional funds

for badly needed programs for veterans. Most young veterans have thus encountered difficulty in completing or even beginning their educations; many cannot find jobs, and some cannot get adequate medical care for their disabilities.

YOUNG VETERANS UNEMPLOYMENT REMAINS HIGH

And with an unemployment rate for young veterans age 20–24 of over 10 percent, the Secretary of Labor, Peter Brennan, announced on January 29, 1974, that the Nation's concerted effort to place Vietnam-era veterans in civilian jobs had succeeded so well that that so-called special effort was been abolished.

I am sure this proclamation of great success was well received by the 288,000 young veterans walking the streets daily seeking work, and by the great numbers of veterans waiting on the welfare lines because they have given up the seemingly hopeless search for work.

CONGRESSIONAL INITIATIVES

We, in the Congress, have fought the battle for a fair chance for veterans on many fronts—but most appalling is the Nixon administration's refusal all along to do much more than talk and make promises about the problems facing returning veterans, and then pat each other on the back for their fine efforts and admirable accomplishments.

Ask any veteran who has just been evicted from his home or apartment for his failure to pay rent because his educational benefit check or disability compensation payment has not arrived for 3 months. Ask any veteran who has been forced to drop out of school because he cannot afford to support his family and remain in school with the inadequate level of assistance allotted to him. Ask any one of the thousands of unemployed veterans about all the great things the Nixon administration has done for him. I suspect he or she will not be inclined to pay much tribute to those accomplishments.

Mr. President, I do not believe that the Congress has been guilty of making idle proclamations about the needs of our veterans. I believe that we have done our job reasonably well against heavy odds, and we will continue to do it—with the realization that it will be a battle every inch of the way.

VERY COMPLEX, VERY DIFFERENT READJUSTMENT PROBLEMS

Mr. President, the readjustment problems facing today's returning veterans are different from those of his father and older brother after World War II and the Korean war.

The American people have never adequately understood the special readjustment problems of returning veterans during the seventies. What are these unique problems?

First, it is 1974 now, not 1954 or 1946. The United States is an immeasurably more complicated and confusing society now than it was then. When the veteran comes home today, he has to reenter a socioeconomic situation often very different from the one he left.

More often than not he has come home with a very confused frame of mind about his life, about the war he helped fight, and about the value of his sacrifices.

THE NATURE OF THE WAR

He has fought in a war where he often could not tell the difference between friend and foe. His life was characterized by the unpredictability of sneak attacks, guerrilla warfare, and totally unclear and vacillating battle lines and military objectives.

He has fought in a war where the degree of maiming and crippling by new types of devastating land mines and weapons is unprecedented in severity. Because of wonder drugs and immediate medical attention and evacuation, men have survived from wounds that would have been fatal in prior wars. Multiple disablement is far more common. Some returning servicemen have been victims of these injuries; many others have witnessed their buddies either surviving or not surviving horrible injuries.

The Vietnam-era veteran has fought in a war where there has been enormous abuse of drugs by servicemen—promoted by the country we were supposed to be defending—and the kind of mentality and conditioning to brutality which could produce My Lai's.

He has fought in a war which, increasingly as he fought it, American public opinion and national policy came to seriously question it. Doubts about the purposes, achievements, and goals of the war were thus created long before he came home.

All of this—the unpredictability, the horrible maiming, the multiple injuries, his own ambivalence, the drug abuse, the My Lai incidents, and the change in American sentiment regarding the war—has created an extremely complex and confused state of mind for many returning veterans.

And what has the veteran found, and what does he find, when he comes home?

THE COUNTRY AT HOME

He has found a country, first bitterly divided over the war, and later achieving a consensus that the war was really a bad business at best. He has found that the Congress of the United States has repealed the action so often cited as the underlying legal basis for the very war that he fought—the Tonkin Gulf Resolution. Imagine what that means to him, especially if he has lost an arm or a leg or seen his buddies maimed in this retroactively questioned military venture?

In short, as to this so-called Vietnam conflict, he has found a public opinion which places precious little value on the efforts of 3 million men who fought in Indochina, and he has found indifference, skepticism, or down-right hostility toward what he has lived with for those service years—now irretrievably gone from his life. And he has heard, either behind his back or to his face, the question asked by some of his fellow veterans of earlier wars: "We won our war; what happened to yours?"

Is it any wonder that an internal Veterans Administration estimate indicates that one out of every five Vietnam-era veterans has serious psychological problems?

Is it any wonder, given his state of confusion, in many cases even before he came home, that this kind of reception has turned him off and enormously complicated the rest of his problems? And what are they?

I think it is no exaggeration to say that in the last 3 years the veteran has returned to find an unprecedented economic situation domestically, characterized by rampaging inflation, an extremely tight job market, very high levels of unemployment, and little if any demand, or a program for producing such a demand, for the skills he acquired in the service. At various times, he has found, as at present, an extremely tight housing market and extraordinarily high rents. He cannot believe some food prices which may have almost doubled while he was away.

But there is far more than just finding the dollars to eat, clothe, and house himself and to move around in society. In many States, his G.I. bill benefits are not adequate to purchase the education he thought he had coming. And if he does get into school, far too often he receives his check 3 months late, or it comes in the wrong amount, or is misdirected, or all he gets is indifference, rudeness, or the ultimate insult—the busy signal when he calls the VA regional office to inquire about these problems.

And what if he needs medical care for his injuries or illnesses acquired in service? Although things are much better today than 4 years ago in VA hospitals, just as GI Bill benefits are much better than they were, he may find low morale and inadequate staffing of admissions and in-patient facilities, especially with respect to nursing personnel; and, in some cases, he may find a hospital administration insensitive to his particular medical or physical difficulties.

And there is still more. He has come home, particularly over the last several years, to a society in a tremendous state of flux in terms of social, moral, and ethical goals and values. He may find his younger brother or sister hung up on drugs or popping pills, kids he thought were barely out of diapers when he left. He may find his friends having drastically changed their views on issues of enormous consequence, such as confidence in governmental institutions. Or he may find them all turned off to everything as a result of the widespread cynicism brought on by the horrors of Watergate.

INDIFFERENT PUBLIC RESPONSE

In the face of all this, what has the American public done to recognize his problems, to welcome him home, to value his contributions to our Indochina national defense policy, to make maximum use of his military service skills, to give him a job, to help him with his education, to ease his readjustment problems, to treat his wounds with compassion, and to make him feel some pride and some dignity about his 2 years of military service? For most of these areas, and, for some veterans, for all of them, the answer is that the American people—we—have done far too little and, in some cases, virtually nothing.

There seems to be a widespread suspicion on the part of some employers that veterans are somehow either drug addicts, violence-prone time bombs, trouble-makers, rabble-rousers, malcontents, or just plain "long hairs." What a telling and totally unfair commentary that is.

And, of course, there have been no victory parades; there have been no small town welcome homes; and, until today, there has been no special recognition of their service to their Nation.

It is well and good to honor our prisoners of war as they have returned from their enormous hardships, and we should continue to honor them and give them the very best treatment we know how.

It is well and good to recognize especially heroic efforts by pinning ribbons and bestowing medals, and we should continue to honor our most visible war heroes.

But none of this honorific activity is a substitute for fulfilling our moral obligations to all veterans who answered their country's call. Helping them, caring for them, providing justice for them is imperative.

What seems to have happened, however, is that the administration has sought to ease its guilty conscience by elaborate gestures of support and concern for these most visible war victims, while ignoring or remaining indifferent to the plight of the invisible veteran, especially the disfigured and maimed victims whom we find it uncomfortable to look at.

RESURGENCE OF NATIONAL CONSCIENCE AND COMPASSION NEEDED

I say these invisible and forgotten veterans are war heroes too. It's time we started treating them that way.

We need a resurgence of national conscience and national compassion. It is time that we did something about adjusting to the problems of returning veterans, which we have so often failed to help resolve and have even been exacerbating, instead of placing the total burden for adjusting or readjusting on the often beleaguered returning veteran.

VA LACK OF MORAL LEADERSHIP

One has to ask: Why do we find such a situation? What has the agency of the Federal Government charged with responsibility for veterans affairs, the Veterans' Administration, been doing over the last 5 years to deal with this situation, to educate American public opinion, and to create a sympathetic understanding of these enormous difficulties?

The VA has exercised almost no moral leadership during this crucial period. Instead, it has become a hapless, helpless giant, hamstrung by OMB dictates and stultified by demoralizing personnel and contract policies motivated far too greatly by political factors and favoritism.

Almost without exception throughout these last 5 years, this enormous Federal establishment, created for the sole purpose of providing services and benefits for veterans and being their spokesman, has spoken with a negative voice. The VA has said no, no, no, time and time again to congressional initiatives to provide equity in GI bill disability compensation, disability insurance compensation and pension rates, to improve drug and alcohol treatment programs, and to modernize and improve the VA hospital system. The VA has staunchly opposed congressional efforts which resulted in adding one-half billion dollars above budget requests to hire new VA hospital staff over the last 4 years.

The record is absolutely dismal in terms of constructive VA efforts to achieve legislation and improve program performance. The problems I described about late, missing, and incorrect GI bill payments and rude and insensitive treatment, have been chronicled in the mass media so intensively of late that I need not dwell upon them. They are intolerable problems. They are solvable problems. But the VA seems incapable of managing them.

Why? Besides being hamstrung by Office of Management and Budget dictates, personnel ceilings, and unwise policy ventures—such as the abortive attempt a year ago to cut back service-connected compensation payments to amputees and other seriously disabled veterans—the VA has been politicized today to an unprecedented extent. Historically, the VA began as a bipartisan, nonpolitical agency. Its goal was to serve, not to engage in politics, or return political favors. White House and other political clearances of personnel appointments started creeping into the agency in the fifties in the Eisenhower years and have persisted thereafter in the administrations of both political parties, although, to Lyndon Johnson's credit, he did promote a career VA professional, Bill Driver, to the top job.

But, Driver's nonpartisan stance was anathema to the present administration, and he was quickly dispatched. Since then, we have had a Veterans' Administration at the beck and call of White House political considerations, readily absorbing 13 former employees of CREEP, giving out contracts to special firms under procedures found to be improper by the GAO, making contract cost-overrun settlements against the best informed advice available in the agency, participating in Presidential campaign activities and providing speeches defending the President's national policies in areas other than veterans affairs, and proposing legislation to cut back the benefits of millions of veterans receiving compensation and pensions.

Over the last year, the personnel problems of the agency in terms of high-level management have become overwhelming. During that year, the following VA high-level officials have been forced from office: a Chief Benefits Director, a Deputy Chief Benefits Director, a Deputy Chief Medical Director, the Deputy Administrator of the agency, and the Associate Deputy Administrator of the agency.

At the same time, important positions in the Department of Veterans Benefits, the Department of Medicine and Surgery, the Administrator's office, and the Planning and Evaluation Service have been filled by incompetents—former campaign officials, and numerous ex-CREEPS.

NEW LEGISLATION IN THE WORKS

I am preparing legislation which I hope to have ready in the next few weeks to revitalize the VA, to make it responsive to the needs of today's veteran—sensitive to the needs of all veterans—and to enable the VA to provide moral leadership for veterans, as well as within the executive branch, by mobilizing American public opinion and restoring confidence, both within the agency and on the part of the public, in the integrity of the VA mission.

HISTORY OF ADMINISTRATION OPPOSITION TO 1970 AND 1972 GI BILL AMENDMENTS

I would like to take this opportunity to describe, in some detail, Mr. President, my efforts, and the efforts of my colleagues in the Senate, to help veterans—not just talk about them—and the Nixon administration's apparent determination to thwart these efforts.

Beginning with the GI bill, the President has said that words of thanks are not enough for the Vietnam veteran, but what has he done to give them more than words?

Mr. Nixon has also said that nothing is too good for our veterans, and it would appear from what they have actually gotten from the President, that that is exactly what he meant. Nothing.

Yet Veterans' Administration spokesmen continue to assert that the veteran is better off, "even allowing for inflation and increased school costs." While it may be true that total spending has increased for the GI bill during the Nixon administration, this is because, to a large extent, the war went on for 4 more years than the President indicated it would during his 1968 election campaign and because the Congress consistently ignored Presidential positions against substantial GI Bill increases, tripling the increases the administration grudgingly supported.

Congress has repeatedly attempted with a large degree of success—to correct the problems created from the start by President Johnson, who, hesitating to acknowledge there was a war going on, held the initial GI bill figure at $100 per month in 1966, $10 less than the Korean conflict figure of $110 in 1955.

President Nixon, however, while not denying the existence of a war in Southeast Asia, from the beginning of his term has spoken about the needs of Vietnam veterans, and made promises, which, for the most part, have not been translated into actions.

For example, in June of 1969, the President created the President's Committeee on the Vietnam Veteran, charging his new Administrator of Veterans Affairs to develop plans to help those veterans who needed assistance the most.

Those were the words.

But less than 6 months later, when it came to providing the money needed to improve GI Bill benefits, the President clearly expressed his intention to veto the Senate committee measure proposing a 46-percent increase—an increase we went on to approve in committee and approve on the floor.

In March 1970, when he finally signed the GI Bill increase at a 34.6 percent rise, after successful administration pressures

to cut the Senate-passed increase of $190 per month back to $175, the President was reported to be specially pleased that:

> The legislation contains provisions to help returning servicemen who have poor educational backgrounds.

But the next paragraph of the same New York Times article speaks for itself:

> To keep expenditures down in the current fiscal year, the administration may hold off until summer on its concentrated effort to get more veterans into school.

That effort has never begun.

In 1969, the administration had originally told us that an increase in GI Bill allowance rates was not called for at all; the President and OMB refused to recognize the enormous disparity between the rates then paid veterans compared with those offered veterans of prior wars. In contrast, veterans organizations, individual veterans, college and university administrators, and other witnesses of Senate hearings insisted that the rate structure was inequitable and that this inequity accounted, in great part, for the disappointingly low rate of use of GI Bill benefits.

In the academic year following the 35-percent rate increase—1970—GI bill participation increased by more than 30 percent. The Veterans Education and Training Assistance Amendments Act of 1970 (Public Law 91–219), in addition to the GI bill increase—the first substantial rate increase since the post-Korean conflict GI bill was enacted in 1952—established new special programs to assist educationally disadvantaged veterans prior to discharge—PREP—and after service; created a new GI bill allowance—special supplementary assistance allowance—to pay for individualized tutoring for GI bill trainees; established an expanded and congressionally mandated veterans outreach services program to search out and provide maximum assistance to recently returned veterans with respect to GI bill and other benefits; and liberalized full- and part-time hours requirements for college veterans. The VA opposed these programs. I was privileged to be the subcommittee chairman Senate floor manager, and chairman of the Senate conferees for this legislation.

In 1971, when the Congress was considering further increases in the rates of GI bill assistance, the VA testified that an 8-percent increase in GI bill benefits was adequate. Behind the scenes, the administration fought vigorously against moving the rate increase legislation, and succeeded in delaying the enactment of the final increase until after the 1972–73 school year had started. This made it too late for veterans to enroll in courses that fall and prevented that further drain on the budget.

S. 2161, the Vietnam-Era Veterans Readjustment Assistance Act of 1972, in which I joined with Chairman HARTKE as the principal Senate author, was enacted into law as Public Law 92–540. It increased rates by 25.7 percent. At that time, it was clear to the Congress, even though the administration could not see it, that the GI bill was not providing adequate readjustment assistance to the millions of Vietnam-era veterans in the Nation. It was also clear to the Congress that in contrast to World War II when all classes of Americans served equally in the Armed Forces, the Vietnam conflict drew more heavily upon the educationally and socially disadvantaged young men who lacked either the funds or the preparation to continue their education. The Vietnam-era veterans most in need of furthering their education or training were—and still are—those taking the least advantage of their GI Bill entitlements. In 1971, only 17.4 percent of educationally disadvantaged veterans, those with less than a high school diploma, were using their GI bill entitlements.

In opposing a substantial increase in the allowance rate, the VA argued that the allowance had been increased by 75 percent in the last 6 years. The logic of this argument escaped me then and escapes me now. The inadequacy of the then current rate of $175 as well as the paltry $15 increase proposed by the Administration was not made any more acceptable or justifiable because the GI bill of several years earlier was even more inadequate.

The figure the administration supported at that time—an 8-percent increase to $190 for the full-time student-veteran with no dependents was exactly the figure approved by the Senate almost 3 years earlier as part of the bill which became Public Law 91–219.

I found then, as I do how, the reluctance of the administration and the Office of Management and Budget to help the Vietnam-era veteran particularly incomprehensible in view of the unquestioned soundness of the GI bill as a Federal investment. It is estimated the cost of the World War II GI bill will ultimately be repaid as much as eight times by the college-educated veteran in the form of additional taxes paid over and above what the individual veteran would have paid if he had received only a high school education. Can we not expect a similar return on a comparable investment in the Vietnam veteran?

S. 2161 as passed by the Senate proposed to do the following: Increase GI bill rates by 43 percent; provide for a new advance payment system for the educational assistance or vocational rehabilitation subsistence allowances; establish a new work study/outreach program; improve and expand the special programs for educationally disadvantaged veterans and servicemen; extend eligibility to certain wives and widows and veterans' dependents, in some instances, for tutorial assistance and participation in correspondence, apprenticeship, and other on-job training, and high school and elementary education programs; improve the farm cooperative training program; establish a veterans education loan program; promote the employment of veterans by improving and expanding the provisions governing the operation of the Veterans' Employment Service and provide for an employment preference for certain Vietnam-era and service-connected disabled veterans in Federal contracts and subcontracts; and improve the measurement of high school courses in the case of night adult evening courses and programs for which the Carnegie measurement produces inequitable results and further clarified the definition of a "child" during a preadoption decree period of custody by the adoptive parents.

Most provisions which I authored, including advance pay, work/study, improving special education programs, the veterans employment provisions, course increasement improvements, and the new definition of "child," were enacted into law in the 1972 Act.

VA INDIFFERENT IMPLEMENTATION OF NEW PROGRAMS LEGISLATED BY CONGRESS

The battles waged by the Congress to increase rates of assistance, and to establish special programs for educationally disadvantaged veterans have not ceased with the enactment of the various measures introduced by the Congress. We have also had to fight to insure the efficient and effective implementation of the new laws by the VA. We have had some success and some failure.

The new programs established in 1970 by Public Law 91–219—PREP, tutorial assistance, remedial-refresher courses, and veterans outreach, were greatly handicapped by lethargy, delays, and inexcusable footdragging, and, in some cases, outright resistance, by the VA and the Defense Department.

Similarly, the new programs authorized by the 1972 act, Public Law 92–540, have suffered in their implementation. The disastrous implementation of the advance payment program, especially in California—a program designed specifically to overcome the unnecessary hardship veterans were facing because of chronic delays in the payment of educational assistance program this year. Veterans in my home State of California have been particular victims of the VA's reluctance or inability, to implement the GI bill educational assistance program in an imaginative and timely fashion.

VETERANS COST-OF-INSTRUCTION

The veterans cost-of-instruction—VCI—program was another provision, designed to meet the educational needs of our veterans, which I authored—this time in the Education Amendments of 1972, Public Law 92–318. This program was designed to provide incentives and supporting funds for colleges and universities to recruit actively the returning veterans and to establish the kinds of special programs and services necessary to assist many veterans in readjusting to an academic setting. Institutions which increased their enrollment of veterans by 10 percent over the previous year and who met other requirements of the legislation for special veterans programs were to be entitled to payments of up to $450 for each of certain categories of veterans enrolled in an undergraduate program on a full-time basis.

This program, however, was the special victim of the administration's refusal to release funds and issue program guidelines, a congressionally rejected recision order, and, two administration requests for zero-funding.

Once again, by administrative fiat, OMB and the President have told Con-

gress that they know what is best for the veteran.

However, despite these administration actions to stifle the VCI program, this program finally got underway this academic year in colleges and universities across the Nation—utilizing the full $25 million we were successful in appropriating and having expended for initial VCI payments—where it is providing a central focus for efforts to meet the needs of student-veterans studying under the GI Bill.

I have recently been involved in proposing, and having accepted by the Labor and Public Welfare Committee, several technical amendments, which I believe will make this program even more successful.

THE NEED FOR S. 2784

Although Public Law 92–540, the Vietnam-Era Veterans' Readjustment Assistance Act of 1972, has resulted in substantial improvements and increases in benefits to GI bill trainees, it is clear that there remains much room for improvement in providing readjustment assistance to our Nation's Vietnam-era veterans. I believe that S. 2784, the proposed "Vietnam-Era Veterans' Readjustment Assistance Act of 1973," on which we began hearings today, would considerably improve existing programs to insure Vietnam-era veterans of educational opportunities and readjustment assistance on a level more equitable with those benefits available to veterans of World War II and the Korean conflict.

The major provisions of the bill introduced by the committee includes a 23-percent increase in the rate of GI bill assistance. This increase represents only an 8-percent increase over the rates of GI bill assistance that would have been made available had the full increase authorized by S. 2161, in the 92d Congress, gone into effect September 1. The rate for the single veterans, without dependents, studying full-time would have been $250 per month. Our calculations at that time indicated that this rate—an increase at that time from the then existing $175 rate—was required to provide comparability with the level of assistance provided under the Korean conflict GI bill, and to be generally equitable with reference to the World War II level of support. However, we were only able to convince the other body to accept an increase to the present rate of $220 per month for the single veterans, without dependents, studying full time.

The increase in rates of educational assistance benefits we are now proposing would mean that the full-time institutional rate for a veteran with no dependents would be increased from $220 to $270 per month. The bill also provides for an extension of the period of time—from 8 years to 10 years—during which educational assistance benefits are available to veterans. Additionally, S. 2784 would improve the employment opportunities available to veterans and, in some cases, their dependents, by improving and expanding the provisions governing the operation of the Veterans' Employment Service and by providing again, as we did in the Senate version of S. 2161, a Federal Government action plan for the employment of disabled and Vietnam era veterans, a provision I authored in S. 2091 introduced in the 92d Congress 2½ years ago.

A number of provisions that I authored in Public Law 91–219, the Veterans Education and Training Amendments Act of 1970, and in Public Law 92–540, such as the tutorial assistance program, special programs for educationally disadvantaged veterans and servicemen, including PREP—predischarge education program—and the veteran-student services program, would be strengthened by S. 2784. I must, in fairness, note that I have some reservations as to whether we presently know enough to increase by 250 percent—as the bill proposes—the number of work-study hours which one veteran-student could work per school year under the veterans-students services program, and I plan to study this matter further in the weeks ahead. In general, I prefer spreading work-study jobs among many needy veteran students.

I am particularly hopeful that the educational loan provision of S. 2784 will be enacted into law in the months ahead. This program to provide for educational loans to veterans eligible for benefits under chapter 34 of title 38, was a provision I authored with Senator HARTKE in S. 2161 in the 92d Congress, but which was dropped in the House-Senate negotiations on the bill as a result of very strong objections voiced by the administration.

Mr. President, there is a great need for an educational loan program especially in view of the unresponsive and unimaginative manner in which the Veterans' Administration administers the educational assistance program. I am constantly receiving reports from veterans, not only from those having difficulty making ends meet because they have not received their educational assistance checks on time, but also from many student-veterans who would not receive checks at all without considerable efforts, including persistent phone calls, telegrams, letters, and the intervention of congressional offices.

CONSIDERATION OF TUITION SUBSIDY SYSTEM

During consideration of the 1972 Vietnam Veterans Readjustment Assistance Act, S. 2161, the question of the World War II direct tuition payment system was discussed by both the Senate and the House committees. I stated then that I was not convinced that a workable and equitable direct tuition payment system could not be worked out in the future—particularly in view of the greatly improved and highly sophisticated accounting, regulatory, and administrative techniques and practices which have been developed since World War II. However, I was certain that, at that time, there was no chance both Houses of Congress would pass and the President would sign legislation providing for a direct tuition payment in addition to a subsistence allowance.

The Educational Testing Service study, submitted in September 1973, pursuant to the 1972 law, concluded:

To restore equity between veterans residing in different States with different systems of public education, some form of variable payments to institutions to ameliorate the difference in institutional costs would be required.

Mr. President, while S. 7284 does not propose a new tuition subsidy provision, I do think that, given all the problems Vietnam-era veterans continue to face because of inadequate levels of GI bill assistance, and the VA's less than inspiring implementation of educational assistance programs, some form of modified tuition payment program does deserve very serious consideration.

However, any such tuition subsidy legislation would require strict controls in order to avoid abuses.

Among the matters we should consider in this connection would be:

First. Tuition subsidy checks made copayable to both the veteran and the school to guard against any use for other than tuition purposes where the veteran has actually enrolled.

Second. In certain States, tuition subsidies made payable in behalf of veterans at out-of-State student rates, or at a level appropriate to take account of the contribution great numbers of taxpayers have already made in States, like Massachusetts and California, with low-cost public education.

Third. Some form of pro rata tuition refund system in cases of school dropouts.

VETERANS' EMPLOYMENT

In the area of employment opportunities for veterans, this administration has been, again, reluctant and oftentimes remiss, in carrying out congressionally directed programs to assist veterans who are seeking jobs.

I have been a major participant in the efforts of the Congress over the last 4 years to give veterans employment programs a higher priority.

PUBLIC SERVICE EMPLOYMENT

Mr. President, just this past Wednesday, March 27, I went before the Appropriations Subcommittee on Labor, Health, Education and Welfare and Related Agencies to testify on an amendment I joined in proposing with Senator Kennedy and a number of other Senators, to provide an additional $350 million this fiscal year for the immediate creation of almost 200,000 public service jobs with State and local governmental sponsors across the Nation.

I specially stressed in my remarks to Chairman MAGNUSON that these additional jobs would be especially helpful to the 288,000 Vietnam era veterans currently out of work. The unemployment rate for veterans under 25, which has consistently run higher than the overall national rate, has jumped again, this time by an explosive 2½ points—from 7.5 percent last December to 10 percent in February.

The proposed appropriations amendment would continue the level of support we provided under the Emergency Employment Act in fiscal years 1972 and 1973, and would mean many more job opportunities for these unemployed Vietnam-era veterans as a result of a provision I authorized in the newly enacted Comprehensive Employment and Training Act of 1973, Public Law 93–203, which

requires not only that veterans be given special consideration in filling public service jobs, but that special emphasis be placed on the development of jobs which will utilize the special skills these veterans acquired in the service.

I am hopeful that we will be able to increase the number of job opportunities for veterans, through the prompt enactment of our amendment.

I would like to take this opportunity to describe, in some detail, some of my past activities in the area of veteran's employment assistance.

EMERGENCY EMPLOYMENT ACT

In the 1971 EEA, I worked in committee and conference to insure that returning veterans were afforded special consideration for public service jobs under the Emergency Employment Act. Under this act provision, at my urging, the Labor Department has provided for public service jobs to be split among the veteran GI bill trainees, and about 27 percent of the EEA jobs went to Vietnam era veterans.

VETERANS' EMPLOYMENT SERVICE

In 1972, I authored title V of the Vietnam Era Veterans' Readjustment Assistance Act of 1972—Public Law 92–540—which was entitled the "Veterans Employment and Readjustment Act of 1972." This act provided for a number of major revisions in the chapter 41, title 38, United States Code, enabling provisions for the Veterans' Employment Service in the Department of Labor. I had first authored these provisions in S. 3867, the 1970 Manpower Act vetoed—like many other much-needed pieces of legislation—by the President. I authored these provisions again in S. 2091 which I introduced in 1971.

The first major change in the revised chapter 41—as made by Public Law 92–540—was to alter the definition of "eligible veteran" to include persons who served in the active military, naval or air services, and who were discharged or released with "other than a dishonorable discharge." This changed the previous requirement that all persons receiving assistance under chapter 41 be discharged under other than "dishonorable conditions." The purpose of this amendment was to include all veterans who receive general and undesirable discharges or, occasionally, bad conduct discharges, which are imposed administratively without court-martial proceedings.

I would point out that the most significant revision contained in Public Law 92–540 was to section 2003, which was amended to provide for the assignment in each State by the Secretary of Labor of representatives of the Veterans' Employment Service to serve as assistant veterans' employment representatives—AVER's—and that one additional AVER be assigned to each State for each 250,000 veterans residing in that State. The AVER's, as well as the VER's, are directed to seek out and develop job opportunities for unemployed veterans.

On July 25, Mr. President, I was assured by the Office of the Assistant Secretary of Labor for Manpower that the Labor Department would finally assign the appropriate AVER's—amounting to an additionol 68 AVER's—as required by the October 24, 1972, law. This was the result of a long battle I have had with the Department of Labor and the Office of Management and Budget to bring about implementation of—and, in fact, obedience to—the mandates of the law.

In Public Law 92–540 the duties of the veterans employment representatives and AVER's in section 2003 were modified to include job development. The revised section also included provisions for maximum coordination with officials of the VA in their conduct of job fairs and job marts—the first statutory recognition of these VA activities—and a provision requiring maximum use of electronic data processing and telecommunications systems and the matching of an eligible veteran's particular qualifications with an available job or on-the-job training or apprenticeships opportunity in line with those qualifications.

Section 2006 in chapter 41 was also modified to include a new subsection (a) which directs the Secretary of Labor to estimate the funds necessary for the proper and efficient administration of the chapter—"Job Counseling, Training and Placement Service for Veterans." The subsection further provides that the Secretary shall include in this estimate the funds necessary for salaries, rents, printing and binding, travel, and communication.

These estimates are also directed to be listed as a special item in the Department of Labor's annual budget request and estimated funds necessary for counseling, placement, and training services to veterans provided by States public employment service agencies are directed to be specified by the Secretary in the separate budgets of those agencies.

A new subsection (c) of section 2006 was also added to require that the amount in the budget estimates be available for these purposes unless otherwise provided in Appropriations Acts.

Finally, Public Law 92–540 added a new section 2008 to chapter 41, which directs the Secretary of Labor to consult with the VA Administrator on a timely basis, in order to insure maximum effectiveness of the chapter 41 programs, and to minimize unnecessary duplication of effort.

SPECIAL EMPHASIS IN HIRING VETERANS UNDER FEDERAL CONTRACTS

In addition, the 1972 act added two new provisions to chapter 42, reflected in new sections 2012 and 2013 of the chapter. Section 2012 requires that in any contracts entered into by the Federal Government for the purchase of goods or services, the firm or individual contracting with the Government must give special emphasis to the employment of qualified service-connected disabled veterans and Vietnam era veterans. This requirement also applies to any subcontractor or party to that contract. The provision further required that the President promulgate regulations which required that: First, each contractor list all of its suitable job openings with the appropriate local employment service; and second, each local employment service office give veterans priority in referral to these jobs.

The new section also contains a provision providing a mechanism whereby any disabled veteran or Vietnam veteran, who believes that a Federal contractor has failed to comply with the provisions of the section, may file a complaint with the Veterans' Employment Service of the Department of Labor, and provides for prompt referral to the Secretary and his prompt investigation of the complaint.

Section 2013 specifies that no annuity, entitlement, or benefit awarded any veteran will be regarded as income for the purposes of determining his eligibility for participation in manpower training programs conducted under the Economic Opportunity Act of 1964 or the Manpower Development and Training Act of 1962, or any other manpower training program utilizing Federal funds.

With regard to the chapter 42 Federal contract program, the Department of Labor has consistently taken the position that the law does not require contractors and subcontractors to do any more than list jobs with the Employment Service. This interpretation persists despite the fact that in the Senate committee report and my floor statement on S. 1559—enacted last December as Public Law 93–203—and in statutory language retained in this new public law, attempts to make clear that, in addition to job listing, chapter 42 requires Federal contractors and subcontractors to make special efforts to hire service-connected disabled and Vietnam-era veterans. The Department of Labor is aware of my view, and yet continues to be recalcitrant with regard to this requirement of the law. I, therefore, intend to propose an amendment to S. 2784, to clarify this point once and for all.

A further example of the Department of Labor's recalcitrance is displayed by the fact that we have still not received the Secretary of Labor's required annual report to the Congress on the success of the Department of Labor and its affiliated State employment service agencies in carrying out the provisions of chapter 41 on the Veterans Employment Service. This report was due 90 days and 1 year after the October 24, 1972, enactment date of Public Law 92–540. The report was due, therefore, on January 22, 1974. The Congress has yet to receive that report.

I would like to point out that the Department of Labor was aware of the need for this report 90 days before these provisions of the law became effective. They have now taken 521 days to submit the report, and it is still unclear when it will be delivered. I will be most anxious to see this report when it is finally completed, and to discover why this length of time was necessary. I would like to think it was because they were doing a very thorough job, but I suspect it is just one more example of the low priority being given to veterans' employment needs by this administration.

VETERANS' COST OF INSTRUCTION

In order to be eligible for veterans' cost-of-instruction funds, a school must establish and carry out significant spe-

cial veterans programs, including a veterans work-study outreach program. The provision also requires schools to make maximum use of all available work-study slots for veterans in need of financial assistance.

VETERANS' WORK-STUDY PROGRAM IN GI BILL

In 1972, in Public Law 92–540, I authored another provision to establish a veterans' student services program which is a special veterans work-study program, in which the veteran students utilized under the program are entitled to $250 per week in return for their services for up to 100 hours of work to assist the VA. The provision further stipulates that veterans employed under this provision shall be disadvantaged veterans, chosen with a view toward need to augment the veteran's income in order to continue in school; motivation; the veteran's ability to obtain transportation to the location where these services will be performed; and, in the case of a disabled veteran, the compatibility of the work assignment to the veteran's physical abilities. This program, designed to assist the VA in carrying out its responsibilities—while at the same time assisting needy veterans in completing and maximizing their educational opportunities—will be able to aid some 3,200 GI bill trainees a year. Much of the work done can be to carry out outreach activities for other veterans.

Administration efforts to delay the beginning of this program—a program to provide $4 million worth of jobs—crucial to many veterans to supplement their incomes while in school—were so successful, that this mandatory program did not get underway for nearly 10 months.

Mr. President, such delays in the implementation of new programs are absolutely intolerable considering that the sole purpose of the VA is to serve the veteran.

NEW LEGISLATION TO IMPROVE MILITARY DISCHARGE PROCEDURES

Mr. President, I would also like to take this opportunity to touch upon the very serious problem of less than honorable discharges, discharge review procedures, and the separation program numbers—SPN—located on a DD–214 discharge certificate. This is a matter of great importance to many veterans in determining eligibility for GI bill benefits, medical care, and job opportunities.

Since May 1951, the Armed Forces had followed a practice of printing SPN codes on all discharge papers. These numbers reflected anything from drug abuse or homosexuality to a bad attitude or bed wetting. The interpretation of these numbers was widely known—particularly by large companies—and often a veteran with a discharge under honorable conditions, but a SPN code indicating a bad attitude or homosexuality, for example, would not receive a particular job.

The use of these numbers represented a serious violation of personal rights and privacy already far too prevalent in our society. Finally, last Friday, March 22, the Secretary of Defense announced that SPN codes will no longer be used on an individual's DD–214 Report of Separation From Active Duty. DOD has already begun to implement this new policy, which is retroactive to any veteran who applies for a new, clean discharge certificate.

In order to prevent this procedure from being reactivated, we have already introduced legislation—S. 1760—prohibiting the appearance of SPN codes, or any other such indicator of reason for discharge, on a discharge certificate.

I plan to introduce next week additional legislation to require the Department of Defense to the maximum extent feasible, to issue by mail, without waiting for applications, clean discharge certificates to any veteran who, prior to the March 22, 1974, DOD policy change was issued a discharge certificate with a SPN code.

In recognition that it will be difficult to contact many veterans by mail, this legislation will also require the Department of Defense to develop and carry out a substantial program of publicity and outreach, in order to contact the maximum number of veterans with SPN code discharges. To achieve that, the Secretary of Defense would be directed to submit, within 60 days of enactment, a plan for such a nationwide outreach and information program.

My "military discharge procedure" bill will also propose a number of changes in the procedures for review of military discharges.

A veteran with a less than honorable discharge who appears personally at his discharge review hearing stands a far better chance of having his discharge upgraded than a veteran who does not appear in person. Since Washington, D.C., is presently the only location for such a review, it is virtually impossible for large numbers of veterans to have their cases considered in the most favorable light. There have been suggestions that a disproportionate number of veterans with less than honorable discharges are poor, and educationally disadvantaged, thus making it even more difficult for them to obtain the money and the means to upgrade their discharge.

This situation is totally unjust and discriminatory. With respect to review of military discharges, the legislation I intend to introduce would: First, increase the number of discharge review boards to at least 10 centers, geographically dispersed in such a manner as to be reasonably accessible to veterans living in all parts of the country; second, permit the Secretary of Defense to consolidate the various services into one Discharge Review Board—comprised of no less than one member of each service; third, in cases of demonstrated hardship, pay the cost of a veteran's transportation and expenses should he wish to make a personal appearance; and fourth, insure that each military service makes available to each prospective petitioner military counsel to assist him in presenting his case and advises him of the availability of such assistance.

CONCLUSION

Mr. President, I have made this very lengthy and detailed statement in order to focus particular attention, on this Vietnam Veterans' Day, on what we have been trying to accomplish, and what we hope to accomplish in the days and months ahead, to provide and improve benefits and services to Vietnam-era veterans to assist them in their readjustment. I think we have made good progress in certain areas, particularly with the enactment of my Veterans Health Care Expansion Act last year—Public Law 93–82—which should, if properly implemented, improve the quality of medical care in VA hospitals; and less progress in others.

Over the next several months we will be considering and acting in committee on legislation not only to improve the GI bill program but to increase very substantially disability compensation and D.I.C. rates in connection with service-connected conditions. I have joined with Senators TALMADGE and HARTKE in introducing S. 3067 and S. 3072 toward these ends.

I also plan to introduce, in addition to the military discharge procedure legislation and the other VA structural legislation I have mentioned today, new comprehensive VA medical legislation focusing especially on assisting the VA in the recruitment of new physicians.

As chairman of the Veterans' Affairs Committee's Subcommittee on Health and Hospitals, I will also be continuing my active oversight of the implementation of Public Law 93–82, of Public Law 92–541, the VA Medical School Assistance and Health Manpower Training Act of 1972, which I authored, and of the entire VA medical program. I held such oversight hearings in January and February of this year in Sacramento and Los Angeles, Calif.

Mr. President, providing equitable benefits and services, insuring justice in discharge procedures and employment, and providing quality medical care to our Nation's veterans is a cost of war that we can no more avoid than the costs of bombs and bullets, airplanes, and tanks, needed to wage war. Providing the funds to do justice for veterans is a cost of war we must and will pay, and do so willingly.

This morning at our hearing on the GI bill, I was deeply moved by the very strong feelings held by the many Vietnam-era veterans who have come to Washington on this, their special day, and who make the case so persuasively and forcefully that we still have a long way to go. I pledge that I will continue doing all I can to get us there.

Mr. President, I ask unanimous consent that an editorial, and an article entitled "The Vietnam-Veteran Blues" by John P. Rowan and William J. Simon, both of whom are Vietnam veterans, from the March 29 issue of the New York Times; and an article by William Grider in the March 29 Washington Post, entitled "Viet Vets Press for Jobs, Tuition Aid"; and Jack Anderson's column from the March 28 Washington Post, entitled "Vietnam Vet is Forgotten American", be printed in the RECORD following my March 20 telegram to California mayors.

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

TELEGRAM TO BE SENT MARCH 20, 1974

DEAR ———: By joint resolution of the Congress, March 29th has been proclaimed

"Vietnam Veterans Day". Throughout the Nation activities are being planned to honor our Vietnam era veterans. For these veterans, however, speeches and parades are now too late and too little. In fact, men and women veterans have been hearing far too many speeches and too many idle promises.

Vietnam Veterans Day should be a kickoff for community action, not mere words, focusing major attention on the readjustment needs of Vietnam era veterans.

I applaud the initiative taken by the National League of Cities and U.S. Conference of Mayors, and the efforts of many mayors around the country to sponsor "Vietnam Veterans Week" in their communities from March 29th to Apirl 4th. These mayors are committing their communities to a week of substantive activities for veterans, to give meaningful recognition to the serious, ongoing readjustment problems of Vietnam era veterans.

I urge you to commit your community to carrying out such activities. I look forward to learning of your plans and the results of your efforts, and I will be glad to assist you in any way I can.

Sincerely,

ALAN CRANSTON,
Chairman,
Subcommittee on Health and Hospitals
Committee on Veterans Affairs.

THE REAL HONORS

President Nixon has proclaimed today as Vietnam Veterans Day because a year ago the last American combat soldier departed from that country of casualties. The most appropriate ceremonies to mark the occasion would be action in Washington to give these veterans improved rights. Educational benefits and job opportunities are the real honors the men who served seek and deserve.

They have been shortchanged compared to Second World War veterans. The $220-a-month payments to cover tuition and living costs mean "starvation with honor," in the phrase of City University of New York veterans. The unemployment rate for Vietnam veterans is higher than for nonveterans aged 20 to 24, and many of the employed are in low-paying jobs. In 1971 the Emergency Employment Act was approved by Congress to aid Vietnam veterans, but the President opposed allocating funds to implement the act in fiscal 1974.

The Vietnam veteran does not have the powerful lobbies that spoke for the better educated and represented veterans of other foreign wars. Vietnam was an unpopular war; but that does not diminish the nation's debt to those who served in it.

THE VIETNAM-VETERAN BLUES

(By John P. Rowan and William J. Simon)

On March 29, 1973—a year ago today—the last American prisoner of war returned from North Vietnam. Recently, President Nixon proclaimed today Vietnam Veterans Day, marking the first anniversary of that homecoming.

In the intervening year some of those men have died, some have dined at the White House, and still others have become spokesmen for what might be called a "remember-that-wonderful-war" campaign.

The war was not wonderful for the prisoners, the Vietnamese on both sides, for the soldiers who made it home in one piece or for those with pieces missing.

Peace for the ordinary serviceman who had not dined at the White House had involved waiting on an unemployment line, a runaround from public agencies while trying to get a job, getting into and paying for school, and avoiding the war news in the newspapers.

Vietnam veterans as a group have the highest unemployment rate of any minority. They suffer from the discriminatory practices of a Government that refuses to offer benefits equaling those given to their fathers who served in World War II and from employers who do not offer meaningful jobs.

Even if a veteran has managed to get a job and hold it for a while, the chances are that he is going to be among the first to be laid off because he lacks seniority on the job. After World War II, the various civil service agenices hired veterans. Today, even with bonus points for veterans there is a hiring freeze for new Federal employes, leaving only the postal service as the last recourse for young veterans, at a low pay rate.

The private sector has not provided meaningful employment for veterans, partly because of the myth that everyone who was in Vietnam ate heroin for breakfast. The young veteran is unwilling to accept menial positions.

Educational benefits today do not begin to approach those received by World War II veterans. There is a bias against those who choose to go to a college. Those who enter trade schools or on-the-job-training programs receive educational and unemployment benefits, but veterans enrolled in college only receive educational benefits. Yet even after finishing a trade school, a veteran finds there are often no jobs.

The $220 a month a single veteran now receives cannot possibly pay for the tuition costs of more than $2,500 a year of many private colleges. The Government paid full tuition benefits after World War II; today full benefits could not only assist veterans but save many private institutions that face serious financial problems.

It is an understatement to say that care at veterans hospitals is not what it could be. Billions are spent on defense but only pennies, by comparison, for providing fully staffed hospitals, physical-rehabilitation programs and vital outpatient facilities for all veterans. The inadequate final physical a G.I. received at the Oakland Army Base hours before being discharged failed to identify mental and physical problems a veteran might have encountered months later.

Not too many people want to talk about the war, what happened to the Vietnamese and what happened to America. And nobody wants to talk about the veteran because he did not win a noble victory over a craven enemy. His only victory was surviving.

Now the veteran has a struggle to gain acceptance from a country that does not want to admit it acquiesced in allowing the war to happen in the first place. Should the veteran have to make himself socially acceptable to the country, or should society try to make up for its rejection of him?

The country cannot undo the damage to servicemen who were in Vietnam, to the families deprived of their son, to those forced to feign psychological disorders to avoid military service, and to still others who remain in self-exile.

The President cannot bring about the proper climate of national acceptance for the Vietnam war by signing a proclamation. A national sense of responsibility can only be achieved at the community level by seeking out young veterans and attempting to reintegrate them into society.

VIET VETS PRESS FOR JOBS, TUITION AID

(By William Greider)

There will be a modest military parade at Ft. McNair and a big luncheon today at one of the downtown hotels, and the mayor of Washington has issued a proclamation. It's "Honor Vietnam Veterans' Day."

Only a bunch of Vietnam veterans are in town with a sour view of the celebration in their honor. It's not parades or proclamations, but jobs and hard cash for college that they are after.

"I think it's a farce," said Ted Berg, the veterans coordinator at Montgomery Community College. "It's a little political ploy to take the heat off and now they're catching some heat anyway."

"I don't want to sound too cynical," said Jim Mayer, the legless veteran who heads the National Association of Concerned Veterans, "but it looked like it was going to be a few speeches, some banquets, one or two parades, that kind of thing. But the tables have been turned. We're trying to make it much more constructive—to emphasize the high unemployment and inadequate benefits."

On a few street corners, a veterans group from the University of Massachusetts will be selling apples to make its point—a symbolic reminder of the World War I veterans who marched on Washington for bonuses. Another bunch from Staten Island plans a box-lunch picnic in Lafayette Park across from the White House.

The main interest of the visitors, however, is lobbying Congress, which started the whole business with a resolution designating March 29 as "Honor Vietnam Veterans Day." The one-time non-holiday was meant to compensate for the emotional fanfare showered last year on 566 returning prisoners of war while the nation virtually ignored the other 2.5 million men who served in Vietnam.

One of the driving forces behind the idea was the National Honor Vietnam Veterans Committee, the creation of a wealthy Philadelphia, Gay Pitcairn Pendleton, who felt that all veterans deserve a warmer reception from the nation they served.

Mrs. Pendleton's committee is sponsoring a luncheon for 700 today at the Washington Hilton where the speakers will include several veterans talking about their home coming

"They are very, very sincere conservative people who are very committed to all veterans," said Forrest Lindley of the Vietnam Veterans Center, once an anti-war activist himself. "I think they're a lot more sincere than Congess or the White House."

President Nixon, whose administration has been catching some flak from the veterans because of late checks and inadequate benefits, will appear at the Ft. McNair ceremony with Mrs. Nixon. The Military District of Washington has planned a joint military ceremony for 11:30 a.m., but the event is not open to the public.

Last night, Vice President Ford made an appearance at the South Vietnam embassy's reception honoring American veterans. Ford and Ambassador Tran Kim Phuong each offered salutatory remarks.

On Capitol Hill, however, the veterans are talking about hard dollars. Congress has raised GI educational benefits twice since 1969, but the young men still complain that it's not anything like what the nation did for their fathers returning from World War II.

"I think basically the public isn't aware that we aren't getting a fair shake," said Brian McDonnel, a veterans counselor at Richmond Community College on Staten Island. "There's been an alienation between Vietnam vets and the older vets. The Vietnam war was basically unpopular all around and I think Vietnam veterans have been hesitant to take any action.

"Coming back to school is really traumatic. The school is very radical, to other students. The veteran is not put in a position of respect. He's made to feel almost ashamed."

Four World War II vets who all went to college on the GI bill held a press conference yesterday to attack the inequities of the present program for Vietnam era veterans. They are all U.S. senators now of varying ideological hue—George McGovern of South Dakota, Bob Dole of Kansas, Daniel K. Inouye of Hawaii and Charles McC. Mathias of Maryland. They are pushing a broad measure to provide direct tuition payments to meet rising college costs, plus an increase in monthly benefits, plus a work-study program.

"It's not a philosophical matter, as you might guess, seeing the four of us here," said Dole, who remembered fussing at the Truman administration over GI benefits when he was a young veteran.

McGovern was more specific in his complaint: "In place of a tuition payment system, the administration has given the young veteran a special day set aside to honor their courage and sacrifice."

By coincidence, the Veterans Administration benefits director, Odell W. Vaughn, was appearing before a House subcommittee yesterday, asserting that the administration is "unalterably opposed" to any tuition supplements.

Vaughn insisted that Vietnam veterans—or the majority of them, anyway—are better off than World War II veterans, a claim which drew a derisive rebuttal from Rep. Henry Helstoski (D-N.J.), the subcommittee chairman.

In the old days, a single veteran got monthly living allowance of $75 and, regardless of where he went to school, the government paid the whole bill whether it was Harvard or Podunk. Now the veteran gets $220 a month and that has to cover everything—tuition, books, fees and his living expenses.

The House has passed a bill providing a $30 increase and the Senate is considering a more generous increase. The administration's position is that any increase exceeding 8 per cent—or about $18—would be "inflationary."

Vaughn argued that the tuition vouchers of up to $600 proposed by Rep. William F. Walsh (R-N.Y.) would create the same abuses which scandalized the VA after World War II when some colleges jacked up their fees in order to collect more cash from the crop of government-sponsored veterans.

McGovern argued at his press conference that the current payments, when measured in constant dollars, add up to half of what the World War II vet could buy. One result is that fewer veterans can afford anything more expensive than low-cost public schools.

Inouye, who lost an arm in World War II, spoke to the emotional discontent which lies behind the issue:

"The pain suffered by the man in Guadalcanal and the man in Germany, by the man at Inchon and the one in the highlands of Vietnam was just about the same. The caliber of the bullets may have been different but the pain was just about the same."

VIETNAM VET IS FORGOTTEN AMERICAN

(By Jack Anderson)

They called it peace with honor and said our men would come home on their feet, not on their knees. Just a year ago this week, the last combat troops were withdrawn. Now thousands of veterans find they are flat on their faces.

Vietnam was a war with no glory and, for the men who fought there, no heroes. Many of the young soldiers who risked their lives in the rain forests and rice paddies of Southeast Asia remain alienated from the society that sent them to a war most Americans neither wanted nor like to remember.

The memories are painful, and the process of forgetting has been harsh on the men who came back from Vietnam. The regrettable result: the Vietnam veteran has become today's forgotten American.

He came home to a cold welcome. He found his peers had taken the available jobs, his elders regarded him with suspicion and his government was interested only in cutting veterans' benefits.

The educational benefits of the GI bill, which helped two generations of vets complete their schooling, are now laughably inadequate. Even these small benefits get entangled in the bureaucratic red tape which snarls the Veterans Administration. Scores of former servicemen have complained to us that their college checks arrive too late or not at all.

GI loans for home purchases, which gave birth to clusters of small but adequate suburban residences across the nation, are virtually worthless in today's inflated real estate market.

Despite half-hearted efforts by the government, many veterans have found they cannot find decent jobs. In hard purchasing power, according to the VA's own private calculations, a single Vietnam vet buys $203 less with his government check than did his father after World War II. Married vets are even worse off.

Disabled veterans tell us they don't receive adequate treatment, training or compensation. But the darkest cloud hanging over the Vietnam vet is the drug problem. An internal government memo reports that the American public "assumes that all Vietnam era veterans have abused drugs and this makes them more skeptical when it comes to hiring the younger veteran."

There's no denying many GIs came to rely on drugs in Vietnam, some to relieve the pain of wounds, others just to escape the cruel realities of war. The treatment centers promised by the Pentagon have fallen woefully short. They aren't even open to men who received "less than honorable" discharges, although these men often are the ones who most need treatment.

Facing a hostile world that offers them insufficient benefits and few opportunities, some vets have fallen back on their chemical crutches.

Many veterans complain that President Nixon behaved as if the only men who served in Vietnam were the 600 POWs. While he was hosting them in a tent on the White House grounds, he gutted programs that would help the soldiers who didn't get captured.

He slashed disability compensation for severely disabled vets, opposed GI educational increases as "excessive and inflationary," impounded funds voted by Congress to help colleges enroll vets, cut funds for a "mandatory job listing" program intended to give vets first crack at over a million jobs, and vetoed special burial and health benefits for veterans.

In one celebrated case, the President's budget managers tried to save money by cutting off funds for cooling veterans hospitals in the summer. The Senate responded with a vote to cut off the air conditioning at the Office of Management and Budget. The hospital cooling systems were hastily restored.

The President paid brief attention to the veterans in 1972 when he was running for reelection. The "Veterans Mobile Outreach" program, for instance, sent vans to assist veterans three months before the election. The scheduling and publicity were handled, not by the VA, but by the President's campaign committee. Veterans have charged that the vans visited areas where the President needed votes, not where veterans needed assistance.

But perhaps the biggest obstacle for the returning veterans is the Vietnam war itself. America hasn't yet recovered from the war. The nation was torn apart, and the wounds are deep and slow in healing.

Professional counseling was desperately needed, but seldom provided, for those returning from combat to a country in the midst of rapid social change. The forlorn veteran, suddenly shorn of his uniform and confronted with the conflicts of a nation in turmoil, had nowhere to turn.

It is odd that a country that won't forgive those who refused to serve in Vietnam also refuses to reward those who did their duty. But the veteran is a living symbol of that war, a reminder to his fellow Americans of a pain they would rather forget.

So in a sense, the forgotten veteran has become the last victim of the Vietnam war.

Footnote: Dozens of Massachusetts vets are planning to come to Washington on March 29 to sell apples on street corners. "Project Apple" is patterned after the post-World War I action of veterans.

PROBLEMS CONCERNING UTILITY RATES

Mr. HUMPHREY. Mr. President, the Subcommittee on Consumer Economics of the Joint Economic Committee held a hearing on March 28 on the subject of gas and electric utility rates, which now threaten to rise by as much as heating oil and gasoline have risen in the past several months. Chairman John Nassikas of the Federal Power Commission and Prof. Charles Cicchetti of the University of Wisconsin presented very incisive testimony before the subcommittee.

Chairman Nassikas candidly recognized that utility rates are very likely to continue the steep climb which began in 1968. In fact, he predicted that electricity rates may triple by the 1980's, particularly if inflation is not brought under control. He also stated his view that experiments with so-called peak-load pricing of electricity should be made to test the efficacy of this mode of pricing.

Professor Cicchetti presented a very cogent case for peak-load pricing as a means to reduce the cost of high-cost, fuels, inefficient generating capacity and to constrain the need for costly capacity expansion to satisfy brief peak-period demands.

One reason for calling this hearing was my concern about the large number of applications now being filed by utilities for rate increases to offset declines in sales due to conservation efforts by consumers. At my request, a study was prepared by Dr. Douglas Jones of the Congressional Research Service, documenting the frequency of such applications and discussing means of dealing with them. About 15 such applications have already been filed and more are expected. It is my view that granting such rate increases would seriously undermine the effort to foster conservation in this country.

Mr. President, I ask unanimous consent that the prepared statements by Chairman Nassikas and Dr. Cicchetti and the study submitted by Dr. Jones be printed in the RECORD.

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

STATEMENT OF JOHN N. NASSIKAS, CHAIRMAN, FEDERAL POWER COMMISSION

Mr. Chairman and Members of the Subcommittee on Consumer Economics:

I appreciate the opportunity to appear before your Subcommittee and present testimony concerning the outlook for gas and electric rates, in accordance with the request of Chairman Humphrey. The availability and prices of gas and electric service have become matters of widespread public concern during recent months as the public has listened to persistent appeals to conserve energy and has seen the prices of gas and electric energy rise more rapidly than ever before. In my tes-

timony, I describe the extent of the increases in gas and electric prices that have occurred, the causes of the current situation, energy conservation and its relationship to the revenue requirements to the utilities, the role of rate design in energy conservation, and the outlook for the future. In general, my conclusions are that we have a long way to go to achieve the President's goal of energy independence for the United States by the 1980's and that we can expect substantial further increases in the prices of gas and electricity in 1974 and beyond.

The 1960's was a decade of relatively stable rates for electricity with a slightly downward trend reversing in about 1967 and increasing at an increasing rate since that time. By the end of 1972 residential rates had increased 12–15% above the 1967–68 level, while commercial rates had increased 13–17% and industrial rates 18–21% over the same period of time. During 1973 these rates continued to increase; the residential rate increase for that year was more than 7%. This is equivalent to at least a doubling of rates every 10 years. In some sections of the country, particularly in California and in the Northeast, where oil is an important fuel for electricity generation, the rates of increase over the past year have been much greater. For example, the increase in Los Angeles was nearly 28% while rates in New York City increased by nearly 50%.

The principal cause of these rate increases over the past year seems to have been increases in prices paid for fuels used for electricity generation, especially oil prices. For example, during the year ended January 1974, the price of oil purchased by Consolidated Edison Company, serving the City of New York, approximately tripled, while in New England and in California oil prices doubled. As a result of the widespread existence of fuel cost adjustment clauses under which electric utilities are able to automatically and almost immediately pass on to customers changes in the price of fuel used for generation, the escalating fuel costs have been rapidly reflected in the bills paid by consumers of electricity. For example, about 75% of the increase in the price of residential electricity in New York during the year ended February 15, 1974, was attributable to fuel adjustment clauses as compared with about 38% in Los Angeles and about 67% in Boston.

These unprecedented increases in fuel costs occurred during a time when the electric utility industry was already experiencing substantial cost increases springing from a variety of other sources. These include: (1) the increasing cost of providing facilities for the purpose of controlling air and water pollution; (2) increases in capital costs, particularly interest rates; and (3) increases in the cost of construction and equipment. In addition to these specific causes of cost increases to electric utilities, we have, of course, been in a period of general price inflation affecting all of the various kinds of labor and material costs experienced by eletcric utilities. From 1960–1967, while the general price level crept upward the price of electricity remained relatively constant or, in constant dollars, may be said to have gradually declined. From 1967 to the present, although the price of electricity has risen sharply it has not increased as rapidly as has the general price level; we may, therefore, say that from 1967 on, the average cost of electricity in constant dollars has continued to decline but at a much lesser rate of decline than during the first part of the 1960's. These, of course, are National averages. In certain areas, such as New York and Los Angeles, electricity prices have been increasing more rapidly than the cost of living so that the price of electricity may be said to have increased in constant dollars in those areas.

As a result of fuel shortages and the conservation efforts resulting therefrom during the latter part of 1973 and continuing into 1974, many utilities have been experiencing customer demands substantially less than have been projected; a substantial number experienced load requirements less than a year earlier. It is ironic that the very success of these conservation programs has created a new problem in the form of sharply reduced revenues. As a result, utilities are claiming that without higher rates they will be unable to raise capital for the purpose of constructing facilities to meet their customers' needs or indeed to continue to operate at all. Efforts by the utilities to obtain increased rates on this basis have created a wave of public indignation and protest. Those groups of ratepayers that have been most cooperative in helping to conserve electricity find that they are the very ones being asked to pay higher rates as a direct result of this cooperation.

This appears, to the average citizen, to be an exceedingly inequitable situation especially coming as it does at a time when for other reasons electric rates were already going up at an unprecedented rate. Ratepayers not only argue that they should not have to finance the conservation program but also that the failure of utilities to anticipate the current situation should assign the burden of increased costs to the utilities. The distribution of the burden of increased costs as the result of conservation between ratepayers and investors must be equitably resolved to serve the public interest on a case-by-case basis. The issue is pending before several State commissions and the FPC.

The energy problems that have become apparent in recent months including shortages of fuel and escalating costs have focused attention to a greater extent than heretofore on the design of electric rates. In my testimony on pages 51 through 58, I discussed two rate design issues: (1) the proposal for an "inverted rate design"; and (2) peak load pricing. Although I believe that both of these deserve further consideration and research, I believe that cost related peak load pricing holds more promise for efficient resource allocation and fair treatment of consumers than does the inverted rate proposal which does not necessarily reflect the pattern of costs to provide the service.

For the balance of 1974 and for the next few years the electric utility prices will probably continue to increase. I believe that the price of electricity is going to continue to go up regardless of whether inflation is brought under control. If it is not brought under control, I think we will see a tripling of electric utility rates long before 1990 for the following reasons: (1) costs for environmental protection, (2) increases in the cost of coal and oil prices, (3) increase in the overall cost of installing nuclear generation, and (4) increased demand for capital and inflationary impact resulting in higher cost of capital.

Our best hope for resolving problems of electricity supply and rates in the long run seems to me to be dependent upon (1) our ability to control inflation; (2) our ability to bring new facilities, particularly nuclear facilities, on the line with substantially less delay than is occurring at the present; (3) development of environmentally acceptable domestic fossil fuel resources; and (4) a greatly expanded program of research and development. With respect to the latter, there has been increased recognition on the part of the electric power industry of the need for expanded R&D programs. Industry expenditures doubled and re-doubled over the period 1970 through 1972. In addition, a major step was taken in 1972 when the electric utilities formed the Electric Power Research Institute to direct and conduct an industry program of electric power R&D. The Institute is now in full operation, with key staffing complete. While an expanded program of electric power R&D represents an immediate modest increase in the electric power cost to the consumer, it is an investment which will tend to hold down electric power costs in the future and help insure that sufficient electric energy is available for the Nation's needs.

The concluding portion of my formal statement, pages 51–59, provides an overflow of FPC rate regulatory policy with respect to the natural gas industry. I have appended to my formal statement the Summary Statement on natural gas producer rate policy that I presented at an oversight hearing before the Senate Commerce Committee on February 19, 1974. That statement reflects the Commission's efforts to regulate wellhead prices for natural gas so as to promote the consumers' interest in reliable and adequate gas service at reasonable rates. I believe that Summary Statement is relevant to the purpose of this hearing and I request that it be included in the hearing record.

Currently natural gas is sold at the wellhead to interstate pipeline companies representing 70% of the national market at an average price of 25¢ per Mcf. A staff study prepared at my request shows that natural gas committed to the interstate market under all pricing procedures during 1971 to 1973 totaled 3.1 Tcf at an average price of 32.85¢ per Mcf. The price of new gas commitments to the interstate market ranged on average from 28.41¢ in 1971, 29.67¢ in 1972, to 39.35¢ per Mcf in 1973. During the same period long-range dedications under area rates declined from 52% of new commitments in 1971 to 44% in 1972 and down to 25% in 1973. As a result of our releasing small producers from area ceilings in 1971, there were additional long-range dedications of small producer sales to the interstate market in 1972 approximating 19% of new commitments (231 Bcf of 1,206 Bcf), and in 1973 to almost 10% of new commitments (107 Bcf out of 1,116 Bcf).

According to the staff review, in 1973 the breakdown of volumes and prices of all new natural gas sales committed to the interstate market under various pricing procedures was as follows:

[Thousand cubic feet]

	Deliveries	Average price (cents)
Area rate ceilings	265,000,000	24.63
Optional procedure	87,000,000	39.93
Limited term sales	340,000,000	40.85
Small producer sales	107,000,000	42.43
60-day emergency sales	116,000,000	46.11
180-day emergency sales	201,000,000	50.41
Total	1,116,000,000	[1] 39.35

[1] Average.

With respect to our regulation of the transportation and sale for resale of natural gas in interstate commerce, I have summarized major recent developments in natural gas pipeline rate cases at pages 52–56. The most significant development in this area of our jurisdiction is our adoption of Opinion No. 671 on October 31, 1973 (United Gas Pipeline) in which we departed from the traditional Atlantic Seaboard rate design used by most pipelines since 1952, in favor of a design giving less weight to large volume users. This and other recent actions of the Commission reflect our efforts to minimize and equalize the effects of the natural gas shortage. For example, in light of the present demand for natural gas (as well as all other energy supplies for that matter) and our limited supply of this valuable resource the Commission has undertaken a review in individual cases of the pricing mechanisms of interstate pipelines with the objective of establishing pricing policies to ensure the conservation and fairest allocation of existing supplies.

In addition, we have adopted incremental pricing for pipeline sales of LNG and synthetic gas (SNG) supplements. The incremental approach assesses the costs of the project to those who receive the benefit of the new forms of gas. Thus those who do not benefit do not subsidize those who do. On the other hand, some of the advantages of rolled-in pricing are (1) there is displacement of conventional gas to enable service to meet existing contract demands, (2) load factors are markedly improved, (3) there is a beneficial cash flow enabling the pipelines to provide better facilities and service to all customers, (4) there are reduced capital costs to the extent pipelines have improved overall financial conditions upon which investment risk is measured, and (5) the LNG supplement to gas supply will reduce the reliance on other fuels which are less advantageous in meeting our environmental objectives.

I have also included in my formal statement, at pages 57–59, a discussion of purchased gas adjustment clauses (PGA) by which pipelines are able to pass along to their customers producer increases. Any rate change under the PGA must be at least one mill per Mcf of annual jurisdictional sales and the company must present at least 45 days' notice of the change, together with appropriate verifying calculations. As a general rule, but subject to stated exceptions, only two PGA rate changes are permitted each year. A deferred purchased gas cost account is permitted wherein over and under charges are maintained in order to assure recovery of only those expenditures actually made, and to assure recovery of all purchased gas costs. Supplier refunds must be passed on to consumers and company rates are subject to complete review every three years.

The Commission will face many important gas pipeline rate questions in the future. Besides addressing the continuing questions of appropriate fixed cost allocations, the FPC will be faced with questions pertaining to the further development and application of its incremental approach, the determination of who should pay for idle pipeline capacity in periods of curtailment, and the desirability of various automatic adjustment clauses which would depart from our normal test year approach for setting rates. The resolution of these issues will depend upon the applicability of the Commission's regulatory standards and objectives and in part on the specifics of each case as it comes before us.

This concludes my statement; I will be pleased to respond to any questions you may have.

TESTIMONY OF DR. CHARLES J. CICCHETTI

Mr. Chairman and members of the Committee: I would first like to take this opportunity to thank you for permitting me to testify concerning my ideas on electricity pricing and in particular on the so-called conservation adjustments. I am an economist and presently a visiting associate professor of economics and environmental studies at the University of Wisconsin, Madison. I was previously a research associate at Resources for the Future and serve as an advisor to several environmental and consumer groups. I have also testified on their behalf in several recent electric utility pricing controversies. Finally, I should mention that I have served as a co-principal investigator on a recently completed Ford Foundation Energy Policy Project study of the electric utility industry. I mention the above not because I am speaking today on behalf of any particular group but because I would like you to be aware of any of my possible biases.

Given the relatively short notice for my appearance I would like to apologize if my remarks are overly terse in some parts and long winded in others. I intend to discuss several points with you this morning, and will be happy to cooperate further if any of the issues covered became areas that you would like to consider further.

The first point I'd like to make is that the electric utility industry in this country is not benefitting from our current energy crisis. This is in marked contrast to most of the other components of the energy sector of our economy. There are several reasons for their unenviable distinction.

First, they are customers of the fossil fuel producers and are thus confronting the same high prices that all the rest of us face. Those electric utilities that have "automatic fuel clause adjustments" that permit them to adjust their prices with each change in fuel purchase costs are, however, in a markedly superior position than electric utilities that do not. Second, inflation has hit electric utilities in a particularly hard way. The practice of tying revenues to historic costs and/or average costs in a period of rising nominal and in some cases rising real costs has had a profound impact on the electric utility industry. The very visible symptom associated with such casual factors is the annual and in some cases semi-annual appearance before regulatory commissions requesting revenue relief, and increases in the allowed rate of return and prices. For an industry which has historically been growing at rates more than twice the overall real growth in the economy, revenue erosion and further expansion pressures have all contributed to finance problems that increase the cost of capital to the industry. This results in a further increase in costs and the vicious cycle is compounded.

The financial problems of the industry are not taking place in a vacuum. In fact the striking feature of the current round of price increases in the electric utility industry is that it follows more than two decades of declining or constant prices. While the social and environmental costs imposed on society by the production and consumption of electricity may have been high, prices have historically remained low. Indeed, larger user quantity discounts have been the rule. The unprecedented growth in per capita electrical consumption has doubtless been related to this pricing practice.

In the past, while social costs tended to be grossly understated in the resultant price, the private (or firm) costs of electricity fell as both larger plants and new and cheaper technology was installed. Additional savings in transmission also contributed heavily to this decline in cost as use expanded. The situation has now changed dramatically for several reasons. First, as electric utilities gained efficiency the physical and engineering limits began to be reached. Second, nuclear technology has generally proved less reliable and more costly than original estimates. Third, fuel costs began to increase as lower cost coal was replaced by higher cost but less polluting fuel oil. The current escalation in the cost of oil has and will compound this higher cost. Fourth, a growing environmental concern has resulted in more costly construction techniques. Finally, to summarize the previously mentioned problems the general price inflation of the last few years has hit the electric utility industry particularly hard. Construction costs and raw materials prices have grown steadily. Higher interest rates have particularly impacted the electric utility industry, which is in the unenviable position of currently being both a large capital investor and highly dependent on outside sources of finance.

Throughout this period, prices of electricity—which were tied both in the minds of regulators and, often times, management to the prior period of declining costs—have been retained. Quantity discounts (or declining rate block pricing) and large user lower prices have generally been retained despite a period of almost annual price increases and extended rate hearings. Revenue continued to erode, costs continued to climb. Regulatory commissioners began to find their dockets overloaded with applications for unprecedented price increases. Opposition to this historic pricing practice began to surface from environmentalists, alarmed at increasing consumption; and consumers, alarmed at higher monthly bills. At the same time, economists—often ignored when it came to pricing—started to restate and clarify existing price theories and explain why the historic pricing practice may be a prime causal factor in the current industry crisis.

The solution to the industry's problem represents a surprising consensus among economists. First, costs should be the basis of pricing. If costs are rising and excess revenue would result from marginal cost pricing, then prices should be lowered proportionately more for the most price inelastic users. These are doubtless the smaller users, who make up the broad class of residential use. The problem is that in the past in order to take advantage of lower costs afforded all users through growth and increased use the opposite pricing policy was adopted. Reversing the thinking behind such imbedded tariffs is the current problem.

There are two additional subtleties that compound the above statement of the problem. First, inflation will doubtless continue and it is important to separate real cost patterns and the pricing they imply and general price inflation. The latter should probably be dealt with by an inflation adjustment, which would protect both the consumer and the industry and not make them semi-annual combatants in which they both must eventually lose.

Second, the costs of supplying each user are not equal. There are several components of costs and there is likely to be large differences between serving different users with electricity. In each case the prices charged should be based upon separable and shared costs. One case is particularly troublesome for the development of a simple pricing policy.

Costs are tied to several factors but the most quantitatively significant of these is the time of day in which electricity use takes place. When the system is serving a large number of customers at a high level of use it is by necessity utilizing its plants which are most expensive to operate and at lesser levels of demand would not be utilized. In addition it is to meet these peak periods of demand that additional higher cost generating facilities are built.

Economists have long favored a pricing practice, which is based upon such on and off peak cost differences. In France, the United Kingdom and elsewhere this pricing system is practiced in some form. In the United States the efforts have been primitive by comparison and often times they have tended to worsen the problem by encouraging each customer to spread out his own load without assurances that it is improving the system load. The result is often higher costs, more generating facility investments, and higher prices. In today's energy conservation world that practice was and continues to be wrong headed.

Every effort should be made to reform the current pricing practice and to base prices on costs. If small users are contributing to a greater level of costs than large users then so be it that they pay higher prices. But this must be demonstrated first and electric utilities should not be permitted to stand on what has been proved to be an incorrect pricing practice for today's world. It is far more likely that if a system of peak load pricing can be instituted that both small and large users alike will benefit because the electric utilities overall costs will fall as it

invests less and has a more efficient utilization of its existing equipment. If the high growth in use at peak periods continues then the higher prices those responsible for such growth will pay for that use will be both fair and efficient.

I would now like to turn to a more immediate problem. The so-called conservation adjustment that several utilities have been talking about. First, it is necessary to realize that the previously mentioned problems in the industry were with us before we entered the current phase of the energy crisis. Second, the electric utility industry has been suffering along with the rest of us. The problems of those customers who have all electric homes and which purchase electricity from a utility with a fuel clause adjustment and a foreign source of fuel oil are the consumers hardest hit by our current crisis. While they are comparatively few in number their relative penalty for our current national energy fiasco is far out of line with any duplicity they may share with the rest of us for this sad state of affairs. Some form of tax relief or limit on price increases is probably necessary to ease their plight but theirs is not the main problem.

Some electric utilities have found that there is less use of existing plants as their kilowatt-hour sales have fallen. Residential use appears to have been the main source of decline. But residential users are paying higher than average prices and each kwh conserved brings a greater than average revenue loss. To a large extent the industry's problem is due to the factors mentioned above. Fixed costs should be recovered by increasing on peak prices not off peak prices. This will discourage facility expansion and any price increase today will reduce future price increases. Perhaps this is overly simplistic, but if prices were cost based, as discussed above, each reduction in costs would be offset by an equal reduction in revenue and the electric utility would not be suffering from an earnings erosion problem. The problem is real but the solution must be based on a broad industry pricing reform and not a temporary short-sighted solution that increases all prices.

Consumers, who are trying to help by reducing energy use, are being asked to shoulder the burden by paying higher prices. This is a politically stupid move on the part of those firms making the request. If electric utilities plan to continue their past pricing mistakes, when seeking relief from this problem, they should not be bailed out by the Congress or regulatory commissions. Instead I believe the stockholders should replace the current management with people who will follow their common sense and have greater faith in the level of intelligence of the average American consumer.

There is a basic error in the argument that implies to consumers that they must pay higher prices or give up their conservation efforts. The fact is that prices will increase in any case, but if energy conservation is forgotten then this will increase the utilities investment requirements and mean even greater costs and prices in the near future. Discouraging conservation is short-sighted and any utility engaging in it is being mismanaged.

If electricity use is to be conserved as a national goal, then a price-tax system, which discourages use and rewards those who meet the pre-set goal and penalizes with higher prices those that don't is what we need. As a long run goal it is necessary to remove the current quantity discounts and replace them with a peak load cost based price system. At a minimum flat prices based upon long run incremental costs, with separate customer costs and an inflation adjustment should replace the current pricing practices. This interim step would tend to ease the problem, but only after we start basing prices on time of day or diurnal cost based differences, will the industry's problems come under reasonable control.

There is a related problem to the energy conservation-price increase conflict. Historically electric utilities and regulatory commissions have assumed that the quantity of electricity consumed was insensitive to the price charged. That is they have presumed the price elasticity of electricity demand to be zero. When revenue targets were set and prices reduced this was a conservative assumption, since revenue requirements would be underestimated. Today, however, the price of electricity is being increased and continuing to assume zero price elasticity of demand means that the approved revenue requirements will not be earned. Many of the current round of annual rate proceedings are due to requests on the part of electric utilities to earn revenue previously authorized but not earned. The current round of high prices caused by fuel clause adjustments and recent rate increases may have a lot to do with current consumer kwh reductions. Yet, the industry still seems unwilling to accept the price elasticity argument and to protect itself. It seems bent on self destruction. I cannot explain their logic or reasoning. My only guess for their seemingly irrational behavior is that they may fear that accepting a price elasticity argument in a revenue proceeding will mean that they would have to accept them in facility licensing proceedings and thereby reduce their use forecasts and facility needs. Belief that regulatory commissions will bail them out is the final segment that closes the vicious circle in which all participants are losers.

Thank you for your time. I will once again offer to help you in anyway to pursue your inquiry into these and related matters.

[From the Library of Congress Congressional Research Service, Feb. 28, 1974]

REQUEST FOR TECHNICAL AND PUBLIC POLICY ANALYSIS OF THE QUESTION OF UTILITY COMPANIES PROPOSING RATE INCREASES AS A RESULT OF THE EFFECTIVENESS OF CONSUMER CONSERVATION EFFORTS

Like Gaul, this analysis is divided into three parts. The first section sets out the actual incidence of proposed utility rate increases based on lowered earnings resulting from consumer conservation of energy and frames "the problem". The second sketches the traditional public utility theory and practice as a backdrop against which to view the issue. The third suggests some alternative solutions from the public policy vantage point.

A. The situation

At this writing at least 15 electric power and gas companies have filed applications with their regulatory commissions for surcharge or rate increases where effective energy conservation on the part of the consumer is cited as at least partially responsible for reduced utility earnings through decreased usage. Two more are felt to be imminent. The public utility commissions of 14 states, the District of Columbia, and the Federal Power Commission have before them rate hike proposals of this sort; many more are almost certain to arise. Most cases are pending; three have been denied; one was withdrawn. And this is after only a few months of concerted appeals for energy conservation on the part of commercial and residential consumers. Table 1 contains the most current summary data on the geographic scope of these occurrences.

The amounts requested are very substantial, Consolidated Edison Company of New York attributed $108 million of its total proposed hike to revenue losses because of users' conservation action.[1] Long Island Lighting Company claims that $19 million of its total request is due to energy curtailment measures.[2] Consolidated Edison Company was experiencing a 10% reduction on power sendout and proposed a "conservation adjustment surcharge" of 6.67%.

Mississippi Power and Light Company has proposed an $11 million rate increase and Mississippi Valley Gas Company is seeking a $3 million increase in part justified on the basis of reduced demand.[3] Mississippi Power and Light argues that, "Voluntary curtailment is decreasing revenue from present business. Curtailment will continue to adversely affect revenues in the months to come." Mississippi Gas in its petition gives as its first reason, "A substantial" reduction in revenue is being experienced as a result of energy conservation programs."

TABLE 1—*Application for rate increases related to energy conservation measures, July 1, 1973 to present* [4]

State, Companies Filing Proposals for Increases, and Status

District of Columbia, Washington Gas Light Company, Jan. 1974, denied.

Illinois, Northern Illinois Gas Co., Dec. 1973, pending; North Shore Gas Co., Sept. 1973, pending.

Iowa, Iowa-Illinois Gas & Electric Co., Jan. 1974, pending.

Maryland, Washington Gas Light Company, Jan. 1974, denied.

Massachusetts, New England Electric System, Jan. 1974, denied.

Mississippi, Mississippi Power & Light Co., pending; Mississippi Gas & Light Co., Jan. 1974, pending.

Missouri, Laclede Gas Company, Feb. 15, 1974, pending.

New York, Consolidated Edison Co., Dec. 1973, pending; Long Island Lighting Co., Jan. 1974, pending.

North Dakota, Northern States Power Co., Feb. 1973, pending.

Oregon, Pacific Power & Light Co.[5]

North Carolina, Duke Power Co.; also Public Serv. Co. of NC.[5]

Rhode Island, Narragansett Electric Co., Jan. 1974, pending.

Virginia, Washington Gas Light Co., Jan. 1974, withdrawn.

Washington, Puget Sound Power & Light Co., Dec. 1973.

Wisconsin, Wisconsin Electric Power Co., Jan. 1974, pending.

Source: Correspondence with all Public Utility Commissions in the U.S.

The multi-state New England Power Company told the Federal Power Commission its net loss for the four weeks ending December 22, 1973 was $2.5 million attributable to various conservation measures implemented by its customers.[6] In a January 1974 filing before the FPC it asked for the establishing of an "automatic cost adjustment clause" to compensate NEPCO for the deleterious effect that energy conservation behavior is having on its earnings. The FPC denied the request on February 7, 1974. In a related action Narragansett Electric Company, the largest electric utility in Rhode Island, has sought an "energy surcharge" of about 7%, about half of which is claimed for "a fall-off in revenue due to customer conservation." [7]

The Washington Gas Light Company, supplier of natural gas to the District of Columbia and its suburbs, asked for a 6.8% temporary emergency rate increase in Virginia, a 4.8% increase in Maryland, and an 11.9% increase for D.C. customers.[8] The additional revenue sought would total about $12 million. Of this amount about $9 million was asserted to be compensation for the effect of energy conservation ($3 million from Virginia, $4 million from Maryland, and $2 million from D.C. customers). The regulatory bodies of D.C. and Maryland denied the rate relief requested, and the company withdrew its application from the Virginia Commission before it was acted upon.

Footnotes at end of article.

The Missouri Public Service Commission reported that Laclede Gas Company is seeking "partial relief" in the amount of some $5.4 million arguing that its "precipitous decline in revenue" resulted "from the response of Laclede's customers to the request of the President of the United States that householeating fuel consumption be decreased as part of an overall effort to conserve energy." [9]

In addition to these state regulatory commissions before which the issue has come up several others of the 39 responses received to the author's inquiry anticipated future filings. The Connecticut Public Utilities Commission, while stating that to date it had no such cases before it, added "Under present conditions, this situation might well change in the near future. . . ." [10] The Kansas Commission said it "would anticipate that we will be faced with such requests in the near future." [11] The chairman of the Vermont Public Service Board, though not presently faced with an application on these grounds said he would personally oppose any such rate increase proposal and labeled the argument "spurious logic" and a "phony issue." [12] In California where data are filed with the Public Utilities Commission service monthly by utilities on the effectiveness of conservation practices the PUC wrote, "It is anticipated that these matters will become an issue in rate proceedings later this year." [13]

B. The numbers

Since the occasion for the proposed rate hikes cited is a reduction in demand and hence earnings, it is helpful to examine what the numbers are. Recall that throughout this analysis the only focus is on the consumer conservation factor in rate change proposals—increased fuel costs, higher capital costs, lowered bond ratings are excluded from our attention as bases for increases.

Unfortunately, really current data on gas and electricity consumption are available only in national aggregates (and usually with some delay), while utility petitions for rate schedule adjustments are specific to a region and must be evaluated on a case-by-case basis. However, very recent aggregate data were secured which are useful in determining what the objective general case seems to be.

Table 2 presents total electric utility production by quarter from 1969 through 1973 in millions of kilowatt hours. The most important figures are to be found in columns 9 to 11. Note that while the average yearly increase in sales for the ten-year period prior to 1973 was 7.4%, the growth in consumption for 1973 over 1972 was 6.6%. Note also that the 4th Quarter drop over the ten-year period averaged 5.0%; the experience for 4th Quarter 1973, when the effectiveness of consumer conservation would be expected to show up, was a −11.6%.

Table 3 is the comparable table for natural gas sales. Again the most significant comparisons are in columns 9 to 11. Overall an average annual growth for the ten-year period before 1973 was 4.5%, but for 1973 over 1972 it was a minus 5.4%. Further, 3rd Quarter 1973 "growth" was −30.6%, five percentage points lower than normal; and 4th Quarter sales for 1973 which usually average some 34% rise over 3rd Quarter sales in fact rose 30%.

TABLE 2.—TOTAL ELECTRIC UTILITIES PRODUCTION, 1969 TO 1973, BY QUARTER

[In millions of kilowatt-hours]

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	1969	Percentage change from preceding quarter (or year for totals)	1970	Percentage change	1971	Percentage change	1972	Percentage change	1973 [1]	Percentage change	Average quarter yearly percentage changes, from 1962–73
Total	1,442,182	8.49	1,531,609	6.20	1,613,936	5.38	1,747,323	8.26	1,863,335	6.64	7.39
1st quarter	348,252	2.82	370,793	1.92	393,439	4.18	421,932	5.06	457,056	3.41	2.80
2d quarter	342,309	−1.74	366,722	−1.11	389,270	−1.07	415,406	−1.57	452,615	−.98	−.86
3d quarter	387,577	13.22	414,433	13.01	429,602	10.36	468,026	12.67	502,867	11.1	9.72
4th quarter	363,802	−6.54	377,634	−9.74	401,624	−6.96	441,959	−5.90	450,797	−11.55	−4.95

Data from Edison Electric Institute, Washington, D.C.

Source: Federal Power Commission, as printed in "Survey of Current Business." Their data for electric utilities is based upon reports obtained from all electric supply systems producing for public use.

TABLE 3.—TOTAL UTILITY GAS SALES TO CUSTOMERS, 1969 TO 1973, BY QUARTER

[In millions of therms [1]]

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	1969	Percentage change from preceding quarter (or year for totals)	1970	Percentage change	1971	Percentage change	1972	Percentage change	1973	Percentage change	Average quarter yearly percentage changes, from 1962–73
Total	154,430	7.60	152,215	−1.45	156,831	3.03	170,100	8.46	161,380	−5.40	4.49
1st quarter	50,357	37.64	54,236	37.87	53,770	36.38	54,750	38.86	52,860	23.91	37.27
2d quarter	35,251	−42.85	38,349	−41.42	39,458	−36.18	39,770	−37.66	39,300	−34.50	−41.06
3d quarter	29,483	−19.56	31,190	−22.95	31,183	−26.54	32,500	−22.37	30,080	30.65	−25.09
4th quarter	39,339	33.42	39,424	26.40	39,428	26.44	42,660	31.26	39,140	30.12	33.57

[1] Totals include data not shown separately.

Source: American Gas Association, as shown in "Survey of Current Business." Data represents complete coverage of the gas utility industry in the United States.

C. Two levels of analysis

There are at least two levels of analysis against which to view the rate increase proposals arising from consumer energy conservation. These are the technical or procedural level of traditional public utility theory and practice; and the public policy level which considers in a broader context the fairness and propriety of burdening the rate-paying public with rate increases in return for its self-sacrifice—a kind of "double jeopardy."

The next section elaborates on the first level of analysis and the last section treats the second, concluding with the several alternatives facing the policy maker other than simply yielding to utility company petitions.

Footnotes at end of article.

II. THE BACKDROP OF PUBLIC UTILITY THEORY AND PRACTICE

A. The theory in outline

The present case of utility companies seeking rate increases from regulatory commissions on the basis of reduced consumption resulting from energy conservation efforts must be viewed against the backdrop of traditional public utility theory and practice. On these technical and procedural grounds the utility companies are behaving in a legitimate (even if not socially desirable) way. Recall why this is so.

Public utilities are the so-called "in-between" case in our spectrum of market arrangements between "unbridled" private enterprise on the one hand and full public ownership and operation on the other. It is the case where, in exchange for some semblance of a monopoly position, privately owned enterprises providing an essential service to consumers are governmentally regulated with respect to the key elements of price, earnings, investment decisions (supposedly), and the quality and reliability of service.

In the present case the issue centers on earnings. Regulatory bodies allow but do not guarantee a "reasonable" rate of return on invested capital—typically between 6% and 8.5% in the power and light industries. "Reasonable earnings" for utility operations constitute a zone of reasonableness, between outright confiscation of the property on the downside and full monopoly exploitation of consumers as the upper limit. While the setting of an earnings level for a utility is

a function of the regulatory commission, that rate of return need not be a single static sum for each company, but rather one of several returns that may be reasonable as a sort of "normal" return for that company.

The question of what are the tests of reasonable earnings has long been debated, but for our purposes the element of most relevance is the ability to attract new capital. The argument runs that if utilities are to be able to gather "their share" of finance capital when floating new issues of stocks or bonds for purposes of expansion and improvement, they must have earnings high enough to attract investors who face alternative investment opportunities. The subscriber, while paying for these earnings, presumably benefits from the fruits of this expansion.

A cost formula in determining reasonable earnings is generally used. Briefly put, this adds together all allowable operating expenses, the depreciation cost of the utility property "used and useful" in doing business, and a reaonable return on the value of the property, i.e. the rate base. Thus fuel costs, which are a substantial part of operating expenses in all but hydroelectric generating plants, are fully recoverable from the consumer and recent increases have properly occasioned rate hike applications by utility companies. This type of proposed rate increase is not, of course, the focus of our analysis here.

Once the total amount of revenues necessary to cover all elements of the cost formula is determined, then a schedule of rates and charges to the several classes of customers—residential, commercial, and industrial—is drawn up. Obviously there are many variations and mixes that can be established to yield the same total revenues (and hence earnings). This leads into complex questions of equity, relative elasticities of demand, load factors, and cost allocations. Aiming roughly to equate total revenues to reasonable service costs means that commissions must scale down the rate structure where utility earnings exceed the allowable rate of return and raise it when earnings are deficient. This latter situation describes the present case where there has been a fall-off of consumption that has translated into reduced revenues and hence a rate of return *below* what regulatory commissions have authorized.

B. A word on scale economies and pricing

Central to the economics of public utilities is the notion of decreasing unit costs with larger output and plant size. This engineering and economic proposition explains in good measure many managerial and regulatory policies. Key among these is the matter of pricing, since in these industries price is supposed to be closely related to cost of service. Also major issues in price (rate) policies are the questions of "block rate" schedules, promotional pricing, and marginal cost pricing.

Recall the specifics of the decreasing cost condition in the provision of utility services from a single plant. When plant capacity is fixed it is easy to show how average unit costs decrease over a considerable range if output is unrestricted. This follows from the mix of fixed to variable costs, the former by definition not varying with output changes. Obviously as output increases through, say, induced demand, the same total of fixed costs *which includes investor returns* is spread over more units of output resulting in decreasing average costs.

But as economic theory explains, what may be true for the individual firm (or even utility system) may not be true for the industry as a whole, and we thus cannot merely add together the cost curves of the former to get a cost curve of the latter. The implication of this is that while promotional pricing schemes of various sorts that characterize the pricing practice of virtually all individual power companies are quite defensible on company economic grounds, it is a very different matter to conclude that it is always in the private or public interest to induce an ever-greater consumption of power. This last point is especially underscored by the growing popular awareness of the distinction between private and social costs and the idea of externalities.

Typically utility companies require a large investment in plant before any service can be offered. This means that they start with a high proportion of fixed costs, e.g. costs per kilowatt of installed capacity. If prices were uniform for each service unit the likely result would be unused capacity. Historically one objective of commission regulation has been the expansion of the extensive and intensive limits of service to consumers to achieve more efficient use of plant and lower price levels and an increase in the net social welfare. Discriminatory pricing is viewed as a means of achieving this by playing on the different demand elasticities of the several classes of consumers. It can also be used to handle peculiar features of utility industries like off-peak loads where existing plant capacity (fixed cost) is already sunk and only variable costs are incurred in providing this service. On the other hand peak load pricing, it is sometimes argued, does not cover all fully allocated costs attributable to those customers who occasion the peak load.

The most common device for the pricing of gas and electricity is the block rate schedule. Such a schedule may apply to one or all of the general classes of service—residential, commercial, and industrial—and involves charging so much per kwh (or mcf) for the first block of consumption, a lesser rate for that amount used above the first block; and a lesser rate for that consumed in the third block than the second, and so on. The inferred cost behavior of service production mentioned earlier is used as the explanation for the descending rate for block prices.

On the occasion of the energy shortage and increasing environmental concern the call is sometimes heard for abandoning the declining block rate practice and inverting the rate structure so as to penalize large users of energy. These critics argue further that the existing practice causes a misallocation of resources toward the energy sector of the economy. An in-between approach might be a rate pattern with a flat monthly charge to cover the essentially fixed costs of customer service and perhaps uniform rates per unit of consumption after that.

At first the idea of rate schedule inversion was proposed and opposed primarily on ideological grounds. Environmentalist proponents tend to assume that the ever-growing demand for electricity, for example, must be for frivolous uses; hence marketing, promotional devices, and economic inducements toward increasing demand should be eliminated or at least curtailed. It should be pointed out that whatever merit this argument may have on broad policy grounds it would seem inappropriate for a regulatory commission to rule on it. Without a demonstration of its relation to a utility's cost structure it is a matter of social engineering better left to elected or other designated governmental officials.

In any event there is every indication that at least the electric power industry has now become an increasing cost industry because (1) scale economies at the system level have generally been exhausted; (2) expected changes in technology of power generation are presently quite limited; (3) all but the most sparsely settled regions of the country are already interconnected in major grid systems; and (4) sustained and persistent inflation largely negates opportunities for cost reductions. The point here is that this implies a reexamination of traditional pricing practices and designs in the utility industry. This will prove easier if utility companies perceive that demand will remain strong enough so that a higher rate structure—flat or invested—would result in a rise in both average and total revenues.

III. CONCLUSIONS AND ALTERNATIVES

A. The Case and the Questions

The frequency of utility applications to their regulatory commissions throughout the country for rate increases to offset reduced earnings occasioned by the effectiveness of consumer conservation of energy in the present fuel shortage is clearly demonstrable. At this writing 15 have applied. The number may well grow because the cutback in consumer demand on essentially "patriotic" grounds only began to show up in lower utility revenues the last couple months of 1973. There has been some effect. So far regulatory bodies have not been disposed to allow rate increases on these grounds, but most cases are still pending; more are in the offing and it is hard to forecast the outcomes. The fact that some have been turned down may make an incentive for utility companies to use some other basis in arguing for higher rates that incorporates the conservation factor but doesn't highlight it.

This suggests that in facing this issue regulatory commissions must ascertain (among other things) whether consumer conservation in fact is the cause of reduced earnings and to what extent. Reduced rainfall, mild weather, regional or sectoral slowdowns in the economy, higher fuel and capital costs should be factored out. Still, the aggregate national data on electric power and gas consumption do reveal an apparent decline of consumer demand at least partially attributable to conservation measures in response to governmental and utility appeals. Commissions, then, will have to face up to handling rate hike proposals across the country. Traditional public utility theory and practice importantly includes the proposition that utilities can and should seek rate relief if their earnings fall below the allowable rate of return for a significant period of time. In this sense one must conclude that the utilities are presently acting entirely within the technical confines of regulation.

But there is, of course, another whole dimension to the matter where one looks at it from the broad public policy point of view. The question can take several forms. Is it a kind of unfair "double jeopardy" to have consumers inconvenienced and discomforted in the name of energy conservation and then thank them for their pains by hitting them with a rate increase? Why didn't someone tell them that the natural consequence of truly effective consumer conservation of energy was reduced earnings for utilities and subsequent proposed rate hikes? Examination of thousands of pages of Congressional hearings since last fall on the energy shortage reveals no mention of it. Did no one think of it? Historically the public utility sector and its peculiarities are often ignored when laws and regulations are made for industry generally, e.g. tax laws and price controls. Or can the charge be made that consumer compliance to appeals for energy conservation would likely have been less if the public was informed at the same time that their abstinence would be rewarded with higher monthly utility bills?[24] Governmental enjoining of the citizenry to conserve fuel and energy on essentially patriotic grounds and utility company incantations in song and story that "we can work it out together" made no mention of the eventuality of proposed and pending rate boosts. The

focus was on home insulation, sweaters, fireplace flues, and outside lights. And anyway, isn't the present condition more a kind of collective adversity for which neither the public nor the utilities are responsible, and therefore some broader sharing of the financing burden is in order?

B. Some other answers

At this point the issue is to decide just who is to pay the fixed costs of plant and equipment (since variable costs are by definition not incurred to the extent output has fallen off)—the rate payer? the stockholder? the public at large? or some combination of these? There are several possible alternatives from the public policy vantage point to merely treating the results of reduced demand as "just another induced cost rise to be passed through to consumers."

One is simply to find that not enough time has elapsed to determine accurately the extent and nature of consumer conservation to approve rate hikes. Only in the fall of 1973 were serious appeals for energy conservation made, and in most cases the "returns are in" for only a couple of months (December 1973 and January 1974). Thus it is too early to make a determination as to causality, and it is difficult to predict the duration of the phenomenon. Moreover future consumer behavior with respect to belief in the shorage and the need for conservation is uncertain at best. Self-imposed rationing tends to be of the short term variety.

A second line of argument might be that a downturn in earnings is just a normal part of the risk of doing business—some public utilities like railroads almost never earn the "fair rate of return"—and should be borne by stockholders. There are other times (and not only in wartime) when utility earnings exceeded allowable rates of return and all this should just be averaged out as good times and bad.[15]

A third argument would be to say that consumers of utility service and stockholders are equally blameless for the present energy situation and truly are "in this together" and therefore should share the burden, consumers in the form of somewhat higher monthly bills and stockholders in the form of somewhat lower quarterly dividends.

A fourth alternative is for regulatory commissions to reduce the allowable rate of return thus bringing the new revenue level and new earnings level back into equality for the duration of the shortage. For example, a power company might have its allowable rate of return temporarily reduced from, say 8.25% to 8.00.% A variation of this would be to reduce the value of the rate base (on which earnings are computed) to a new equilibrium position. Here the reasoning might be that the utility management should have foreseen the shortages or at least has misforecast consumer demand and thus overinvested in plant and equipment.

Three additional choices come to mind based on the premise of national collective adversity. Here no one need be seen "at fault," but the financial burden should be as diffuse as possible, i.e. some form of public (federal) support could be devised as an offset to the problem of reduced earnings. This could take the direction of (a) adjustments to tax liabilities of the utilities experiencing reduced earnings; (b) governmental underwriting of utility stock and bond issues to make them more attractive in capital markets; or (c) providing direct cash subsidy to "injured" utility companies seeking relief on these grounds and able to demonstrate it.

Finally, if none of these alternative approaches is used and rate hikes to consumers are allowed to compensate for a shortfall in earnings for utilities, there remains one further policy question: how are the rate schedules to be altered among classes of customers—business and residential? The populist position as well as a good bit of economic theory supports the case for apportioning these rate increases with an eye toward the demand elasticities of the customer categories and their ability to shift the incidence of the increase. If this was followed, it would mean placing a greater than proportionate increase on the business customers and less than proportionately increases on monthly bills to residential cutomers (who have the least opportunity for shifting the costs.)

Dr. DOUGLAS N. JONES,
Specialist in Fiscal and Financial Economics.

FOOTNOTES

[1] Letter from Public Service Commission of N.Y. to author, dated Feb. 20, 1974. See Appendix for a copy of the author's letter of inquiry to all the State public utility commissions.

[2] *Ibid.*

[3] Mississippi Public Service Commission Utility Rate Notice, Jan. 14, 1974, Jackson, Mississippi.

[4] As of March 24, 1974. Based on 44 responses from State commissions.

[5] Filings which are definitely expected and which likely have consumer conservation as a factor.

[6] New England Power Company before the Federal Power Commission, Docket No. E-8251, filed Jan. 3, 1974, denied Feb. 7, 1974.

[7] Letter from State of Rhode Island, Department of Business Regulation, Division of Public Utilities and Carriers, to author, dated Feb. 20, 1074.

[8] Letters to the author from the Public Service Commission of the District of Columbia, the State of Maryland Public Service Commission, and the State Corporation Commission of the Commonwealth of Virginia, dated respectively Feb. 11, and Feb. 19, 1974.

[9] Missouri Public Service Commission letter to the author, dated Feb. 20, 1974.

[10] Letter from Connecticut Public Utilities Commission to author, dated Feb. 22, 1974.

[11] Letter from Kansas State Corporation Commission to author, dated Feb. 13, 1974.

[12] *The Times- Argus,* Barre-Montpelier, Vt., Feb. 12, 1974, p. 14.

[13] Letter from California Public Utilities Commission to author, dated Feb. 21, 1974.

[14] It is at least possible, of course, that an individual consumer's energy usage might be so drastically cut that this would more than offset the effect of increased rates.

[15] Looking to another business sector—the insurance industry—one could point out the abnormally high earnings experienced there as a result of the governmentally imposed auto speed limits occasioned by the same energy shortage.

[Appendix]

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., February 6, 1974.

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION,
Concord, N.H.

GENTLEMEN: There have been a number of instances around the country in recent months where electric power and gas companies have applied for rate increases on grounds of reduced earnings resulting from energy conservation practices by consumers.

It would be very helpful to our research if you would tell us if there are any such cases which have come before your commission since, say, July 1, 1973. We would like to know the name of the utility, when the filing was made, and what disposition was made (pending, denied, approved).

Your early reply would be much appreciated.

Yours truly,
DR. DOUGLAS N. JONES,
Assistant Chief, Economics Division.

UTILIZING OUR RESOURCES

Mr. BIDEN. Mr. President, it has become apparent that the United States must develop methods to fully utilize all of our natural resources, particularly in the energy field. Content to rely on outside suppliers in the past, the current shortage exhibits the fallacy inherent in that approach. And although the pending shortage will cause some inconveniences, a stimulation of our own energy research will assuredly result.

Recently, two articles were brought to my attention that proved very informative. Dating from 1971 and 1972, these articles discussed procedures developed by the U.S. Bureau of Mines scientists to convert agricultural wastes and municipal solid wastes to natural gas. By simply employing our existing technology, it is possible to dispose of these waste materials in an environmentally acceptable fashion, as well as providing a significant increase in our natural gas supply. Further improvement of these procedures should be facilitated.

Mr. President, because of their significance, I ask unanimous consent that the entire texts of these two articles, "Pipeline Gas From Solid Wastes" and "From Agricultural Wastes to Feed or Fuel," appearing in the December 1971 edition of Chemical Engineering News, respectively, be printed in the RECORD.

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

[From the Chemical Engineering Progress, December 1971]

PIPELINE GAS FROM SOLID WASTES

(By H. F. Feldman, U.S. Bureau of Mines)

The conversion of solid wastes to pipeline gas can alleviate the problem of disposing of solid wastes in an environmentally acceptable fashion, as well as provide a significant contribution to the natural gas supply. Experiments indicate hydrogasification of the carbon in municipal solid waste (MSW) converts it mainly to methane and ethane at the conversion levels suitable for balanced plant operation. An economic feasibility study indicates that, for many urban areas, conversion of solid wastes to pipeline gas may be the cheapest method of disposal. The utilization of industrial and agricultural wastes will improve economics and has the potential of greatly increasing methane yield.

TABLE 1.—EFFECT OF PIPELINE GAS PRICE[1] AND POPULATION ON AVERAGE SOLID WASTE DISPOSAL COST,[2] IN DOLLARS PER TON

Metropolitan area	1966 metropolitan population (millions)	Using MSW and sewage sludge, average price, $/M cu. ft.			Using MSW, industrial solid wastes and sewage sludge, average price, $/M cu. ft.		
		0.40	0.50	0.70	0.40	0.50	0.70
Fresno, Calif.	0.409	5.42	4.71	3.21	3.78	3.03	1.53
Akron, Ohio	.652	4.35	3.60	2.10	3.20	2.45	.95
Denver, Colo.	1.083	3.10	2.35	.85	1.90	1.15	—.35
Pittsburgh, Pa.	2.376	1.74	.99	—.51	.82	.07	—1.43
Detroit, Mich.	4.06	.98	.23	—1.27	.19	—.56	—2.06
Chicago, Ill.	6.73	.36	—.39	—1.89	—.29	—1.04	—2.54
New York, N.Y.	11.41	—.16	—.91	—2.41	—.72	—1.47	—2.97

[1] Includes all taxes and 7.5 percent profit on undepreciated investment.

[2] Does not include collection costs, (—) indicates waste value rather than disposal cost.

CHEMICAL SUITABILITY

The prime factors which establish the suitability of a feed stock for conversion to pipeline gas are its carbon, hydrogen, and oxygen content, because these elements determine the net hydrogen requirements and the amount of solid that must be handled to produce a given yield of methane. Using these criteria and an average ultimate analyses reported for MSW (1), allows MSW to be compared with other fossile fuels proposed as feedstocks for conversion to pipeline gas, as shown in the following table:

	Hydrogen required, std. cu. ft. H_2/ std. cu. ft. CH_4	Max. methane yield, std. cu. ft. CH_4/ lb. feed
Lignite	1.87	9.9
Oil shale	1.54	6.0
Subbituminous coal	1.80	14.0
Bituminous coal	1.69	23.7
MSW—unseparated	1.87	9.3
MSW—metal and glass-free	1.87	11.3

It is seen that MSW chemically ranks with other fossil fuels for gasification to satisfy our growing demand for pipeline gas. However, one very obvious advantage MSW has over the other fossil fuel feedstocks is its supply is greatest where the demand for natural gas is the highest. This allows a very substantial advantage in reduction of pipeline transport costs which are on the order of $0.02/thousand cu. ft.-100 mi.

GARBAGE TO PIPELINE GAS CONVERSION PROCESS

For the purpose of this study, the process selected for converting garbage to pipeline gas is the so-called hydrogasification process. A capsule description of several other processes proposed for converting coal and lignite to synthetic pipeline gas is contained in a staff report by the Bureau of Natural Gas (2). Basically, hydrogasification is the reaction of carbonaceous feed material with hydrogen to produce gas consisting primarily of methane. Hydrogasification is very exothermic, thus allowing high moisture content solid wastes to be converted without external heat addition.

The carbon conversion in the hydrogasifier should be approximately 40% so that there is sufficient carbon in the solid residue to generate the synthesis gas required for the production of hydrogen for the hydrogasifier.

Capital investment estimates of various sized hydrogasification plants made by both the Institute of Gas Technology (3, 4) and the U.S. Bureau of Mines for coal and oil shale feedstocks, together with data on the composition (1) and amount of MSW collected (5), were used to calculate the disposal cost as a function of the population served by a plant and the pipeline gas price. Assuming 40% of the carbon converted with the remainder being used for hydrogen production, the following per capita yields of pipeline gas can be expected from various sources of solid waste:

Municipal Solid Waste = 20 std. cu. ft./day
Sewage Sludge = 2 std. cu. ft./day
Industrial Solid Waste = 20 std. cu. ft./day

In certain areas, agricultural waste could also provide an important contribution to pipeline gas. For example, each head of cattle generates a carbon waste equivalent to the MSW generated by 8 humans. Thus, as we shall see below, a cattle feed lot (which typically contain between 10,000 and 50,000 head) (6) can have a great effect on the economics of converting solid wastes to pipeline gas.

The disposal cost can be calculated for a given population by using estimated operating costs (7), together with the methane yields and the investment costs referenced above. Assuming only MSW and sewage sludge are hydrogasified, which is equivalent to assuming a per capita methane yield of 22 std. cu. ft./day, the following equation gives the average value of the solid waste to a utility as a function of gas price and population. Assuming a 20 yr. plant life, a 7.5% after taxes profit on the undepreciated investment, and federal incomes taxes of 50% of the gross profit, gives

$$\$/\text{ton} = 7.53\,P - \frac{3.71\times10^{4}(2.2\times10^{-5}n)^{0.873}}{n} - 0.15 \qquad (1)$$

where P is the pipeline gas price in $/thousand cu. ft., and n is the population served by the plant. One can easily make adjustments in the above equation to take into account other forms of waste. For example, if industrial wastes are also used, n is replaced by $1.91n$.

Table 1 shows the average solid waste disposal costs for various sized metropolitan areas. As the results in Table 1 indicate, in many cases, solid wastes may be considered to have an asset rather than a liability value. This is especially true for New York City, which could realize an asset value of $2.97/ton from its solid wastes by simply converting them to pipeline gas, which could then be sold at the same price as that of LNG delivered to the New York area.

EXPERIMENTAL RESULTS

Experiments were undertaken in order to determine whether a suitable pipeline quality gas could be produced from a typical solid waste (composition specified by Dept. of H.E.W. for incinerator test feedstock) at carbon conversion levels high enough (40%) for balanced plant operation. Experimental results indicate these objectives can be easily met. For example, at a temperature of 550° C, a pressure of 1,300 lb./sq. in. gauge, and a solid/hydrogen feed ratio of 174 g./g.-mole, 53% of the carbon was hydrogasified, and the composition of the 936 B.t.u./std. cu. ft. gas, after methanation of 3.4 mole % CO, was 62.3 mole % methane, 12.5 mole % ethane, 25.2 mole % hydrogen, and the total yield of hydrocarbons (after methanation) would be about 28 std. cu. ft./capita-day. Thus, the yield figures upon which the above economic projections are based should be easily attained in practice.

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[From the Chemical and Engineering News, May 29, 1972]

FROM AGRICULTURAL WASTES TO FEED OR FUEL

In the U.S. today, agricultural wastes are produced at a staggering rate of more than 600 million tons a year, on a dry basis. Of this total, about 200 million tons is in the form of manure.

What to do with it. There is growing interest in two approaches—converting it to fuels and to animal feeds—judging from work presented at the 33rd annual conference of the Chemurgic Council in Washington, D.C. Such conversion can be profitable and thus can lower the overall cost of raising crops and livestock.

The need to convert agricultural wastes to usable products is becoming more and more imperative. For one thing, this discarded material is a fast-growing pollution problem. Even when this debris is burned, many of the combustion products are serious pollutants. At the same time, the nation's supply of conventional, nonrenewable fuels is dwindling, in the face of rapidly increasing energy demands. Thus, the need clearly exists for developing new energy sources, such as those from agricultural products.

Farm products have the great virtue of being renewable. Also, they can be converted to fuels that have relatively low concentrations of sulfur, which, when burned, can otherwise be an objectionable air pollutant.

For the past three years, scientists at the U.S. Bureau of Mines laboratory in Bruceton, Pa., have been exploring the production of fuels from agricultural wastes. The laboratory has recently installed process-development capable of handling up to 480 pounds

of waste per day. The previously used setup was a bench-scale assembly designed to handle only 20 pounds of waste a day. William L. Crentz, assistant director-energy at the Bureau of Mines, presented the latest results from this project at the conference.

The raw material currently used at the BuMines lab, he says, is bovine manure. The process being studied, however, could also use such raw materials as bark, corn husks, rice hulls, wheat straw, sewage sludge, urban organic garbage, and so on.

Thus far, BuMines scientists have explored two processes for converting such waste to fuel. One is a pyrolysis method, in which the feed is heated in a closed system at atmospheric pressure without the addition of air or other gas. In the second method, the feed is heated under pressure in the presence of carbon monoxide, steam, and a catalyst, also in a closed system. This is actually a hydrogenation process, since the feed is treated with hydrogen produced by reacting carbon monoxide and steam.

In the pyrolysis method, developed by the bureau's Martin Schlesinger and David Wolfson, bovine manure or other largely cellulosic waste material is heated for about six hours at about 900° C. At this temperature, the material is converted to gas, oil, and solids, all of which can be used as fuel.

The gas has a heating value of about 500 B.t.u. per cu. ft. and could be burned industrially with no difficulty, Mr. Crentz says. The oil has a heating value of about 15,000 B.t.u. per pound and could be used as a fuel for heating boilers. The solids have a heating value of 5000 to 13,000 B.t.u. per pound, which is similar to that of many coals.

In the hydrogenation process, the manure, in the presence of added carbon monoxide and steam, is heated for 20 minutes at 380° C., at 2000 to 5000 p.s.i. (C&EN, Aug. 16, 1971, page 43). The product is a heavy, largely paraffinc oil with a heating value of 14,000 to 16,000 B.t.u. per pound. The oil has a sulfur content of less than 0.4%, which is much less than that of most commercial fuels.

The hydrogenation process, developed by BuMines' Dr. Herbert R. Appell and Dr. Irving Wender, requires an alkaline catalyst, such as sodium carbonate or potassium carbonate. The addition of a catalyst is not necessary, however, with some organic wastes such as bovine manure because they already contain one or more such alkaline substances. The BuMines scientists find that they get better results by using carbon monoxide and steam to form hydrogen in the reactor than they would by feeding hydrogen directly.

The yield in this process is about three barrels of liquid fuel per ton of dry organic waste. The product, says Mr. Crentz, is expected to find principal use as an industrial fuel for generating electricity.

Of the bureau's two processes, the one that offers the greater commercial promise, he says, is the hydrogenation method. The reason is that it yields a single product (oil), which would be simpler and more economical to produce, store, and market than would the three products formed by pyrolysis.

Manure might, offhand, seem a totally impractical substance for making fuel (partly because of the problems of collecting the raw material). But about 23% of the 115 million cattle currently raised in the U.S. are bred and fattened on relatively confined feedlots containing more than 1000 cattle each. Some of these feedlots contain 50,000 or more animals, and the quantity of manure produced at a single location is formidable.

The BuMines processes could also be used to convert other cellulosic wastes to fuel. Recently Sen. Mark O. Hatfield (R.-Ore.) proposed that the Government build a $1.75 million pilot plant to study the production of fuel from wood chips. Conceivably, the bureau's hydrogenation process might be used for this purpose, although the idea of setting up such a pilot project is still in the talking stage.

An alternative use for bovine manure is as a raw material for making cattle feed. Although cattle can be raised satisfactorily when fed a diet containing 10% manure, the manure has very low digestibility when fed in higher concentrations.

The challenge in using animal waste on a large scale as a raw material for producing feed is to convert it to a form that is sufficiently digestible and nutritious. This challenge was taken up by scientists and engineers at Hamilton Standard division of United Aircraft Corp., Windsor Locks, Conn., in late 1970. At the Chemurgic Council meeting, Michael Turk, one of the company's senior experimental engineers, reported the most recent progress in this effort in a paper coauthored with Warren B. Coe, an assistant project engineer.

In the Hamilton Standard process, bovine manure is anaerobically fermented to convert it to a more usable form. The method not only produces an animal feed but also a fuel gas (methane), which can be burned to supply the heat and indirectly the electrical power needed for the process.

During the fermentation process at Hamilton Standard, the semisolid manure, to which water is added to form a thick slurry, is heated to about 50° C., with moderate agitation. The extracellular enzymes already in the manure and those generated by microorganisms during the fermentation process decompose most of the cellulose and other carbohydrates to simple sugars. These microorganisms then metabolize the sugars to simple acids and alcohols, as well as to hydrogen and carbon dioxide. Specific bacteria convert these intermediary products to methane.

After the fermentation step, which has a contact time of five to seven days, the contents of the fermentation tank are discharged into a dewatering unit. Finally, the dewatered solids from this unit are dried in a conventional dryer at 50° C.

Because of the great reduction in mass brought about by the formation of gases, the product has a protein content twice that of the original manure, on a dry basis. Moreover, the product's content of amino acids which are present in proteins, is four times that of the starting material. This indicates, says Mr. Turk, that the fermentation causes a substantial conversion to amino acids of the nonprotein nitrogen originally present in the manure. The quantity and quality of these amino acids, he adds, compare favorably with those of soybean and cottonseed meal, which the manure-derived product might replace in a cattle diet. In addition, chick-feeding experiments indicate that the product is neither toxic nor does it inhibit digestion.

Currently, the Hamilton Standard project, which since last July has been partly supported by the Department of Agriculture, uses two 20-liter fermenters capable of producing about 0.7 pound of animal feed a day. This output is obviously too small to allow adequate testing of the product in cattle. As Mr. Turk points out, "The single most important question yet to be answered is the actual nutritional value of the feed ingredient when fed ruminants."

ARAMCO PROFITS

Mr. CHURCH. Mr. President, on March 27, the Subcommittee on Multinational Corporations of the Senate Foreign Relations Committee conducted hearings on Aramco. We will publish an evaluation of these hearings in a few weeks, but several of my colleagues have requested that we publish the Aramco statistics gathered by our staff immediately so that they may be referred to in the ongoing petroleum policy debate on Capitol Hill. Therefore, I ask unanimous consent to have these statistics printed in the RECORD.

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

DIVIDENDS DECLARED BY ARAMCO TO SHAREHOLDERS*

1969	$706,255,896
1970	666,417,841
1971	810,523,926
1972	1,566,347,913
1973	2,592,871,189

* Exxon, Texaco, Mobil, and Standard Oil of California.

EXHIBIT 1

STATEMENT OF INCOME AND EARNINGS RETAINED IN THE BUSINESS (CONSOLIDATED)

[In thousands of dollars]

	Preliminary 1973	Actual 1972
Gross income:		
Sales to offtake buyers	$8,580,091	$4,504,59
Royalty oil deliveries	66,608	49,922
Local sales	58,077	32,514
Other income	4,620	1,629
Total	8,709,396	4,588,663
Costs and other deductions:		
Operating costs	294,773	185,534
Exploration expense	19,505	13,382
Dry hole and abandoned well expense	10,989	4,404
Trans-Arabian pipe line charges	58,256	56,450
Cost of oil (to) from inventories	(5,296)	67
Depreciation and amortization	94,262	65,131
Royalties and exactions	1,068,073	636,670
Cost of dividend oil	($10,889)	($106,405)
Provisions for taxes on income:		
Saudi Arabia	3,929,623	1,991,966
United States	2,757	4,773
Total	5,462,053	2,851,972
Neti ncome	3,247,343	1,736,691
Earnings retained: Beginning of period	866,357	696,014
Total	4,113,700	2,432,705
Dividends declared:		
Cash	(2,581,981)	(1,459,943)
Oil	(10,889)	(106,405)
Stock		(58)
End of period	1,520,772	866,357

EXHIBIT 2

STATEMENT OF FINANCIAL POSITION (CONSOLIDATED)

[In thousands of dollars]

	Preliminary, Dec. 31, 1973	Actual, Dec. 31, 1972
Current assets:		
Cash in banks and on hand	$16,959	$12,281
Marketable securities	130,016	22,032
Accounts receivable—associated companies	1,929,191	918,115
Other receivables less reserves	42,392	12,237
Inventories—crude oil, refined products, and other merchandise stocks	19,069	13,773
Inventories—materials and supplies	89,318	57,585
Total current assets	2,235,945	1,036,023
Current liabilities:		
Accounts payable	148,950	94,149
Dividends payable		291,161
Royalties payable—Saudi Arab Government	130,811	57,228
Salaries, wages, and employee plan deposits	4,886	5,793
Saudi Arab income taxes	1,311,416	598,455
U.S. income taxes	2,397	4,163
Employees' vacation accrual	3,099	2,533
Other accrued liabilities	43,648	37,199
Reserve for payments to be made to the Saudi Arab Government in accordance with the provisions of the general agreement dated Dec. 20, 1972, and related documents	122,600	
Total current liabilities	1,767,807	1,090,681
Net working capital	468,138	(54,658)
Properties, plant, and equipment:		
Tapline property, plant and equipment	202,093	199,414
Producing and pipelines	935,959	614,138
Refinery and marine terminal	393,081	308,862
Drilling and exploration	26,155	25,384
Local sales	2,086	2,067
Motor, marine, aircraft and construction	38,903	36,937
General—housing, utilities, etc.	413,939	333,477
Development costs	261,516	184,394
Construction in progress	$292,673	$242,309
Total	2,566,405	1,946,982
Less accumulated depreciation and amortization	1,035,239	950,884
Net properties, plant, and equipment	1,531,166	996,098
Other assets and deferred charges:		
Long term loans and advances—loans to local municipalities	5,845	6,430
Long term loans and advances—employee housing and other	18,706	16,142
Prepaid and deferred charges	29,233	32,917
Total other assets and deferred charges	53,784	55,489
Long term liabilities: Nondollar pension plans	37,867	24,281
Net assets	2,015,221	972,648
Represented by:		
Deposit received from the Saudi Arab Government in anticipation of issuance of capital shares by Aramco to implement, in the corporate form, the provisions of the general agreement between Aramco and the Saudi Arab Government dated Dec. 20, 1972, and related documents upon the negotiation and execution of a subscription agreement between Aramco and the Saudi Arab Government	535,000	
Capital stock, $100 par value	1,225	1,167
Capital received in excess of par value	105,124	105,124
Earnings retained in the business	1,520,772	866,357
Less amount reserved for payment to be made to Saudi Arab Government in accordance with the provisions of the general agreement dated Dec. 20, 1972, and related documents	(146,900)	
Net assets	2,015,221	972,648

EXHIBIT A

ARABIAN AMERICAN OIL CO. AND SUBSIDIARIES—STATEMENT OF CONSOLIDATED FINANCIAL POSITION, DEC. 31, 1972 AND 1971

	Dec. 31— 1972	1971
Current assets:		
Cash (schedule 1)	$12,280,582	$10,633,158
U.S. Government securities—at cost which approximates quoted market value	22,032,290	13,920,343
Accounts receivable—associated companies (schedule 2)	918,114,674	581,109,717
Accounts receivable—other (schedule 2)	12,237,633	21,538,399
Inventories (schedule 3):		
Crude oil and products—at average cost which is less than market	13,773,014	13,841,345
Materials and supplies—at average cost	57,584,936	39,278,510
Total current assets	1,036,023,129	680,321,472
Less current liabilities (schedule 4):		
Accounts payable	94,148,409	38,857,639
Dividends payable—cash	291,161,473	125,000,000
Royalties payable—Saudi Arab Government	57,227,743	41,048,745
Accrued payrolls and vacation, and employee thrift plan deposits (less cash segregated for employee thrift plan deposits)	8,325,985	7,056,586
Accrued Saudi Arab income taxes	598,455,061	305,200,251
Accrued U.S. income taxes (note 3)	4,163,000	24,400
Other accrued liabilities and payables	37,199,340	50,912,400
Total current liabilities	1,090,681,011	568,100,022
Working capital (deficiency)	(54,657,882)	112,221,450
Property, plant, and equipment (note 1 and schedule 5):		
Property, plant, and equipment—at cost	$1,946,981,844	$1,546,290,047
Less accumulated depreciation and amortization	950,884,220	887,436,694
Property, plant, and equipment—net	996,097,644	658,853,353
Other assets (schedule 6):		
Long-term loans, advances, and receivables	22,571,914	23,595,905
Deferred Saudi Arab income taxes (note 1)	19,321,334	13,962,974
Prepaid assets and other deferred charges	13,596,407	18,027,495
Total other assets	55,489,655	55,586,374
Total	996,929,417	826,661,177
Less noncurrent liabilities:		
Employee pension plans (note 2)	24,280,821	19,356,184
Lump sum consideration payments (noncurrent portion)		5,000,000
Total noncurrent liabilities	24,280,821	24,356,184
Net assets	972,648,596	802,304,993
Stockholders' equity:		
Capital stock, $100 par value—authorized, 11,667 shares; outstanding, 11,666⅔ shares	1,166,667	1,166,667
Capital received in excess of par value of capital stock	105,124,500	105,124,500
Earnings retained in the business	866,357,429	696,013,000
Total stockholders' equity	972,648,596	802,304,167

Note: See notes to consolidated financial statements (exhibit D).

EXHIBIT B

ARABIAN AMERICAN OIL CO. AND SUBSIDIARIES—STATEMENT OF CONSOLIDATED INCOME AND EARNINGS RETAINED IN THE BUSINESS FOR THE YEARS ENDED DEC. 31, 1972 AND 1971

	Dec. 31— 1972	1971
Revenues:		
Net sales to buyers (stockholders or subsidiaries or stockholders) under offtake agreements (note 1 and schedule 7)	$4,504,597,613	$3,010,144,810
Royalty oil deliveries (schedule 8)	49,921,814	
Local sales (schedule 8)	32,513,723	31,263,169
Other income (schedule 8)	1,629,534	965,291
Total revenues	4,588,662,684	3,042,373,270
Cost of sales, expenses, and other deductions:		
Cost of sales (schedule 9):		
Costs, operating, and general expenses, other than those listed below (schedule 10)	$181,844,555	$147,913,933
Royalties (schedule 16)	636,223,048	439,108,587
Trans-Arabian pipeline expenses (including depreciation and amortization: 1972, $5,198,389; 1971, $5,089,210) (schedule 17)	56,449,370	59,265,149

EXHIBIT B—Continued

ARABIAN AMERICAN OIL CO. AND SUBSIDIARIES—STATEMENT OF CONSOLIDATED INCOME AND EARNINGS RETAINED IN THE BUSINESS FOR THE YEARS ENDED DEC. 31, 1972 AND 1971

	Dec. 31— 1972	1971
Depreciation and amortization other than depreciation and amortization included with Trans-Arabian Pipeline expenses (schedule 5)	$65,130,427	$55,872,045
Exploration expenses (schedule 18)	13,382,176	7,868,326
Dry hole and abandoned well expense (schedule 5)	4,404,198	6,629,351
Decrease (increase) in inventories of crude oil and company products	67,206	(668,477)
Less cost of delivered dividend in kind (oil) included above (note 4)	(106,404,514)	(101,032,014)
Total cost of sales	851,096,466	614,956,900
Losses on materials and supplies (schedule 19)	624,640	493,386
Payments in lieu of barter oil supplemental payments		2,400,000
Provision for taxes on income:		
Saudi Arab income taxes:		
Current (schedule 20)	1,997,324,656	1,277,930,387
Deferred (note 1)	(5,358,360)	(2,871,704)
U.S. income taxes (note 3)	$4,772,920	$391,029
Exactions	446,400	291,587
Other deductions (schedule 19)	3,064,446	5,818,512
Total cost of sales, expenses, and other deductions	2,851,971,168	1,899,410,097
Net income	1,736,691,516	1,142,963,173
Earnings retained in the business at beginning of the year	696,013,826	363,574,579
Total	2,432,705,342	1,506,537,752
Less dividends declared (note 4):		
Special dividends—cash	157,943,399	193,491,512
General dividends:		
Cash	1,302,000,000	516,000,000
Crude oil (at annual average cost of crude oil)	106,404,514	101,032,014
Total dividends declared	1,566,347,913	810,523,926
Earnings retained in the business at end of the year	866,357,429	696,013,826

Note: See notes to consolidated financial statements (exhibit D).

EXHIBIT C

ARABIAN AMERICAN OIL CO. AND SUBSIDIARIES—STATEMENT OF CHANGES IN CONSOLIDATED FINANCIAL POSITION FOR THE YEARS ENDED DEC. 31, 1972, AND 1971

	Dec. 31— 1972	1971
Funds were provided by—		
Net income	$1,736,691,516	$1,142,963,173
Add expenses not requiring the current outlay of working capital:		
Depreciation and amortization (note 1)	70,328,816	60,961,255
Writeoff of dry hole well costs and losses on retirement of capital assets	5,788,128	7,383,865
Other—net (pension provision and deferred taxes)	(433,723)	2,707,454
Working capital provided from operations	1,812,374,737	1,214,015,747
Decrease (increase) in prepaid assets and other deferred charges	4,431,088	(15,288,835)
Decrease in long-term loans, advances, and receivables	1,023,991	4,208,447
Total funds provided	1,817,829,816	1,202,935,359
Funds were applied to—		
Dividends declared (note 4):		
Cash	1,459,943,399	709,491,912
Crude oil	106,404,514	101,032,014
Expenditures for property, plant, and equipment	413,361,235	163,802,626
Decrease (increase) in other noncurrent liabilities—offset in other deferred charges	$5,000,000	($5,000,000)
Total funds applied	1,984,709,148	969,326,552
(Decrease) increase in net funds	(166,879,332)	233,608,807
Summary of significant changes in net funds, by component:		
Increase in current assets:		
Accounts receivable—associated companies	337,004,957	298,723,575
Other	18,696,700	29,358,515
Total	355,701,657	328,082,090
Decrease (increase) in current liabilities:		
Accounts payable	(55,290,770)	(26,644,750)
Dividends payable—cash	(166,161,473)	198,000,000
Royalties payable—Saudi Arabian Government	(16,178,998)	(12,276,846)
Accrued Saudi Arabian income taxes	(293,254,809)	(226,316,034)
Other	8,305,061	(27,235,653)
Total	(522,580,989)	(94,473,283)
(Decrease) increase in net funds	(166,879,332)	233,608,807

Note: Parentheses denote deduction. See notes to consolidated financial statements (exhibit D).

Arabian American Oil Co. and Subsidiaries—Notes to consolidated financial statements for the year ended December 31, 1972

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Consolidation Policy:

The accompanying consolidated financial statements include the accounts of Arabian American Oil Company (Aramco) and its subsidiaries; Trans-Arabian Pipe Line Company (Tapline), Aramco Realty Company, and Aramco Overseas Company, all of which are wholly-owned.

(b) Revenues—Net Sales to Buyers:

The amounts reported in the accompanying Statement of Consolidated Income and Earnings Retained in the Business as Net Sales to Buyers represent amounts billed by Aramco to its stockholders or subsidiaries of stockholders based, with minor exceptions, on publicly offered prices for deliveries at Ras Tanura or Sidon, less applicable marketing allowances.

Under agreement with the Saudi Arab Government, Aramco bills substantially all sales of crude oil and refined products at the publicly offered prices of Aramco's offtakers, less the aforementioned allowances, where applicable.

(c) Property, Plant, and Equipment:

The principal classes of property, including construction in progress, are summarized as follows:

	Dec. 31— 1972	1971
Producing and pipelines	$614,138,316	$507,293,636
Refinery and marine terminal	308,862,468	236,840,211
General service	333,476,680	313,815,266
Tapline facilities	199,414,262	198,174,633
Construction in progress	242,309,246	102,590,635
Other	$248,780,872	$187,575,666
Total	1,946,981,844	1,546,290,047
Less accumulated depreciation and amortization	950,884,200	887,436,694
Property, plant, and equipment—net	996,097,644	658,853,353

Property, plant, and equipment is depreciated or amortized generally on the straight-line method over the estimated useful lives (3 to 27 years) of the various classes of property. The cost of property, plant, and equipment retired or replaced, less salvage, is charged to accumulated depreciation and amortization with no effect on net income. Gains or losses arising from abnormal retirements or sales are credited or charged to income currently. Expenditures for maintenance and repairs are charged to income as incurred. Betterments or major renewals are capitalized and the assets replaced, if any, are retired.

(d) Exploration and Development Costs:

Exploration costs are charged to income as incurred. See Note (e) below for information with respect to deferred Saudi Arab income taxes relating to certain exploration expenses.

Development costs are capitalized and are subsequently amortized over a ten-year period on the straight-line method. Costs relating to dry holes and abandoned wells, less the related accumulated amortization, are charged to income at the time such holes are determined to be dry or otherwise unproductive.

(e) Deferred Saudi Arab Income Taxes:

Aramco's policy is to defer the effect of Saudi Arab income taxes paid or payable with respect to the difference between exploration expenses incurred subsequent to December 31, 1967 and the portion of such costs allowed for Saudi Arab income tax purposes. This policy has no effect on income taxes payable to the Saudi Arab Government

(f) Translation of Foreign Currencies:

All transactions consummated in currencies other than U.S. dollars, are reported in U.S. dollars in the financial statements. Transactions in such currencies were translated to equivalent U.S. dollars at the average daily exchange rates for the preceding month and cash balances and asset and liability accounts requiring settlement in such currencies were translated at the market rates of exchange prevailing at the year-end.

2. EMPLOYEE PENSION PLANS

The companies have non-contributory retirement, severance and death benefit plans for employees on the Saudi riyal and Lebanese payrolls and, in general, contributory plans covering substantially all of its employees on other payrolls. The actuarially computed liabilities with respect to these plans are covered either through funds deposited with trustees or by reserves provided therefore. The total expense, as actuarially determine, for 1972 under these plans amounted to approximately $7,090,000 which includes, as to certain of the plans, amortization of prior service costs over periods ranging from 10 to 31 years.

During 1972, the Company's contributory pension plan was amended to provide for reduced employee contributions and increased retirement benefits. In addition, certain of the actuarial assumptions used in the computation of pension cost for this plan were changed to give effect to recent experience of the plan. The net effect of these changes on 1972 net income was not significant.

The Saudi Arab Government promulgated, effective November 28, 1969, a labor law that provided, among other things, that employers make service award payments to qualified employees upon termination of their employment. The non-contributory plans for employees on the Saudi royal payrolls have been modified to include the increased benefit provisions of the labor law.

3. U.S. INCOME TAXES

During 1972 Aramco and Tapline reached agreement, in principle, with the Internal Revenue Service relative to the tax issues pending for the years 1957 through 1964. The estimate of the liability, with respect to those years, which is to be assumed by Aramco on behalf of Tapline, aggregates $4,163,000 including interest of $1,814,000 and has been provided for by Aramco in 1972.

Pending tax issues with respect to the years 1965 and 1966 have not been resolved, but in the opinion of Aramco's management and tax counsel, should any tax deficiency be assessed, the tax liability would not have a material adverse effect upon the company's consolidated financial position or results of operations.

4. STOCKHOLDERS, DIVIDEND DECLARATIONS, AND EARNINGS PER SHARE

(a) Stockholders:

The stockholders of Aramco at December 31, 1972 and their relative interests in the outstanding capital stock were as follows:

	Percent
Chevron Oceanic, Inc	30
Exxon Corp.—formerly Standard Oil Co. (New Jersey)	30
Mobil Oil Corp	10
Texaco Export Inc	30

(b) General Dividends:

Cash dividends declared by Aramco, other than the special dividends which are explained below, are declared payable at an equal rate per share. Dividends are also declared payable in oil on a pro rata basis (representing approximately 12% of 1972 crude oil production).

(c) Special Dividends:

Aramco's Certificate of Incorporation, as amended, provides that, unless the Board of Directors by unanimous vote of all its members shall determine otherwise, no dividends payable at an equal rate per share shall be paid until special dividends have been paid (which computed amount per share is not the same for every stockholder) in accordance with the procedure described in the amended Certificate of Incorporation. A resolution of the Board of Directors sets forth the considerations, principles, and definitions which apply in the computation of such special dividends.

(d) Earnings Per Share:

Since Aramco's earnings are not distributed to stockholders at an equal rate per share, the amounts of earnings and dividends per share of capital stock are not presented in the accompanying Statement of Consolidated Income and Earnings Retained in the Business.

5. COMMITMENTS AND CONTINGENT LIABILITIES

During 1972, the Saudi Arab Government reasserted a retroactive claim with respect to the 2% road stamp tax which it claimed should have been withheld from employees' salaries for periods prior to September 18, 1963. Since September 1963, Aramco has been deducting the road stamp tax from the salaries of all employees for payment to the Government. It had been Aramco's understanding prior to that time that the road stamp tax was not intended to apply to any of its employees, and therefore, no deductions from salaries or other provisions therefor were made prior to 1963. It is the opinion of Aramco's general counsel that the Company has an adequate defense against such claim.

In addition to the above claim and other contingent liabilities and commitments which Aramco and its subsidiaries have with respect to loan agreements, guaranteed bank loans and construction and other commitments, there are various lawsuits, claims and other litigation matters pending against the companies. In the opinion of management, the final disposition of these matters will not have a material adverse effect upon the companies' financial position.

6. SUBSEQUENT EVENTS

(a) Participation:

Aramco, its stockholders and the Saudi Arab Government were parties to an agreement ("General Agreement") dated December 20, 1972 which provided, among other things, that effective January 1, 1973, the Saudi Arab Government, in return for a consideration yet to be finally determined, would have the right to purchase an initial twenty-five percent participation in Aramco's crude oil concession and have the right to purchase additional five percent increments of participation in each of the years 1978 through 1981 and six percent in 1982. As provided in the General Agreement, Aramco and the Saudi Arab Government are currently negotiating a separate agreement ("Implementing Agreement") to implement the provisions of the General Agreement and other matters relating to participation. The nature and form of such participation and the future financial effects thereof are to be determined in these negotiations.

(b) Devaluation:

On February 13, 1973, the United States announced its intention to devalue the U.S. dollar by approximately ten percent. This is not expected to have a materially adverse effect on 1973 costs, as it relates to non-U.S. dollar assets and liabilities.

ARABIAN AMERICAN OIL CO. AND SUBSIDIARIES—EXPENSES AND ROYALTIES FOR THE YEARS ENDED DEC. 31, 1972, AND 1971

	Dec. 31— 1972	1971
GOVERNMENT RELATIONS EXPENSES		
Company representatives—Eastern Province, Jiddah, and Riyadh	$774,097	$786,136
Research and services	509,761	547,144
Administration expenses	241,771	166,557
Administration services, translation and interpretation	613,677	713,713
Land and lease	74,543	106,335
Total	2,213,849	2,319,885
U.S. OFFICE EXPENSES [1]		
Management	284,347	261,337
Administrative services	1,106,145	997,506
State and city franchise taxes	1,289,082	1,039,230
Manufacturing and oil supply	579,641	539,691
Purchasing and traffic	636,435	566,181
Comptroller's	318,371	315,093
Industrial relations	427,673	357,582
Employee benefits and payroll taxes	222,958	197,975
Law	268,839	261,403
Treasurer's	186,157	170,882
Public relations	73,236	69,513
Economics	56,883	51,517
Government relations	46,015	42,460
Total	5,495,782	4,870,370
Redistributions to other expense accounts	−579,641	−570,740
Total	4,916,141	4,299,630
PUBLIC RELATIONS EXPENSES		
Photography and audio visual services	189,452	512,097
Local operating expenses	323,619	380,056
Publications, advertising and media operations	1,722,982	1,571,439
Public activities	315,413	285,746
Total	2,551,466	2,749,338
ROYALTIES		
Basic royalties on crude oil production: [2]		
Onshore	358,362,437	274,859,157
Offshore	162,654,835	103,340,440
Total	521,017,272	378,199,597
Additional royalties on export sales [3]	114,847,489	60,583,601
Royalties on natural gas production:		
Natural gas sales	27,203	22,564
Processed to raw liquefied petroleum gas	266,681	300,069
Processed to natural gasoline	64,403	2,765
Total	636,233,048	439,108,587

Footnotes on following page.

[1] The company has limited its deduction for 1972 for Saudi Arabian income tax purposes to 90 percent of the total expenses above (before redistributions), as allowed in prior years under the terms of the Mar. 24, 1963, agreement between the Saudi Arabian Government and Aramco.

[2] Basic royalties on crude oil production were computed at 4 shillings, gold, per ton of crude oil plus an additional 5 cents per barrel for offshore crude oil, as provided in agreements with the Saudi Arab Government. Such basic royalties accrued on crude oil production through Mar. 31, 1972, and paid prior to May 8, 1972, were translated to U.S. dollars at the rate of $8.2397 per gold pound (approximately $1.65 per ton of oil). All basic royalties accrued on crude oil production subsequent to Mar. 31, 1972, and paid subsequent to May 8, 1972, were translated to U.S. dollars at the rate of $8.94596 per gold pound (approximately $1.79 per ton of oil). In computing royalty expense, the quantities of crude oil produced were reduced by the quantities of oil used in company operations, by the quantities of injected products, and by the quantities of free products to which the Saudi Arab Government is entitled under its agreements with Aramco. Accordingly, during 1972, royalty expense was computed after deduction of 3,786,462 barrels from onshore crude oil production of 1,534,365,984 barrels and 2,757,434 barrels from offshore production of 564,056,619 barrels.

[3] Under the terms of the letter agreement dated June 23, 1971, between Aramco and the Saudi Arab Government (Tehran Implementing Agreement), Aramco agreed to pay additional royalties on export sales of hydrocarbons (as defined) subsequent to Feb. 14, 1971, equal to the amount, if any, by which 12½ percent of the aggregate value of such sales, as described in note, exceeds the basic royalties on the production of such crude oil, as computed in footnote 2.

Note: Under the terms of the Jan. 25, 1965, agreement between the Saudi Arab Government and Aramco, royalties paid or payable with respect to (a) crude oil produced and delivered by Aramco, in lieu of royalties, to the Saudi Arab Government for export, (b) crude oil produced and sold by Aramco for export, and (c) the crude equivalent of refined products sold by Aramco for export and manufactured from crude oil produced by Aramco are to be treated as expenses for income tax purposes to the extent that they do not exceed 12½ percent of the aggregate value determined on the basis of the following prices: (a) In the case of crude oil taken by the Saudi Arab Government for export in lieu of royalties, the simple arithmetical average of the published prices of Aramco's buyers applicable at the marine terminal of delivery to the grade, quality and gravity of crude oil so taken; (b) in the case of all other crude oil exported, the published price of such crude oil (or in the case of unstabilized crude oil the published price of the stabilized component thereof) at the appropriate marine terminal of Aramco in Saudi Arabia; and (c) in the case of all refined products, the published price applicable to the crude equivalent thereof at Ras Tanura, after deduction of the terminaling charges (deemed to be $0.02 per barrel as set forth in the Tehran Implementing Agreement referred to above). The total of basic and additional royalties paid or payable in excess of 12½ percent of the aggregate value of export sales of hydrocarbons computed above and those relating to natural gas derivatives and to crude oil used in the manufacture of liquefied petroleum gas are treated as credits against income taxes. Application of the terms described above resulted in $630,940,712 of royalties being treated as expenses in the computation of Saudi Arab income taxes for 1972. Further information with respect to the application of royalties in the computation of Saudi Arab income taxes is set forth in schedule 20.

Arabian American Oil Co. and subsidiaries—Basis of computing Saudi Arab income taxes for the year ended December 31, 1972

Consolidated net income (exhibit B)		$1,736,691,516
Add—Provision for taxes on income:		
Saudi Arab income taxes:		
Current	1,997,324,656	
Deferred (see note 1 to Consolidated Financial Statements)	(5,358,360)	
U.S. income taxes	4,772,920	
Total	1,996,739,216	
Income before taxes thereon	3,733,430,732	
Add:		
Exploration expense in excess of amount allowable	9,298,935	
Trans-Arabian Pipe Line expense representing lump sum consideration payment to Saudi Arab Government	2,170,614	
Donations not allowable	21,800	
U.S. office expense not allowable	549,578	
Net loss of a subsidiary company	630	
Other items excluded	2,500	
Subtotal	$12,044,057	
Total	3,745,474,789	
Deduct:		
Cost of dividends in kind (oil) declared and paid	106,404,514	
Amounts not applicable to operations in Saudi Arabia — interest income	1,290,369	
Additional allowable depreciation—Saudi Arabia-Bahrain Pipeline	248,463	
Increase in Trans-Arabian Pipe Line expenses in inventory at year-end	26,841	
Subtotal	107,970,187	
Net income subject to tax under royal decree No. 17/2/28/3321	3,637,504,602	
Add:		
Amounts not deductible for determination of income subject to tax under Royal Decree No. 17/2/28/7634: Adjustment of deduction for royalties (Note)	5,093,040	
Exactions	446,400	
Subtotal	5,539,440	
Net income subject to tax under royal decree No. 17/2/28/7634—(forward)	3,643,044,042	
Less: Amounts not subject to tax under royal decree No. M/28:		
Income not resulting from the sales of hydrocarbons for export	23,316,027	
Net income subject to tax under royal decree No. M/28	3,619,728,015	
Computation of taxes:		
Tax under royal decree No. 17/2/28/3321:		
Tax at 20% of net income subject to tax ($3,637,504,602)	727,500,920	
Tax under royal decree No. 17/2/28/7634:		
Provisional tax at 50% of net income subject to tax ($3,643,044,042)	1,821,522,021	
Subtractions:		
Tax under royal decree No. 17/2/28/3321, as shown above	727,500,920	
Royalties allowable as a tax credit (note)	4,737,366	
Exactions	446,400	
Total subtractions	732,684,686	
Additional tax under royal decree No. 17/2/28/7634	1,088,837,335	
Tax under royal decree No. M/28:		
Tax at 5% of net income subject to tax resulting from the sales of hydrocarbons for export ($3,619,728,015)	180,986,401	
Total Saudi Arab income taxes	1,997,324,656	

Note: Aramco is subject to the income tax on companies, Royal Decree No. 17/2/28/3321 of November 2, 1950, and to the additional tax on companies engaged in the production of petroleum or other hydrocarbons, Royal Decree No. 17/2/28/7634 of December 26, 1950, as amended. Under Royal Decree No. M/28 of December 28, 1970, effective November 14, 1970, Aramco became subject to an additional income tax of 5% on its net income subject to tax resulting from its sales of hydrocarbons for export.

In computing tax under Royal Decree No. 17/2/28/7634, the total royalties to be treated either as deductions from income or as subtractions from the provisional tax are those which become payable during the year. Although royalties on net crude oil do not become payable until the oil is run from field storage, Aramco, for accounting purposes, accrues royalties as the oil is produced. This practice of accruing royalties as oil is produced rather than when it is run from field storage, however, has no effect on net income because the amount of such accrual applicable to oil in field storage at any date is included in equal amounts in other accrued liabilities and in the inventory of oil in field storage. A summary of royalties included in inventories at December 31, 1972 and 1971 follows:

	Royalties in inventories in field storage	Royalties paid or payable included in inventories other than field storage	Tota royalties included in inventories
Dec. 31, 1972	$5,446,733	$2,861,981	$8,308,714
Dec. 31, 1971	4,901,763	3,217,655	8,119,418
Increase (decrease)	544,970	(355,674)	189,296

In the computation of tax for 1972 under Royal Decree No. 17/2/28/7634, the following adjustments to net income and to the subtractions from the provisional tax were made for royalties:

For adjustment of deductions:	
Accrued during the year on basis of production (per Exhibit B)	$636,223,048
Subtract increase during year royalties included in inventories as shown in above summary	189,296
Amount included in cost of sales in Exhibit B	636,033,752
Less deduction allowable for tax purposes (as explained in Note 3 to Schedule 16)	630,940,712
Remainder, representing the portion of royalties included in cost of sales not deductible for tax purposes	5,093,040
For determining subtraction from provisional tax:	
Accrued during the year on basis of production (per Exhibit B)	636,223,048
Subtract increase during year in royalties included in inventory of oil in field storage as shown in above summary	544,970
Amount paid or payable for year	635,678,078

Less portion of amount paid or payable allowable as a deduction for tax purposes (as above and as explained in Note 3 to Schedule 16)	$630, 940, 712
Balance allowable as a subtraction from provisions tax	4, 737, 366

EXECUTIVE SESSION—TREATY ON EXTRADITION WITH DENMARK, EXECUTIVE U (93D CONG., 2D SESS.)

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

The PRESIDING OFFICER (Mr. BIDEN). Without objection, it is so ordered. The clerk will read the resolution of ratification.

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

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

Under the previous order, the hour of 12 o'clock having arrived, the Senate will now proceed to vote on the resolution of ratification on Executive U, 93d Congress, 1st session, the Treaty on Extradition with Denmark.

The question is, Will the Senate advise and consent to the resolution of ratification? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alabama (Mr. ALLEN), the Senator from Indiana (Mr. BAYH), the Senator from Florida (Mr. CHILES), the Senator from Iowa (Mr. CLARK), the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. ERVIN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Maine (Mr. HATHAWAY), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Iowa (Mr. HUGHES), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Ohio (Mr. METZENBAUM), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. Moss), the Senator from Maine (Mr. MUSKIE), the Senator from Wisconsin (Mr. NELSON), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I also announce that the Senator from Texas (Mr. BENTSEN), the Senator from Michigan (Mr. HART), and the Senator from Louisiana (Mr. JOHNSTON) are absent on official business.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK), the Senator from Maine (Mr. HATHAWAY), and the Senator from Ohio (Mr. METZENBAUM) would each vote "yea."

Mr. TOWER. I announce that the Senator from Maryland (Mr. BEALL), the Senator from Oklahoma (Mr. BELLMON), the Senator from New Hampshire (Mr. COTTON), the Senator from Arizona (Mr. FANNIN), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), the Senator from Illinois (Mr. PERCY), the Senator from Pennsylvania (Mr. HUGH SCOTT), the Senator from Alaska (Mr. STEVENS), the Senator from Ohio (Mr. TAFT), the Senator from Utah (Mr. BENNETT), and the Senator from Virginia (Mr. WILLIAM L. SCOTT) are necessarily absent.

I also announce that the Senator from Oregon (Mr. HATFIELD) is absent on official business.

I further announce that the Senator from Vermont (Mr. AIKEN) is absent due to illness in the family.

I further announce that, if present and voting the Senator from Vermont (Mr. AIKEN), the Senator from Maryland (Mr. BEALL), the Senator from Oregon (Mr. HATFIELD), the Senator from Illinois (Mr. PERCY), and the Senator from Pennsylvania (Mr. HUGH SCOTT) would vote "yea."

The yeas and nays resulted—yeas 63, nays 0, as follows:

[No. 98 Ex.]

YEAS—63

Abourezk	Fong	Packwood
Baker	Gravel	Pastore
Bartlett	Gurney	Pearson
Bible	Hansen	Pell
Biden	Hartke	Proxmire
Brock	Haskell	Randolph
Brooke	Helms	Ribicoff
Buckley	Hruska	Roth
Burdick	Huddleston	Schweiker
Byrd, Harry F., Jr.	Humphrey	Sparkman
	Inouye	Stafford
Byrd, Robert C.	Jackson	Stevenson
Cannon	Long	Symington
Case	Magnuson	Talmadge
Church	Mansfield	Thurmond
Cook	McClellan	Tower
Cranston	McClure	Tunney
Curtis	McGee	Weicker
Dole	McGovern	Williams
Domenici	McIntyre	Young
Dominick	Metcalf	
Eagleton	Nunn	

NAYS—0

NOT VOTING—37

Aiken	Fulbright	Mondale
Allen	Goldwater	Montoya
Bayh	Griffin	Moss
Beall	Hart	Muskie
Bellmon	Hatfield	Nelson
Bennett	Hathaway	Percy
Bentsen	Hollings	Scott, Hugh
Chiles	Hughes	Scott, William L.
Clark	Javits	
Cotton	Johnston	Stennis
Eastland	Kennedy	Stevens
Ervin	Mathias	Taft
Fannin	Metzenbaum	

The PRESIDING OFFICER (Mr. NUNN). On this vote the yeas are 63 and the yeas 0. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

LEGISLATIVE SESSION—FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session and will resume consideration of the unfinished business, S. 3044, which will be stated by title.

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.

The PRESIDING OFFICER. Under the previous order, the Senator from North Carolina (Mr. HELMS) is recognized to call up amendment No. 1071, on which there is a limitation of 30 minutes.

AMENDMENT NO. 1071

Mr. HELMS. Mr. President, I call up Amendment No. 1071.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

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

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

The amendment is as follows:

Strike out everything after the enacting clause and insert in lieu thereof the following:

COMPLETE DISCLOSURE OF ALL CONTRIBUTIONS AND EXPENDITURES

SECTION 1. (a) Section 301 of the Federal Election Campaign Act of 1971 (relating to definition) is amended—

(1) by striking out "in an aggregate amount exceeding $1,000" in subsection (d);

(2) by inserting in subsection (e) (1) after "subscription" the following: "(including any assessment, fee, or membership dues)";

(3) by striking out in subsection (e) (1) "or for the purpose of influencing the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States" and inserting in lieu thereof the following: "or for the purpose of financing any operations of a political committee (including a payment made or an obligation incurred by a corporation or labor organization which, under the provisions of the last paragraph of section 610 of title 18, United States Code, does not constitute a contribution by that corporation or labor organization), or for the purpose of paying, at any time, any debt or obligation incurred by a candidate or a political committee in connection with any campaign for nomination for election, or for election, to Federal office";

(4) by amending subsection (a) (3) to read as follows:

"(3) funds received by a political committee which are transferred to that committee from another political committee;" and

(5) by striking out paragraph (f) and inserting in lieu thereof the following:

"(f) 'expenditure'—

"(1) means a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of—

"(A) influencing the nomination for election, or the election, of any person to Federal

office, or to the office of Presidential and Vice Presidential elector;

"(B) influencing the result of a primary election held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President;

"(C) financing any operations of a political committee; or

"(D) paying, at any time, any debt or obligation incurred by a candidate or a political committee in connection with any campaign for nomination for election, or for election, to Federal office;

"(2) means the transfer of funds by a political committee to another political committee;

"(3) means a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure; and

"(4) means any payment made or obligation incurred by a corporation or a labor organization which, under the provisions of the last paragraph of section 610 of title 18, United States Code, would not constitute an expenditure by that corporation or labor organization."

(1) by striking out "in excess of $10" in subsection (b);

(2) by striking out "in excess of $10," in subsection (c)(2); and

(3) by striking out beginning with "in excess of $100" through "exceeds $100" in subsection (d).

(c) Section 303 of such Act (relating to registration of political committees; statements) is amended—

(1) by striking out "in an aggregate amount exceeding $1,000" in subsection (a);

(2) by striking out beginning with "or, if later" through "in excess of $1,000" in such subsection; and

(3) by striking out "in an aggregate amount exceeding $1,000" in subsection (d).

(d) Section 304 (relating to reports by political committees and candidates) is amended—

(1) by striking out "in an aggregate amount or value in excess of $100," each place it appears in paragraphs (2), (5), and (9) of subsection (b); and

(2) by striking out "in excess of $100" each place it appears in paragraphs (7) and (10) of such subsection.

(e) Section 305 of such Act (relating to reports by others than political committees) is amended by striking out "in an aggregate amount in excess of $100 within a calendar year".

IMMEDIATE DISCLOSURE OF LAST MINUTE CONTRIBUTIONS AND EXPENDITURES

SEC. 2. The last sentence of section 304(a) of the Federal Election Campaign Act of 1971 (relating to reports by political committees and candidates) is amended to read as follows: "Such reports shall be complete as of such date as the supervisory officer may prescribe, which shall be not less than five days before the date of filing, except that any contribution received or expenditure made during the period beginning ten days before the date of the election and ending on the date of the election shall be reported within twenty-four hours after such contribution or expenditure is received or made, respectively.".

DISCLOSURE BY CANDIDATE OF KNOWN INDEPENDENT CONTRIBUTIONS AND EXPENDITURES

SEC. 3. Section 305 of the Federal Election Campaign Act of 1971 is amended by designating the first paragraph thereof as subsection (a) and by adding at the end thereof the following new subsection:

"(b) A candidate who knows of such a contribution or expenditure by such a person shall include the identity of such person and amount of such contribution or expenditure in the statements he files under section 304."

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, on Tuesday, I submitted an amendment to S. 3044, the Federal Election Campaign Act Amendments of 1974. Basically, this amendment in the nature of a substitute calls for full disclosure of all campaign contributions from every source, and of all campaign expenditures.

Additionally, this amendment plugs up a loophole in the 1971 Federal Election Campaign Act regarding the reporting of contributions made immediately prior to election day.

Under the 1971 act as it now stands, section 304 requires that each treasurer of a political committee shall be required to report receipts and expenditures on the 10th day of March, June, and September; on the 15th and 5th days immediately prior to the general election; and on the 31st of January immediately after the election. Under this section, the report which must be filed must be complete as of 5 days prior to the date of filing. This works well for all filing dates except one: That is the reporting date 5 days before the election.

On that date, a report must be filed for all contributions received since the last reporting period, the date of filing for which is 15 days prior to the election. Since the "5-day" report must be filed 5 days prior to the election but must include only those contributions received at a period ending 10 days before the election, there is a time lag of 10 days before the election when no reporting of campaign contributions need be made, with one exception: That exception, as laid out in section 304(a), states that any contribution of $5,000 or more received after the last report is filed—5 days before the election—must be reported within 48 hour of its receipt.

While this provision attempts to cover the disclosure of large last-minute contributions, it is obviously inadequate. For example, if a large contribution, more than $5,000 let us say, were given to a campaign committee coming under the purview of the 1971 act, and this money were given 9 days prior to the election, it would go unreported until the January 31 reporting date, long after the election. If the main purpose of disclosing political campaign contributions is to let the public know who supports a candidate and to whom that candidate may be beholden after an election, then the 1971 act does not do the job. As it now stands, the 1971 act leaves a 5-day period of limbo between the closing date for the last filing period prior to the election and the filing date itself, when large contributions over $5,000 must begin to be reported within 48 hours of receipt.

To clarify this further, let me use exact dates, such as will be encountered by campaign treasurers during the upcoming election campaigns this fall. Under the 1971 act, there is a filing date 15 days prior to the election, or on October 21; and one 5 days prior to the election, or on October 31. The report due on October 31 must be complete as of October 26, or 10 days prior to the election, and covers contributions received since the last filing—which was due on October 21, or 15 days before the election, and covered contributions received by October 16.

All contributions received after October 26 will be reported on January 31, 1975, except for those contributions received after October 31 which were in excess of $5,000. There is a 5-day period between October 26 and October 31 when any large contribution can be received and go unreported until January 31, long after the election and of no help to the public in their determination of which candidate they desire to vote for.

Mr. President, what my amendment in part does is to end this inequity in the law. By requiring that all contributions received and expenditures made within the 10-day period prior to the election be reported within 24 hours of their receipt, this glaring loophole in the 1971 act effectively is plugged up. Such a provision will go a long way in restoring public confidence in the election process: for example, much of the alleged last-minute "vote buying" would be curtailed by public exposure or else brought to the public's attention.

The fundamental principle of this amendment is to require that all contributions and expenditures be fully disclosed to the public so that each citizen will have full knowledge of where every dollar which supports a particular candidate comes from and where it goes. This amendment, as a substitute for the public financing and other provisions of S. 3044, avoids serious constitutional questions that have been raised about the provisions of S. 3044 which limit campaign expenditures and limit the amount of money that any individual may give to a candidate. S. 3044's restrictions on an individual's freedom of political expression raises the doubt in my mind as to whether the legislation will stand the test of the Constitution. A recent district court ruling (*ACLU, Inc.* v. *W. Pat Jennings*, 366 F.S. 1041, U.S.D.C., D.C., Nov. 14, 1973) already has brought into question limitations on the manner in which money may be spent on media advertising. This case is only the first in a long line of attacks that I see coming, and all for good reason: such limitations—not only on media spending, but also on the size of contributions—are an infringement on constitutional freedoms guaranteed by the first amendment.

Mr. President, amendment No. 1071 to S. 3044 gives the American people true reform in the financing and conducting of Federal elections. It is a realistic and needed reform measure, based on full disclosure and the plugging of a bad loophole in the existing Federal Election Campaign Act of 1971. Further, Mr. President, this substitute amendment, if enacted into law, will stand the test of the courts and the Constitution.

Mr. President, there is one further provision in amendment number 1071 to S. 3044 to which I want to address myself. Too often, political candidates receive support from groups not directly connected with their campaigns but which nonetheless provide assistance to them. I speak here not only of so-called soft money contributions from powerful labor union bosses that we hear so much about these days; but also, I speak of the

aid provided by other organizations, formed for the specific purpose of rallying support around a particular candidate by rallying support for a particular issue which he espouses, thereby evading the letter and the spirit of the 1971 Act. Amendment 1071 takes care of these groups also by requiring that they report their expenditures made on behalf of a candidate; and further, by requiring that each candidate who has knowledge of any contribution made to him shall report the contribution and the person making it. This, in effect, places the burden on the candidate and his committee to report the receipt of "soft money" contributions, aid from issue groups, et cetera.

Mr. President, we will never have campaign reform with public financing. Competition for campaign dollars and voter support, with full disclosure of where all of the money came from and is going, is the way to have fair and honest elections. Take away the competition, as public financing will do, and you take away constitutionally guaranteed rights of expression, you encourage candidates to be unresponsive to the people, and you effectively destroy that which you only meant to reform.

Mr. President, I ask unanimous consent to have printed in the RECORD a table which demonstrates how my amendment would close the 5-day loophole.

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

HELM'S AMENDMENT CLOSES 5-DAY LOOPHOLE

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1. October	2	3	4	5.
6	7	8	9	10	11	12.
13	14	15	16. Closing date for report due 15 days before election.	17	18	19.
20	21. Filing date for report due 15 days before election.	22	23	24	25	26.[1] Closing date for report due 5 days before election.
27[2]	28[2]	29[2]	30[2]	31.[2] Filing date for report due 5 days before election.	1. November	2.
3	4	5	6	7	8	9.
10	11	12	13	14	15	16.

[1] Also date when reporting of contributions more than $5,000 must be made within 48 hours. Other filing dates under sec. 304(a) of the Federal Elections Campaign Act of 1971 are as follows: Mar. 10, 1974; June 10, 1974; Sept. 10, 1974; Jan. 31, 1975.
[2] The 5-day gap when large contributions can come in unreported until Jan. 31, after the election is from Oct. 27 through Oct. 31.

Mr. HELMS. Mr. President, I reserve the remainder of my time.

Mr. CANNON. Mr. President, I yield myself 2 minutes. I do not think that a frivolous amendment such as this deserves more than 2 minutes time in response.

I wish to say to my colleagues that all this does is knock out public financing; it knocks out the central campaign committee which many people feel is important; and it knocks out the Federal Election Commission which would be in this act. Furthermore, it requires complete disclosure of every penny of contributions. If a person makes a 25-cent contribution, there would be $1 worth of paperwork to do the filing and reporting of the terms and provisions of this proposal.

We have a rather full disclosure provision in S. 372. The distinguished Senator from Rhode Island and many other Senators spent a lot of time on that matter, helped in its passage, and it was passed by the House. But this amendment would require absolute disclosure of the name, address, and principal place of business of every person making every contribution. He could not pass the hat at a political gathering. He could not send out a solicitation by mail and have people send in $1 or $2 in contributions without having to spend more than he actually received to carry out the reporting provision.

Again I say to my colleagues that if they are opposed to the bill as it is now, vote for this amendment because all it is intended to do is to kill the bill as now written.

Mr. President, I am prepared to yield back my time.

Mr. HELMS. Mr. President, I would like to propound a question to the distinguished Senator from Nevada. Does the Senator agree that the loophole I described in the present act does exist?

Mr. CANNON. I am sorry. I did not hear the description of the so-called loophole. If the Senator will describe it to me, I shall be glad to respond.

Mr. HELMS. Between the 10th day before election day and the 5th day before election day, as the law stands now, it is wide open. Candidates can do anything they want without the public knowing what is going on because no report is required in that period until January 31 of the following year. Further, under existing law, in the final five days before election day, contributions over $5,000 must be reported within 48 hours. That is a loophole. This means that anything under $5,000 does not have to be reported, if contributed during the final 5 days of the campaign.

Second, it means that the days before the election, 10 through 6, are the big holes because nothing is required to be reported until January 31.

Third, the final days, 5 through 1, are only partially covered that is, the 48 hours' reporting requirement.

Mr. CANNON. I would be happy to respond to the Senator. Under existing law, if a person receives $5,000 it must be reported within 48 hours. If the candidate received a campaign contribution of $5,000, 54 hours before the election he has to file the complete report on it.

Under this bill the Senator is saying this this is a loophole; under this bill he cannot receive a contribution of $5,000.

Mr. HELMS. Oh, yes he can.

Mr. CANNON. The amount he can receive from any one person is $3,000. There is still the 5-day reporting under the terms of this bill. It is $6,000 from the committee but $3,000 is the maximum from an individual. We adopted the $6,000 amendment yesterday so that a committee could give the same as a husband and wife, who together can give $6,000. But one individual can only give $3,000 under the terms of this bill as it stands now, and the filing is required 5 days before the election.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. BAKER. Mr. President, will someone yield me 30 seconds to ask a question?

Mr. HELMS. I yield to the Senator from Tennessee.

Mr. BAKER. Is it lawful under the present bill or under the amendment as proposed by the Senator from North Carolina to contribute anything during those 5 days before the election?

Mr. CANNON. Is it lawful to do so? Yes.

Mr. BAKER. When is that reported?

Mr. CANNON. There is a reporting period. It is not necessary to report before the election because the committee determined that between the 5 days and the election it is really a bookkeeping process that cannot be reported and publicized in that time. But the dangers of the big contributions have been taken out of the present bill. This is where the last minute big contributions entered into it in previous periods of time. This was an important loophole.

Mr. BAKER. It still is. I am not convinced that a way could not be found through the proliferation of committees to make possible a great many $5,000 contributions.

I have an amendment I will call up later which would place a prohibition on the receipt of any campaign contributions at all, say 10 days before the election, so there will be full disclosure before election day.

May I ask one question of the Senator from North Carolina?

Mr. HELMS. I am delighted to yield.

Mr. BAKER. Do I understand the Senator's amendment removes the limitation on contributions?

Mr. HELMS. No, it does not address itself to limitation. It specifies what will be reported. But it leaves the limitations as they are.

Mr. BAKER. I do not think it makes much difference. I am not sure how I am going to vote on this amendment, but I want my colleagues to know that there is another amendment coming up which would make it unlawful to receive contributions a certain number of days before the election.

Mr. PASTORE. Mr. President, will the manager of the bill yield for a question?

Mr. CANNON. I yield.

Mr. PASTORE. Is not the main thrust of the amendment which is presently being considered to do away with public financing?

Mr. CANNON. Yes.

Mr. PASTORE. That is the main thrust of the amendment. The other part is a sweetener, and I think if it is to be considered at all, it ought to be considered separately. The main thrust of the amendment is to knock out public financing. That is another way of getting around the so-called Allen amendment that was defeated.

Mr. HELMS. One of the main thrusts of the amendment is indeed to prevent putting the burden of campaign expenses on the backs of the taxpayer. The Senator is correct, but that is just one of the thrusts of the amendment. There is nothing devious about it. I think I have been as frank and open about this amendment as I can be. If Senators want to put the burden of financing political campaigns on the taxpayers, that is, of course, their prerogative. If they want to leave this gap, where hanky-panky will continue, that is their business, but I am unalterably opposed to it. But, the Senator is correct; this amendment will prevent both. Senators may vote their wishes on the matter.

Mr. PASTORE. I have not accused the Senator of any deviousness. I am merely saying the main thrust of the amendment is to do away with public financing. That is the main thrust of it. I think we ought to know that.

Mr. HELMS. That is one of the thrusts of it. There was no attempt to digress. I am opposed to public financing of political campaigns. There is no question about that. This amendment improves the reporting of contributions provisions.

Mr. ROBERT C. BYRD. Mr. President, will the manager of the bill yield me 1 minute?

Mr. CANNON. I yield 1 minute to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, is the order to vote on the Weicker amendment on Monday at 3 p.m.?

The PRESIDING OFFICER. Approximately.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. I ask unanimous consent that the vote on the Weicker amendment occur at 3 p.m. on Monday, and that immediately following the disposition thereof, the Bellmon amendment (No. 1094) be called up, on which there is a time limitation, and that on the disposition of amendment No. 1094 by Mr. BELLMON, amendment No. 1095 by Mr. BELLMON be called up, and that upon disposition of amendment No. 1095 by Mr. BELLMON, amendment No. 1081 by Mr. BUCKLEY be called up, and that there be a time limitation on the Buckley amendment of 1 hour, to be equally divided and controlled in accordance with the usual form.

These requests have been cleared on both sides.

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

Mr. CANNON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alabama (Mr. ALLEN), the Senator from Indiana (Mr. BAYH), the Senator from Iowa (Mr. CLARK), the Senator from Florida (Mr. CHILES), the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. ERVIN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Maine (Mr. HATHAWAY), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Iowa (Mr. HUGHES), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Ohio (Mr. METZENBAUM), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), the Senator from Wisconsin (Mr. NELSON), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I also announce that the Senator from Texas (Mr. BENTSEN), the Senator from Michigan (Mr. HART), and the Senator from Louisiana (Mr. JOHNSTON), are absent on official business.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) and the Senator from Ohio (Mr. METZENBAUM) would each vote "nay."

Mr. TOWER. I announce that the Senator from Maryland (Mr. BEALL), the Senator from Oklahoma (Mr. BELLMON), the Senator from Tennessee (Mr. BROCK), the Senator from New Hampshire (Mr. COTTON), the Senator from Arizona (Mr. FANNIN), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), the Senator from Illinois (Mr. PERCY), the Senator from Pennsylvania (Mr. HUGH SCOTT), the Senator from Alaska (Mr. STEVENS), the Senator from Ohio (Mr. TAFT), the Senator from Virginia (Mr. WILLIAM L. SCOTT) are necessarily absent.

I also announce that the Senator from Oregon (Mr. HATFIELD) is absent on official business.

I further announce that the Senator from Vermont (Mr. AIKEN) is absent due to illness in the family.

I further announce that, if present and voting, the Senator from Pennsylvania (Mr. HUGH SCOTT), and the Senator from Ohio (Mr. TAFT) would each vote "nay."

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

The result was announced—yeas 20, nays 43, as follows:

[No. 99 Leg.]

YEAS—20

Baker	Dominick	McClure
Bartlett	Fong	Nunn
Bennett	Gurney	Roth
Buckley	Hansen	Talmadge
Byrd, Harry F., Jr.	Helms	Thurmond
Curtis	Hruska	Tower
	McClellan	Weicker

NAYS—43

Abourezk	Hartke	Pearson
Bible	Haskell	Pell
Biden	Huddleston	Proxmire
Brooke	Humphrey	Randolph
Burdick	Inouye	Ribicoff
Byrd, Robert C.	Jackson	Schweiker
Cannon	Long	Sparkman
Case	Magnuson	Stafford
Church	Mansfield	Stevenson
Cook	McGee	Symington
Cranston	McGovern	Tunney
Dole	McIntyre	Williams
Domenici	Metcalf	Young
Eagleton	Packwood	
Gravel	Pastore	

NOT VOTING—37

Aiken	Fulbright	Mondale
Allen	Goldwater	Montoya
Bayh	Griffin	Moss
Beall	Hart	Muskie
Bellmon	Hatfield	Nelson
Bentsen	Hathaway	Percy
Brock	Hollings	Scott, Hugh
Chiles	Hughes	Scott, William L.
Clark	Javits	Stennis
Cotton	Johnston	Stevens
Eastland	Kennedy	Taft
Ervin	Mathias	
Fannin	Metzenbaum	

So Mr. HELMS' amendment (No. 1071) was rejected.

Mr. TOWER. Mr. President, I ask unanimous consent that Dorothy Parker of Senator FONG's staff be accorded the privilege of the floor during the consideration of S. 3044.

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

MESSAGE FROM THE PRESIDENT—APPROVAL OF BILL

A message in writing from the President of the United States was communicated to the Senate by Mr. Heiting, one of his secretaries, and he announced that on March 27, 1974, the President had approved and signed the act (S. 2315) to amend the minimum limits of compensation of Senate committee employees and to amend the indicia requirements on franked mail, and for other purposes.

LEGISLATIVE PROGRAM

Mr. TOWER. Mr. President, I ask unanimous consent that I be recognized out of order to engage in a colloquy with the distinguished Senator from West Virginia concerning the further business of the Senate.

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

Mr. TOWER. I would simply like to ask the Senator from West Virginia what he can project for us in the way of remaining Senate business today, and, in addition to the Monday orders, what he might anticipate throughout next week.

Mr. ROBERT C. BYRD. Mr. President, in response to the distinguished Senator's inquiry, I have endeavored, on both sides of the aisle, to inquire as to whether or not there are other amendments which we do not already know about that could be called up this afternoon. I find that there are no Senators who are ready to call up further amendments this afternoon, with the exception of the Senator from Kentucky (Mr. HUDDLESTON), who has an amendment on which there is a time limitation of 30 minutes, and there is every indication that the distinguished manager of the bill will accept the amendment, in which case there may not be a rollcall vote on that amendment.

In that event, there will be no more rollcall votes today. An amendment by the Senator from Connecticut (Mr. WEICKER) will be laid down today, but the distinguished author of that amendment wishes to talk at some length on it, and consequently there will be no vote on that amendment today.

The Senate will then adjourn until Monday at noon. After two special orders on Monday of 15 minutes each, there will be routine morning business until 1 o'clock, at which time the Senate will resume the consideration of the Weicker amendment, with a vote to occur on that amendment after 2 hours of debate, at 3 p.m.

Following the vote on the Weicker amendment, the Senator from Oklahoma (Mr. BELLMON) has two amendments on each of which there is a 30-minute limitation, and they will be taken up in succession, with yea and nay votes thereon, at the conclusion of which a Senator, I believe Mr. ROTH—or rather, I am informed, Mr. BUCKLEY—has an amendment on which there is a 1-hour limitation, and there will be a rollcall vote on that amendment.

So as it looks from here, there will be at least four rollcall votes on Monday.

Mr. TOWER. Can the Senator project what our business is likely to be beyond Monday? I am trying to get his overview of the entire week, if that is possible, to the extent that the distinguished Senator from West Virginia knows.

Mr. ROBERT C. BYRD. The principal thing would be—and I have discussed this with the distinguished majority leader—that the Senate will continue with the consideration of the unfinished business, with no-fault insurance waiting in the wings at some point, and the education bill coming along also. So we have three difficult pieces of legislation which will require some time for the Senate to complete. A busy week lies ahead.

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

Mr. President, I ask unanimous consent that the order to take up the amendment of the Senator from New Mexico (Mr. DOMENICI) be vacated.

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

Mr. MAGNUSON. Mr. President, the Senator from Idaho has an amendment that he will present, probably on Monday, and I am hopeful that perhaps the distinguished Senator from Nevada will accept it. It will not take much time, but we do have an amendment.

Mr. ROBERT C. BYRD. May I ask the distinguished Senator from Washington, is there any possibility that that amendment could be called up today?

Mr. MAGNUSON. Well, I do not know that he is here. He can if he wants to. But we can do it, I think, very quickly; it will not take over 5 minutes on Monday.

Mr. ROBERT C. BYRD. In the event he would want to take it up today, if it is acceptable and can be handled by voice vote, he can do it either today or Monday.

Mr. MAGNUSON. I want to suggest also that we would all like to proceed on the no-fault measure as soon as possible, but it may not be quite ready for taking up in the Senate the early part of next week. It might be later in the week, because it will be a big, complex bill, and there will be a lot of amendments and a lot of debate on it.

Mr. ROBERT C. BYRD. Yes.

Mr. MAGNUSON. We all understand that. But I wanted to give notice that the Senator from Idaho has an amendment. I have talked with the authors of the bill; I talked briefly with the Senator from Nevada, and I am hopeful that over the weekend they will accept that amendment.

Mr. ROBERT C. BYRD. Very well.

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.

AMENDMENT NO. 1114

The VICE PRESIDENT. Under the previous order, the Senator from Kentucky (Mr. HUDDLESTON) is recognized to call up an amendment, on which there is to be a vote in 30 minutes at the latest.

Mr. HUDDLESTON. Mr. President, I call up my Amendment No. 1114.

The VICE PRESIDENT. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

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

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

Mr. HUDDLESTON's amendment (No. 1114) is as follows:

On page 25, beginning with line 10, strike out through line 14 and insert in lieu thereof the following:

SEC. 201. (a) Section 315(a) of the Communications Act of 1934 (47 U.S.C. 315(a) is amended—

(A) by inserting "(1)" immediately after "(a)";

(B) by redesignating paragraphs (1), (2), (3), and (4) as subparagraphs (A), (B), (C), and (D), respectively; and

(C) by adding at the end thereof the following new paragraphs:

"(2) The obligation imposed by the first sentence of paragraph (1) upon a licensee with respect to a legally qualified candidate for any elective office (other than the offices of President and Vice President) shall be met by such licensee with respect to such candidate if—

"(A) the licensee makes available to such candidate not less than five minutes of broadcast time without charge;

"(B) the licensee notifies such candidate by certified mail at least fifteen days prior to the election of the availability of such time; and

"(C) such broadcast will cover, in whole or in part, the geographical area in which such election is held.

"(3) No candidate shall be entitled to the use of broadcast facilities pursuant to an offer by a licensee under paragraph (2) unless such candidate notifies the licensee in writing of his acceptance of the offer within forty-eight hours after receipt of the offer."

Mr. HUDDLESTON. Mr. President, the purpose of the amendment is quite simple: To insure that every legally qualified candidate has an opportunity to present his views.

In order to do that, I am seeking to amend section 201(a) of the reported bill.

The purpose of section 201(a) of S. 3044, as reported, is to encourage broadcast stations to schedule debates or discussion programs featuring the major candidates for a particular office. The requirement that all candidates for the same office be given equal time when there are numerous candidates, some of a "minor" nature, has proven to be a significant deterrent to this type of programing. To the extent that the revision proposed by the committee promotes joint broadcast appearances, including debates by major candidates, it is highly desirable.

However, as written, it is subject to great abuse that could be detrimental to the election process and to the public interest. It would, for instance, permit each broadcast station to be sole judge of which candidates could use its facilities. A station could give one candidate an unlimited amount of free time while severely limiting or denying his opponents any use at all. Some candidates could be totally precluded from any broadcast exposure.

As a broadcast station owner and manager for some 20 years, I believe that the vast majority of the Nation's broadcasters would be scrupulously fair in providing all candidates an opportunity to use their facilities. Yet the possibility for the above mentioned abuses does exist as the revision is presently contained in section 201(a) of S. 3044.

Therefore, my amendment would permit the automatic waiving of the equal time requirement of section 315 of the Communications Act of 1934 for Presidential and Vice Presidential races—but

for other elections it could be waived only if the broadcast station offers 5 minutes of free time to all candidates seeking the same office.

In my judgment, the requirement of 5 minutes of time for each candidate for a particular office, even if there are several, would not be such an onerous burden on the broadcast station as to preclude the scheduling of debates or discussions with the leading candidates and at the same time would insure that every candidate would have at least a minimal opportunity to present his views.

Again, calling on my experience as a broadcaster, I am convinced that this modification is in the best interest of the election processes, the broadcast industry, and most importantly, the general public.

Mr. President, I believe the managers of the bill are in general agreement with this proposed amendment. I urge its adoption and reserve the remainder of my time.

Mr. CANNON. Mr. President, may I ask a question of the distinguished author of amendment? Do I correctly understand now that section 315 would be waived with respect to the President and the Vice President?

Mr. HUDDLESTON. That is correct, automatically.

Mr. CANNON. With respect to the other offices, it would be waived only in the event the broadcasters were to give 5 minutes to every candidate or to every major candidate; is that not correct?

Mr. HUDDLESTON. To each candidate running for the same office, not merely major contenders.

Mr. CANNON. To each candidate running for the same office.

May I ask the Senator further, the pending bill relates only to Federal elections. Does the Senator intend by his amendment to extend this beyond Federal elections to elections of a statewide nature for the purpose of section 315?

Mr. HUDDLESTON. That is correct. The only differentiation in the elections in my amendment is the election for President and Vice President. They can be treated legitimately as a separate case because that is a nationwide contest, of course, and they are viewed by all the citizens of this country at the same time. So those two offices would be automatically exempt from the equal time requirements of section 315 of the Communications Act.

Beyond that, all other races whether for Congress, the school board, the Governor, whatever, would be treated the same. A station could be exempted, provided it offered all candidates seeking the same office 5 minutes free time.

The reason I believe it should apply to all levels and not just Federal is that the broadcast stations then would be able to treat all elections in the same way and would not have to keep a separate set of books or regulations for candidates running for the Senate, for Congress, for Governor, or whatever.

Mr. CANNON. But this amendment would impose no requirement on the broadcasters to furnish free time?

Mr. HUDDLESTON. No, sir.

Mr. CANNON. If they furnish free time, they would have to give the time to every candidate?

Mr. HUDDLESTON. That is correct. If they give one candidate free time, then they must offer at least 5 minutes free time to every other candidate seeking the same office.

Mr. CANNON. Would that be on a race-by-race basis? For example, let us suppose a broadcaster determined, in a race for the governorship, that he would give the candidates free time and therefore he would have to give every candidate 5 minutes free time. If that were the case, and there were a candidate running for attorney general at the same time, would he have to, likewise, then give that time to the other candidate?

Mr. HUDDLESTON. No sir, he would not. It would be strictly on a race-by-race basis. He could seek exemption in the race for Governor but not for any other race going on at the same time. The amendment applies to all candidates running for the same office.

Mr. PASTORE. Mr. President, will the Senator from Kentucky yield?

Mr. HUDDLESTON. I yield.

Mr. PASTORE. I have looked at this amendment. As a matter of fact, I have had a talk with the distinguished sponsor of it. It is quite an improvement over the language in the bill as presently drawn. This would exempt it completely from the office of President and Vice President, which is desirable.

As the Senate knows, I have remarked on this a number of times. When I talked to the presidents of the various networks, ABC, CBS, and NBC, they did promise that if we lifted the exemption from section 315, they would be willing to give adequate time to candidates for the Presidency and the Vice Presidency. Everyone knows how expensive that is and what a boon it would be in the campaign, as we are now talking about a limitation of funds.

As to other Federal offices and State offices, there, I am afraid, that if we lifted it completely, we could open up a can of worms because we have many people who feel that in many cases—and this sensitivity has some merit—if we left it entirely to the discretion of the local stations whether radio or television, we would be more or less at the mercy of the owner who could use the medium to his own advantage day after day editorializing on radio and television. There is no objection to editorializing, of course, expressly favoring one particular candidate. But if he could do that day after day and not give the opposition any time, we could be in serious trouble.

That has been discussed on the floor of the Senate for a long time. With this provision, if they give time to anyone, they have to give 5 minutes to all, to that particular office. So I think this is an improvement and I will support it.

Mr. CANNON. Mr. President, on the basis of that explanation, I am willing to accept the amendment.

Mr. TOWER. Mr. President, I have discussed this with the distinguished minority manager, the distinguished Senator from Kentucky (Mr. COOK), and he has authorized me to say that he is prepared to accept the amendment.

Mr. CANNON. Mr. President, I yield back the remainder of my time.

Mr. HUDDLESTON. Mr. President, I yield back the remainder of my time.

The VICE PRESIDENT. All time on this amendment has now been yielded back.

The question is on agreeing to the amendment—No. 1114—of the Senator from Kentucky (Mr. HUDDLESTON).

The amendment was agreed to.

SENATOR BUCKLEY ON CAMPAIGN REFORM

Mr. ROTH. Mr. President, in the most recent issue of the publication, Human Events, the distinguished junior Senator from New York (Mr. BUCKLEY) has presented a clear analysis of the campaign reform legislation which is now being considered on the Senate floor.

After observing that the present system of campaign financing needs reform, Senator BUCKLEY states his belief that any new legislation should encourage, rather than diminish, each citizen's participation in the political process. I concur in my colleague's position and I am pleased that he has expressed his support for my proposal that, as an alternative to "public financing" of elections, the maximum tax credit allowable for a political contribution should be increased to a level which will give each private individual a greater incentive to voluntarily contribute to the candidate of his or her choice.

The detailed responses which Senator BUCKLEY has made to the probing questions presented in this interview deserve the considered attention of every public official who is committed to supporting true "campaign reform" legislation. I urge each of my colleagues to study Senator BUCKLEY's comments and to give them their careful attention throughout the debate on S. 3044 and other legislation designed to reform the conduct and financing of political campaigns.

I ask unanimous consent that the Senator's comments be printed in the RECORD.

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

[From Human Events, March 30, 1974]

SENATOR BUCKLEY ON CAMPAIGN REFORM

(NOTE.—*The Senate is scheduled to take up campaign reform legislation this week. The bill under consideration—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 his 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. The 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 should 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 politically 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 ex-

ceptions 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 integral 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 usually better known than 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 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."

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 per cent 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. Therefore this year the form was simplified and a great effort is being made to get people to participate.

As a result about 15 per cent 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 this 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.

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. 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.

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.

EXTENSION OF TIME FOR THE SPECIAL COMMITTEE ON AGING TO FILE ITS REPORT

Mr. CHURCH. Mr. President, I ask unanimous consent to move from March 29 to April 30 the date by which the report of the Special Committee on Aging, "Developments in Aging 1973, January–March 1974," shall be submitted.

I am making this request in order to give additional time for the completion of minority views.

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

AMENDMENT OF THE LAND AND WATER CONSERVATION FUND ACT

Mr. ROBERT C. BYRD. Mr. President, at the direction of the distinguished majority leader, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 719, S. 2844.

The VICE PRESIDENT. The bill will be stated by title.

The legislative clerk read as follows:

S. 2844 to amend the Land and Water Conservation Fund Act, as amended, to provide for collection of special recreation use fees at additional campgrounds, and for other purposes.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

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

That section 4 of the Land and Water Conservation Fund Act of 1965 (78 Stat. 789), as amended (16 U.S.C. 4001–6a), is further amended as follows;

(a) The heading of the section is revised to read:

"ADMISSION AND USE FEES; ESTABLISHMENT AND REGULATIONS".

(b) The second sentence of section 4(a) is amended to read: "No admission fees of any kind shall be charged or imposed for entrance into any other federally owned areas which are operated and maintained by a Federal agency and used for outdoor recreation purposes."

(c) Subsection (a)(1) is revised to read: "(1) For admission into any such designated area, an annual admission permit (to be known as the Golden Eagle Passport) shall be available, for a fee of not more than $10. The permittee and any person accompanying him in a single, private, noncommercial vehicle, or alternatively, the permittee and his spouse, children, and parents accompaning him where entry to the area is by any means other than private, noncommercial vehicle, shall be entitled to general admission into any area designated pursuant to this subsection. The annual permit shall be valid during the calendar year for which the annual fee is paid. The annual permit shall not authorize any uses for which additional fees are charged pursuant to subsections (b) and (c) of this section. The annual permit shall be nontransferable and the unlawful use thereof shall be punishable in accordance with regulations established pursuant to subsection (e). The annual permit shall be available for purchase at any such designated area."

(d) Subsection (a)(2) is revised by deleting in the first sentence "or who enter such an area by means other than by private, noncommercial vehicle".

(e) Subsection (a)(4) is amended by revising the first two sentences to read: "The Secretary of the Interior and the Secretary of Agriculture shall establish procedures providing for the issuance of a lifetime admission permit (to be known as the 'Golden Age Passport') to any citizen of, or person domiciled in, the United States sixty-two years of age or older applying for such permit. Such permit shall be transferable, shall be issued without charge, and shall entitle the permittee and any person accompanying him in a single, private, noncommercial vehicle, or alternatively, the permittee and his spouse and children accompanying him where entry to the area is by any other means other than private, noncommercial vehicle, to general admission into any area designated pursuant to this subsection."

(f) In subsection (b) the first paragraph is revised to read:

"(b) RECREATION USE FEES.—Each Federal agency developing, administering, providing or furnishing at Federal expense, specialized outdoor recreation sites, facilities, equipment, or services shall, in accordance with this subsection and subsection (d) of this section, provide for the collection of daily recreation use fees at the place of use or any reasonably convenient location: *Provided*, That in no event shall there be a charge by any such agency for the use, either singly or in any combination, of drinking water, wayside exhibits, roads, overlook sites, visitors' centers, scenic drives, toilet facilities, picnic tables, or boat ramps: *Provided*, however, That a fee shall be charged for picnic areas or boat ramps, with specialized facilities or services: *Provided, further*, That in no event shall there be a charge for the use of any campground not having the following—tent or trailer spaces, drinking water, access road, refuse containers, toilet facilities, and simple

devices for containing a campfire (where campfires are permitted). Any Golden Age Passport permittee shall be entitled upon presentation of such permit to utilize such special recreation facilities at a rate of 50 per centum of the established use fee."

(g) In subsection (b) paragraph "(1)" is deleted; the paragraph designation "2" is redesignated as subsection "(c) RECREATION PERMITS.—"; and subsequent subsections are redesignated accordingly.

(h) In new subsection (d) the second sentence is revised to read: "Clear notice that a fee has been established pursuant to this section shall be prominently posted at each area and at appropriate locations therein and shall be included in publications distributed at such areas."

(i) In new subsection (e) the first sentence is revised to read: "In accordance with the provisions of this section, the heads of appropriate departments and agencies may prescribe rules and regulations for areas under their administration for the collection of any fee established pursuant to this section."

(j) In new subsection (f) the first sentence is revised to read as follows:

"(f) Except as otherwise provided by law or as may be required by lawful contracts entered into prior to September 3, 1964, providing that revenues collected at particular Federal areas shall be credited to specific purposes, all fees which are collected by any Federal agency shall be covered into a special account in the Treasury of the United States to be administered in conjunction with, but separate from, the revenues in the Land and Water Conservation Fund: *Provided*, That the head of any Federal agency, under such terms and conditions as he deems appropriate, may contract with any public or private entity to provide visitor reservation services; and any such contract may provide that the contractor shall be permitted to deduct a commission to be fixed by the agency head from the amount charged the public for providing such services and to remit the net proceeds therefrom to the contracting agency."

SEC. 2. Section 6(e)(1) of title I of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897), as amended (16 U.S.C. 4601), is further amended by adding at the end thereof the following:

"Whenever a State provides that the owner of a single-family residence may, at his option, elect to retain a right of use and occupancy for not less than six months from the date of acquisition of such residence and such owner elects to retain such a right, such owner shall be deemed to have waived any benefits under sections 203, 204, 205, and 206 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1894) and for the purposes of those sections such owner shall not be considered a displaced person as defined in section 101 (6) of that Act.".

SEC. 3. Section 9 of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897), as amended (16 U.S.C. 4601–10a), is further amended by deleting in the first sentence "section 6(a)(1)" and substituting "section 7(a)(1)".

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, for the time being, that the Senate go into executive session to consider two nominations for the U.S. Coast Guard.

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

The VICE PRESIDENT. The nominations for the U.S. Coast Guard, will be stated.

U.S. COAST GUARD

The legislative clerk read the nominations in the U.S. Coast Guard, which had been reported earlier today, as follows:

Rear Admiral Ellis Lee Perry, to be Vice Commandant of the U.S. Coast Guard, with the grade of vice admiral.

Rear Admiral Owen W. Siler, to be Commandant of the U.S. Coast Guard for a term of 4 years, with the grade of admiral.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations are considered and confirmed en bloc.

Mr. TOWER. Mr. President, I ask unanimous consent that the President be notified of the confirmation of these nominations.

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

LEGISLATIVE SESSION

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

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

QUORUM CALL

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

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT OF THE LAND AND WATER CONSERVATION FUND ACT

The Senate resumed the consideration of the bill (S. 2844) to amend the Land and Water Conservation Fund Act, as amended, to provide for collection of special recreation use fees at additional campgrounds, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limitation on the pending bill, S. 2844, for not to exceed 15 minutes, with 10 minutes to be allotted to Mr. BARTLETT and 5 minutes to be allotted to Mr. BIBLE.

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

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that Mr. MCCLURE be allowed to speak for not to exceed 15 minutes, out of order, without the time being charged against the time on the pending bill.

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

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

VIETNAM VETERANS DAY

Mr. MCCLURE. Mr. President, the President of the United States has designated today as a national day of recognition of the contributions of the veterans of Vietnam. In conjunction with that observance, we have a delegation in the United States from South Vietnam to pay their tribute and to bring their greetings from President Thieu concerning the contributions of the American fighting men, to the security and the maintenance of South Vietnam.

President Thieu has sent this delegation, which consists of Mr. Pham Do Thanh, who is not only a senator but also the President of the Vietnam Veteran Association; Mr. Buu Thang, Assistant to the Director General of the Central Logistics Agency; and Mr. Le Huu Phuoc, a lawyer in the Court of Saigon.

They presented to me, on behalf of the President of South Vietnam, the proclamation by President Thieu; and I ask unanimous consent that the message from President Thieu be printed at this point in the RECORD.

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

MESSAGE OF PRESIDENT NGUYEN VAN THIEU, TO THE AMERICAN VETERANS OF THE VIETNAM WAR, ON THE OCCASION OF THE FIRST VIETNAM VETERANS DAY, MARCH 29, 1974

DEAR FRIENDS: On the occasion of the first Viet Nam Veterans Day, I would like to extend my best personal regards to each and every American who in the past has chosen to make common cause with the Vietnamese people at a dark moment of our history.

Thanks to your noble sacrifice and unselfish determination to stand by a small and struggling nation in its hour of peril, America has proved once again the sterling worth of its commitments and its unshakeable faith in an international order that refuses to condone aggression. This strength and greatness of vision have resulted in a world made much safer after nearly three decades of the Cold War, a world in which the chances of peace are probably greater than at any other time in recent history.

In our case, the aggression from the North, checked only by the sacrifice of countless American, Vietnamese and allied comrades-in-arms, has resulted in an agreement which in spite of its imperfections has nonetheless allowed for the first time the South Vietnamese people to think in terms of reconstruction and development efforts. The Paris Agreement of January 27, 1973, did not merely bring out an honorable conclusion to the direct American involvement in the conflict in our land, it also strengthened the legal bases of the Republic of Viet Nam in its continued struggle for self-defense and freedom in this part of the world.

The army and people of the Republic of Viet Nam are therefore eternally grateful to the American people, especially to its valiant sons, for their past contributions and present continued support; we are confident of the future and vow to consolidate the gains that we all have won together so that the sacrifices you have accepted on our behalf will never be thought to have been made in vain.

In this hour of communion, the people and army of the Republic of Viet Nam also turn our thoughts to the 55,000 Americans who accepted to make the supreme sacrifice of their lives for the cause of freedom in Viet Nam. To them and to the bereaved families of these heroes, we can only incline ourselves in the deepest expression of our respect and gratitude, praying that they rest in

heaven in the happy knowledge that they had contributed no small share to the defense of human dignity on earth.

My final expressions of thanks on behalf of the Vietnamese nation go to the parents, wives, sons and daughters of the millions of Americans veterans who had participated in the conflict in our land, for without their faith and silent acquiescence in the heroism of their men, the Viet Nam War could not have been brought to a successful end. To them and to their beloved husbands and sons, we wish a most memorable Viet Nam Veterans Day.

Thank you and may God bless you all.

NGUYEN VAN THIEU,
President of the Republic of Vietnam.

AMENDMENT OF THE LAND AND WATER CONSERVATION FUND ACT

The Senate continued with the consideration of the bill (S. 2844) to amend the Land and Water Conservation Fund Act, as amended, to provide for collection of special recreation use fees at additional campgrounds, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I ask for 1 minute, the time not to be charged against either side.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that S. 2844 be temporarily laid aside and that the Senate resume consideration of the unfinished business.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CHURCH. 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. CHURCH. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 20, between lines 22 and 23, insert the following:

"(d) No payment shall be made under this title to any candidate for any campaign in connection with any election occurring before January 1, 1976.

Mr. CHURCH. Mr. President, I ask unanimous consent that the name of the distinguished senior Senator from Washington (Mr. MAGNUSON) be added as a cosponsor of this amendment.

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

Mr. CHURCH. Mr. President, the purpose of this amendment is very plain. There is an element of self-interest, if not conflict-of-interest, for Members of the Senate who are approaching their own campaigns for reelection in 1974 to vote for Federal funding in their campaigns. This amendment would put over until the election of 1976 the public funding provisions of the act, and thus would eliminate any self-serving by Senators who face elections this year.

It is on that basis the amendment is offered, and I hope it will be accepted.

Mr. CANNON. I yield myself 2 minutes.

Mr. President, this is a good amendment. I do not believe that the committee contemplated that if this bill were passed, it could take effect prior to the 1976 elections. While we did not write that specifically into the bill, I would have no hesitancy to accept the amendment, to make clear that it could not apply prior to the 1976 elections. Therefore, I am willing to accept the amendment, and I yield back the remainder of my time.

Mr. CHURCH. I thank the Senator very much. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment is yielded back.

The question is on agreeing to the amendment of the Senator from Idaho.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, there will be no further action on the unfinished business, S. 3044, today.

I ask now that the Senate resume consideration of S. 2844.

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

AMENDMENT OF THE LAND AND WATER CONSERVATION FUND ACT

The Senate continued with the consideration of the bill (S. 2844) to amend the Land and Water Conservation Fund Act, as amended, to provide for collection of special recreation use fees at additional campgrounds, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask that the time not be charged against either side.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. ROBERT C. BYRD. Mr. President, at the direction of the distinguished Senator from Nevada (Mr. BIBLE), I ask unanimous consent that appropriate extracts from the committee report be printed in the RECORD, in explanation of S. 2844.

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

PURPOSE OF BILL

The purpose of S. 2844, as amended, is to amend the Land and Water Conservation Fund Act in order to clarify that Act in several respects relating primarily to user fees on Federal recreation lands.

Public Law 93–81, enacted in August 1973, amended the Land and Water Conservation Fund Act in a manner which was interpreted so as to curtail severely the number of campsites for which user fees may be charged by Federal agencies. S. 2844, as reported, seeks to clarify the situation my detailing those facilities and services for which no fee may be charged while retaining the general criteria for all other facilities.

In addition, the bill makes clear that the Golden Eagle and Golden Age passports allow entry by means other than private, noncommercial vehicle, and may be used by parties entering, for example, on foot, by commercial bus, or by horseback. It also provides that the Golden Age Passport will be a lifetime passport, rather than one which must be reissued annually.

The bill also gives the head of any Federal agency the authority to contract with any public or private entity to provide visitor reservation services and allows the states when utilizing monies from the Land and Water Conservation Fund in connection with land acquisition for state parks to waive the applicability of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 in cases where a landowner elects to retain a right of use and occupancy.

BACKGROUND AND NEED

Historically, the fee program has encountered problems, especially with areas under the jurisdiction of the U.S. Army Corps of Engineers, in connection with the collection of recreation use fees. It was the intent of Congress that recreation use fees should be limited to those facilities which require a substantial investment and regular maintenance and that no recreation use fees should be collected for the use of facilities which virtually all visitors might reasonably expect to utilize, such as roads, trails, overlooks, visitor centers, wayside exhibits, or picnic areas.

The 1973 amendment to the Land and Water Conservation Fund Act was meant to spell out and make clear that Congress does not intend to authorize fees for those facilities or combination of facilities which visitors have traditionally received without charge in Corps project areas.

The Interior Department interpreted this amendment in a way that limited the number of campgrounds for which use fees could be charged by Federal agencies. The effect of this interpretation has been a substantial loss of revenues by the National Park Service, the Forest Service, the Army Corps of Engineers and other agencies which had been collecting campground fees at campgrounds which the Departments felt no longer qualified for fee collection. If not corrected, the total loss has been estimated to be between $7.2 million and $8.2 million per year.

Because of the problems which arose as a result of the enactment of Public Law 93–81 and its interpretation by the Executive agencies, S. 2844 was introduced. The Committee is hopeful that this legislation will rectify the situation and that finally a uniform and equitable fee system on Federal recreation lands can be established.

SECTION-BY-SECTION ANALYSIS OF S. 2844, AS AMENDED

1. Section 1(b) amends the second sentence of section 4(a) of the Land and Water Conservation Fund Act.—This amendment makes it clear that the prohibition on charging admission fees for entrance into areas, other than designated units of the National Park System administered by the Department of the Interior and designated National Rec-

reation Areas administered by the Department of Agriculture, applies only to federally owned areas that are operated and maintained by a Federal agency. Outdoor recreation sites in Federal areas are now leased and are operated and/or maintained by a variety of non-Federal public entities and private, nonprofit associations for a variety of purposes. For example, subsection 2(b) of the Federal Water Project Recreation Act, 79 Stat. 214, 16 U.S.C. § 460l–13(b) (1970), authorizes non-Federal interests to collect entrance and user fees at Federal water project recreation sites in order to repay the separable costs of the project allocated to recreation and fish and wildlife enhancement. This amendment ratifies the administrative interpretation that the prohibition of subsection 4(a) does not apply in such instances. Under the language of the amendment the prohibition of the act would apply to Corps of Engineers areas, for example, only if such areas are both operated and maintained by the Corps. If the area or a site within the area is operated by a non-Federal interest, but maintained by a Federal agency, the prohibition against fee collection would not apply.

2. Section 1(c)—concerns the Golden Eagle Passport. The purpose of this amendment is to allow the use of the Golden Eagle Passport for the purpose of gaining admission to a designated entrance fee area when entry is by some means other than by private, noncommercial vehicle, such as by commercial vehicle, bicycle, horse or foot. This expansion of the coverage of the Golden Eagle Passport is consistent with the policy of reducing the number of, and reliance on, the private automobiles in Federal recreation areas.

In the past the single, private, noncommercial vehicle has been considered to be an adequate device for limiting the number of persons entering an area on one passport. With the recognition of other modes of entry, it is necessary to define the number of persons who can enter on one passport. Accordingly, when entry is by some means other than by private, noncommercial vehicle, the permittee and his immediate family are considered by an equitable and just definition of the class of persons who should be entitled to entry. In order for the permittee's spouse, children or parents to be considered as accompanying the permittee, they must enter at the same time as the permittee enters, and in a physically proximate manner.

With the increasing popularity of motor homes and campaign vehicles, there has been a trend for one family or group to take two motor vehicles to a recreation area. Under the langauge of the amendment, only the permittee and the persons accompanying him in one vehicle would be allowed to enter on the permittee's passport. The persons in the second vehicle would not be covered. Such persons would be required to pay entrance fees just as would any other person not covered by the passport.

The word "permittee" has been substituted for the words "person purchasing" to make it clear that a passport may be utilized by a donee, if the passport is given as a gift. In such instances, the provision concerning the nontransferability of the passport would not be considered applicable until the donee has endorsed the passport. The Committee does not intend the same approach for the Golden Age Passport. Because the passport is issued without charge to qualifying applicants, to allow the passport to be given as a gift might invite abuse of the fee collection system. Accordingly, the provision concerning the nontransferability of the Golden Age Passport should be regarded as applicable from the initial isuance.

In addition, section 1(c) would delete the requirement that the Golden Eagle Passport be sold at post offices. Under the amendment, the Passport would be available for purchase at any designated entrance fee area.

3. Section 1(d) is a conforming amendment, consistent with changes made in the Golden Eagle Passport provision.

4. Section 1(e) concerns the Golden Age Passport. The amendment would change the Golden Age Passport to a lifetime passport so that persons entitled to a passport would not have to reapply each year. This change should also result in administrative savings for the issuing agencies.

It should be noted that, in the first sentence of subsection 4(a)(4), the word "entrance" is changed to admission. This change is to make it clear that for the purpose of gaining admission to designated entrance fee areas, the Golden Eagle Passport and the Golden Age Passport operate in the same manner. In addition, the Golden Age Passport allows the permittee to a 50 percent reduction in established recreation use fees. To further insure that both Passports operate in the same manner, the committee has adopted the same language with respect to which persons are entitled to entry on the Golden Age Passport as was used in the Golden Eagle Passport provision with one exception. That exception concerns the parents of the Golden Age permittee.

The amendment would also limit issuance of the Golden Age Passport to any citizen or person domiciled in the United States who is 62 years of age or older. Under existing legislation, any person qualifies, including foreign visitors, 62 years of age or older applying for the passport. In order for a person to be regarded as domiciled in the United States, he must have a fixed and permanent residence in the United States or its Territories to which he has the intention of returning whenever he is absent.

5. Section 1(f) changes the name of special recreation use fees to recreation use fees. This amendment requires each Federal agency, which furnishes at Federal expense, specialized sites, facilities, equipment or services, to collect daily recreation use fees, in accordance with the criteria set out in section 4(d). The amendment would allow such fees to be collected at the place of use or at any other location which is reasonably convenient to the collecting agency *and* the public. In the case of designated national recreation areas and units of the National Park System, the reasonably convenient location may be the point of entrance into the area in which such sites, facilities, equipment or services are furnished.

The committee wishes to continue to restrict the authority to collect use fees to the use of specialized sites, facilities, equipment, or services. The criteria for determining whether sites, facilities, equipment, or services qualify as specialized shall be whether they involve substantial investment, regular maintenance, presence of personnel, or personal benefit to the user for a fixed period of time. These criteria are deliberately phrased in the disjunctive because the Committee recognizes that each criterion may not be applicable to each use for which a fee would be warranted. For example, a service may merit a fee, even though it cannot normally be said that services involve regular maintenance. On the other hand, a facility may well involve a substantial investment and regular maintenance, but not the presence of personnel.

However, the amendment does attempt to define those sites, facilities, equipment, and services which are *not* to be considered as specialized, and for which, therefore, no fees are authorized, whether or not they are used singly or in any combination. Thus, the committee has decided that in no event shall there be a charge for drinking water, wayside exhibits, roads, overlook sites, visitors' centers, scenic drives, toilet facilities, picnic tables or boat ramps—providing that a fee shall be charged for picnic areas or boat ramps with specialized facilities or services. This prohibition on fee collection applies only to Federal agencies furnishing such sites, facilities, equipment or services at Federal expense. Like the use fee provision generally, this prohibition does not apply to sites facilities equipment or services, including those specifically enumerated, furnished at non-Federal expense, i.e., those furnished by concessioners, contractors, cooperators or lessees, even though they are furnished on Federal lands.

In a further attempt to define what use fees can be charged for, the committee has established criteria specifying the level of campground development which must be met before a fee can be collected for use of a campsite and adjacent, related facilities. In other words, the campground in which such site is located must have tent or trailer spaces, drinking water, an access road, refuse containers, toilet facilities and simple devices for containing a campfire (where campfires are permitted) in order to qualify for fee collection. The requirement of drinking water will be satisfied by any potable water whether delivered by a man-made device or natural means. Simple garbage cans will suffice as refuse containers. Toilet facilities may be portable or fixed, nonflush or flush. A simple device for containing a campfire may be a simple rock or concrete fire grill. Like the other enumerated amenities such device may be for individual or group use. The requirement for a fire-containing device shall not be deemed applicable where fires are prohibited because of weather or seasonal conditions or other safety considerations.

Consistent with its attempt to spell out what use fees may be charged for, the Committee's amendment further provides that a fee shall be charged for picnic areas or boat ramps with specialized facilities, equipment or services. For instance, if a picnic area has a gas or electric grill, then those who use that site shall be charged a fee.

In summary, it is the committee's intent to have a fixed level of services provided the visiting public before fees will be charged. Absent this minimal level of facilities the public should not be assessed a fee for use of Federal facilities.

The last sentence of subsection 4(b), as amended by the committee, would entitle the Golden Age Passport permittee to use specialized recreation facilities at a rate of 50 per centum of the established use fee. This entitlement applies only to the permittee. Persons accompanying the permittee are not entitled to any reductions where use fees are charged on an individual basis. This provision also does not apply to group use fees. The word "facilities" is used here generally to refer to specialized sites, facilities, equipment, and services, for which a fee is charged. In other words, the permittee is entitled to a 50 percent reduction in daily fees for the use of specialized sites, equipment and services, as well as for specialized facilities.

6. Section 1(g) redesignates subsection 4(b)(2) and 4(c) to clarify that fees may be charged for recreation permits covering such activities as group activities, recreation events, motorized recreation vehicles, and other specialized uses, even though such activities do not involve the use of specialized sites, facilities, equipment, or services, whether by groups or individuals. The establishment and collection of such fees are discretionary, including their establishment on an individual group, or vehicular basis. This clarifies the intent of Congress in enacting Public Law 92–347 and does not change the language of the act.

7. Section 1(h) broadens the redesignated subsection 4(d) so that the notice provision also applies to fees for recreation permits. The language "at appropriate locations" gives the collecting agencies sufficient flexibility so that notice may be posted at locations other than those where the permitted activities take place. Such locations may be, for example, the point of access to the Federal

recreation area in which such activities are permitted.

8. Section 1(i) is a conforming amendment, consistent with the clarification of the third category of fees, as provided in section 1(g).

9. Section 1(j) gives the head of any Federal agency the authority to contract with any public or private entity to provide visitor reservation services, and to permit the contractor to deduct a commission from the amount charged the public before remitting the net proceeds. The contracting agency has the discretion to fix the amount of the contractor's commission and has the right of prior approval of all charges collected from the public by the contractor in providing such services. Examples of such reservation services covered by this provision are computerized campsite reservations, hunting reservations, guided tour reservations, and transportation reservations.

Section 1(j) also clarifies that the fee deposit requirement of the existing section 4(e) applies only to those fees collected by or on the behalf of a Federal agency by its agents. The deposit requirement is not intended to apply to fees otherwise collected by concessioners, contractors, cooperators, or lessees who operate and/or maintain at their own expense sites, facilities, equipment or services, which are located on Federal lands.

10. Section 2 of S. 2844, as reported, is an amendment offered by Senator Church of Idaho which provides in effect that whenever a state uses funds apportioned to it from the Land and Water Conservation Fund to acquire recreation properties, and the state allows a landowner of a single family residence, at his option, to retain a right of use and occupancy, which the owner elects to retain, such owner shall be deemed to have waived certain benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

This is a reasonable amendment, and a similar provision was passed last year by the Senate in S. 1039 relating to Federal acquisition of lands in National Park areas. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 was primarily intended to ease the impact of acquisition under urban renewal and highway programs where the landowners were forced to move immediately and should be compensated for relocation expenses associated with their removal.

However, the Committee feels that in park acquisition where the owner elects to reserve an estate in an arrangement with the government, then it should not be necessary to pay him additional money for relocation when he might not be moving for many years by his own choice.

11. Section 3 makes a perfecting amendment in section 9 of the Land and Water Conservation Fund Act, to correct an apparent error in a statutory reference.

COST

Enactment of S. 2844, as amended, will not result in the expenditure of any additional funds by the Federal government.

COMMITTEE RECOMMENDATION

The Parks and Recreation Subcommittee held an open hearing on S. 2844 on February 7, 1974, and the full Committee on Interior and Insular Affairs in open mark-up session on March 12, 1974, unanimously ordered S. 2844, as amended, reported favorably to the Senate.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask that the time not be charged against Mr. BARTLETT or Mr. BIBLE on the bill.

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

The clerk will call the role.

The legislative clerk proceeded to call the roll.

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

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

The bill is open to further amendment. Who yields time?

Mr. BARTLETT. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read, as follows:

On page 7, line , insert the following; strike everything after the colon on line 15 through the colon on line 17 and insert the following: *"Provided, however,* That a fee shall be charged in picnic areas or at boat ramps for the use of specialized facilities or services such as, but not limited to, electric or gas grills, and mechanical or hydraulic boat lifts."

Mr. BARTLETT. Mr. President, the purpose of my amendment is to make clear that the various outdoor recreation agencies of the Federal Government do not charge any fees for persons who use a picnic table or a simple boat ramp.

People should not be expected to pay for facilities which are simple and which in most instances have been free for many years.

I am confident our Government can afford to allow a picnicker to use a table or a boater a slab of concrete without imposing a fee.

There was some mention in one of the discussions on the bill that while no charge would be made for a picnic table or a boat ramp, an agency might charge for a parking lot next to that table or ramp, and in effect charge a fee. Mr. President, this would be a ruse and clearly contrary to the intent of this bill. I believe my amendment makes it clear.

The agencies should be allowed to charge for furnishing facilities or services which involve additional expense and which the ordinary picnicker or boater would not expect to use free.

For instance, as enumerated in this amendment, an agency would charge for the use of electric or gas grills at picnic tables or for hydraulic or mechanical devices at boat ramps. Certainly this list is not inclusive. The bill provides that an agency shall charge for "specialized outdoor recreation sites, facilities, equipment or services." Accordingly, an agency could charge for providing marinas, cabins, swimming pools, or other significant items.

There is no way we can make a complete list of what an agency can or cannot charge for. However, I do believe the intent of this legislation is apparent. I suggest to the agencies that when in doubt about a fee, do not charge it.

We are passing this legislation for the purpose of allowing the agencies to charge certain fees and hopefully as a result to continue the high standards of facilities and services at our national recreation areas. But obviously, this grant of fee charging authority is limited and any fees should reflect the intent of the Congress.

Mr. President, I wish to thank the distinguished chairman of the subcommittee, the Senator from Nevada (Mr. BIBLE), for his patience in this matter of users' fees over 2 years that I know of personally. I express my appreciation for his hard work and effort to see that this very difficult question not only has been resolved but finally resolved to everyone's benefit and satisfaction.

Mr. BIBLE. Mr. President, as the distinguished Senator from Oklahoma said, this users' fee bill has had a rather interesting, long, and extended history to reach this point. We discussed it, cussed it, worked it over again and again. I think that now we have a bill which as amended, satisfies as nearly as we can those who are concerned.

The Senator from Oklahoma had legitimate questions and problems with it. I believe we satisfactorily resolved those problems. It has been checked out by the staff members of the committee and by the Federal agencies. I am advised by them that the amendment suggested by the Senator from Oklahoma does not pose any problems and possibly clarifies, or at least the Senator from Oklahoma believes so, questions the Senator raised. I think the committee report which has been placed in the RECORD by the distinguished majority whip adequately explains the bill and the intent of the committee.

I have no objection to the amendment.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the name of the Senator from Idaho (Mr. MCCLURE) be added as a cosponsor of the amendment.

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

Mr. BARTLETT. Mr. President, I yield back the remainder of my time on the amendment.

Mr. BIBLE. I yield back my time on the amendment.

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

The amendment 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 agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

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

S. 2844

An act to amend the Land and Water Conservation Fund Act, as amended, to provide for collection of special recreation use fees at additional campgrounds, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Land and Water Conservation Fund Act of 1965 (78 Stat. 789), as amended (16 U.S.C. 4001-6a), is further amended as follows:

(a) The heading of the section is revised to read:

"ADMISSION AND USE FEES; ESTABLISHMENT AND REGULATIONS".

(b) The second sentence of section 4(a) is amended to read: "No admission fees of any kind shall be charged or imposed for entrance into any other federally owned

areas which are operated and maintained by a Federal agency and used for outdoor recreation purposes."

(c) Subsection (a)(1) is revised to read: "(1) For admission into any such designated area, an annual admission permit (to be known as the Golden Eagle Passport) shall be available, for a fee of not more than $10. The permittee and any person accompanying him in a single, private, noncommercial vehicle, or alternatively, the permittee and his spouse, children, and parents accompanying him where entry to the area is by any means other than private, noncommercial vehicle, shall be entitled to general admission into any area designated pursuant to this subsection. The annual permit shall be valid during the calendar year for which the annual fee is paid. The annual permit shall not authorize any uses for which additional fees are charged pursuant to subsections (b) and (c) of this section. The annual permit shall be nontransferable and the unlawful use thereof shall be punishable in accordance with regulations established pursuant to subsection (e). The annual permit shall be available for purchase at any such designated area."

(d) Subsection (a)(2) is revised by deleting in the first sentence "or who enter such an area by means other than by private, noncommercial vehicle".

(e) Subsection (a)(4) is amended by revising the first two sentences to read: "The Secretary of the Interior and the Secretary of Agriculture shall establish procedures providing for the issuance of a lifetime admission permit (to be known as the 'Golden Age Passport') to any citizen of, or person domiciled in, the United States sixty-two years of age or older applying for such permit. Such permit shall be nontransferable, shall be issued without charge, and shall entitle the permittee and any person accompanying him in a single, private, noncommercial vehicle, or alternatively, the permittee and his spouse and children accompanying him where entry to the area is by any means other than private, noncommercial vehicle, to general admission into any area designated pursuant to this subsection."

(f) In subsection (b) the first paragraph is revised to read:

(b) RECREATION USE FEES.—Each Federal agency developing, administering, providing or furnishing at Federal expense, specialized outdoor recreation sites, facilities, equipment, or services shall, in accordance with this subsection and subsection (d) of this section, provide for the collection of daily recreation use fees at the place of use or any reasonably convenient location: Provided, That in no event shall there be a charge by any such agency for the use, either singly or in any combination, of drinking water, wayside exhibits, roads, overlook sites, visitors' centers, scenic drives, toilet facilities, picnic tables, or boat ramps: *Provided, however*, That a fee shall be charged in picnic areas or at boat ramps for the use of specialized facilities or services such as, but not limited to, electric or gas grills, and mechanical or hydraulic boat lifts: *Provided further*, That in no event shall there be a charge for the use of any campground not having the following—tent or trailer spaces, drinking water, access road, refuse containers, toilet facilities.

(g) In subsection (b) paragraph "(1)" is deleted; the paragraph designation "2" is redesignated as subsection "(c) RECREATION PERMITS.—"; and subsequent subsections are redesignated accordingly.

(h) In new subsection (d) the second sentence is revised to read: "Clear notice that a fee has been established pursuant to this section shall be prominently posted at each area and at appropriate locations therein and shall be included in publications distributed at such areas."

(i) In new subsection (e) the first sentence is revised to read: "In accordance with the provisions of this section, the heads of appropriate departments and agencies may prescribe rules and regulations for areas under their administration for the collection of any fee established pursuant to this section."

(j) In new subsection (f) the first sentence is revised to read as follows:

"(f) Except as otherwise provided by law or as may be required by lawful contracts entered into prior to September 3, 1964, providing that revenues collected at particular Federal areas shall be credited to specific purposes, all fees which are collected by any Federal agency shall be covered into a special account in the Treasury of the United States to be administered in conjunction with, but separate from, the revenues in the Land and Water Conservation Fund: *Provided*, That the head of any Federal agency, under such terms and conditions as he deems appropriate, may contract with any public or private entity to provide visitor reservation services; and any such contract may provide that the contractor shall be permitted to deduct a commission to be fixed by the agency head from the amount charged the public for providing such services and to remit the net proceeds therefrom to the contracting agency."

SEC. 2. Section 6(e)(1) of title I of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897), as amended (16 U.S.C. 4601), is further amended by adding at the end thereof the following:

"Whenever a State provides that the owner of a single-family residence may, at his option, elect to retain a right of use and occupancy for not less than six months from the date of acquisition of such residence and such owner elects to retain such a right, such owner shall be deemed to have waived any benefit under section 203, 204, 205, and 206 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1894) and for the purposes of those sections such owner shall not be considered a displaced person as defined in section 101(6) of that Act.".

SEC. 3. Section 9 of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897), as amended (16 U.S.C. 4601–10a), is further amended by deleting in the first sentence "section 6(a)(1)" and substituting "section 7(a)(1)".

Mr. BIBLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 12 o'clock noon on Monday. After the two leaders or their designees have been recognized under the standing order, Mr. PROXMIRE will be recognized for not to exceed 15 minutes, after which Mr. ROTH will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business not to extend beyond the hour of 1 p.m., with statements limited therein to 5 minutes.

At the conclusion of transaction or routine morning business the Senate will resume the consideration of the unfinished business, S. 3044. The pending question at that time will be on the adoption of the Weicker amendment No. 1070, on which there is a time limitation of 2 hours, the vote to occur at 3 p.m.

Following disposition of the Weicker amendment the Bellmon amendment No. 1094 will be called up, on which there is a time limitation of 30 minutes. There will be a rollcall vote on that amendment.

Upon the disposition of amendment No. 1094, the Bellmon amendment No. 1095 will be called up, with a time limitation of 30 minutes and a rollcall vote likely will occur thereon.

Upon disposition of amendment No. 1095, the Buckley amendment No. 1081 will be called up, with a 1-hour time limitation, and presumably the yeas and nays will occur thereon.

So it looks as if there will be at least four rollcall votes on Monday next.

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. 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 MONDAY

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 12 o'clock noon Monday.

The motion was agreed to; and at 1:34 p.m. the Senate adjourned until Monday, April 1, 1974, at 12 o'clock noon.

NOMINATIONS

Executive nominations received by the Senate on March 29, 1974:

DEPARTMENT OF STATE

Leonard Kimball Firestone, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Belgium.

THE JUDICIARY

Wendell A. Miles, of Michigan, to be U.S. district judge for the Western District of Michigan vice Albert J. Engel, elevated.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 29, 1974:

IN THE COAST GUARD

Rear Adm. Owen W. Siler, U.S. Coast Guard, to be Commandant of the U.S. Coast Guard for a term of 4 years with the grade of admiral, while so serving.

Rear Adm. Ellis Lee Perry, U.S. Coast Guard, to be Vice Commandant of the U.S. Coast Guard with the grade of vice admiral, while so serving.

IN THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

National Oceanic and Atmospheric Administration nominations beginning Warren K. Taguchi, to be lieutenant commander, and ending Michael A. Gzym, to be ensign, which nominations were received by the Senate and appeared in the Congressional Record on March 21, 1974.